STATE OF NORTH CAROLINA

SESSION LAWS AND RESOLUTIONS

PASSED BY THE

2016 THIRD EXTRA SESSION

BEGINNING ON
DECEMBER 13, 2016

AND PASSED BY THE

2016 FOURTH EXTRA SESSION

BEFINNING ON
DECEMBER 14, 2016

AND PASSED BY THE

2016 FIFTH EXTRA SESSION

BEGINNING ON
DECEMBER 21, 2016

AND PASSED BY THE

2017 GENERAL ASSEMBLY

AT ITS

REGULAR SESSION 2017

BEGINNING ON

MONDAY, THE ELEVENTH DAY OF
JANUARY, 2017

HELD IN THE CITY OF RALEIGH

ISSUED BY
SECRETARY OF STATE ELAINE F. MARSHALL

PUBLISHED BY AUTHORITY

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STATE OF NORTH CAROLINA

PRESIDING OFFICERS OF THE 2017 GENERAL ASSEMBLY

DANIEL J. FOREST (R)	President of the Senate	Wake
TIM MOORE (R)	Speaker of the House	Cleveland

EXECUTIVE BRANCH

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

ROY COOPER (D)	Governor	Nash
DANIEL J. FOREST (R)	Lieutenant Governor	Wake
ELAINE F. MARSHALL (D)	Secretary of State	Harnett
BETH A. WOOD (D).	Auditor	Wake
DALE R. FOLWELL (R)	Treasurer	Forsyth
MARK JOHNSON (R)	Superintendent of Public Instruction	Forsyth
JOSHUA H. STEIN (D)	Attorney General	Wake
STEVEN W. TROXLER (R)	Commissioner of Agriculture	Guilford
CHERIE K. BERRY (R)	Commissioner of Labor	Catawba
MIKE CAUSEY (R)	Commissioner of Insurance	Guilford

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

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

SENATE OFFICERS

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

SENATORS

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

* Resigned June 30, 2017

\+ Appointed August 23, 2017

HOUSE OFFICERS

Name	*Position*	*Address*
TIM MOORE	Speaker	Kings Mountain, Cleveland County
SARAH STEVENS	Speaker Pro Tempore	Mount Airy, Surry County
JAMES WHITE	Principal Clerk	Durham, Durham County
GARLAND SHEPHEARD.	Sergeant-at-Arms	Tarboro, Edgecombe County

REPRESENTATIVES

District		Name	Party	County	Address
1		BOB STEINBURG.	R	Chowan	Edenton
2		LARRY YARBOROUGH	R	Person	Roxboro
3		MICHAEL SPECIALE	R	Craven	New Bern
4		JIMMY DIXON	R	Duplin	Mt. Olive
5		HOWARD J. HUNTER, III	D	Hertford	Ahoskie
6		BEVERLY G. BOSWELL	R	Dare	Kill Devil Hills
7		BOBBIE RICHARDSON	D	Franklin	Louisburg
8		SUSAN MARTIN	R	Wilson	Wilson
9		GREGORY F. MURPHY, M.D.	R	Pitt	Greenville
10		JOHN R. BELL, IV	R	Wayne	Goldsboro
11		DUANE HALL	D	Wake	Raleigh
12		GEORGE GRAHAM	D	Lenoir	Kinston
13		PAT MCELRAFT	R	Carteret	Emerald Isle
14		GEORGE G. CLEVELAND	R	Onslow	Jacksonville
15		PHIL SHEPARD	R	Onslow	Jacksonville
16	*	CHRIS MILLIS	R	Pender	Hampstead
	+	BOB MULLER	R	Pender	Hampstead
17		FRANK ILER	R	Brunswick	Oak Island
18	**	SUSI H. HAMILTON	D	New Hanover	Wilmington
	++	DEB BUTLER	D	New Hanover	Wilmington
19		TED DAVIS, JR.	R	New Hanover	Wilmington
20		HOLLY GRANGE	R	New Hanover	Wilmington
21		LARRY M. BELL	D	Sampson	Clinton
22		WILLIAM D. BRISSON	D	Bladen	Dublin
23		SHELLY WILLINGHAM	D	Edgecombe	Rocky Mount
24		JEAN FARMER-BUTTERFIELD	D	Wilson	Wilson
25		JEFF COLLINS.	R	Nash	Rocky Mount
26		DONNA MCDOWELL WHITE	R	Johnston	Clayton
27		MICHAEL H. WRAY	D	Northampton	Gaston
28		LARRY C. STRICKLAND	R	Johnston	Pine Level
29	***	LARRY D. HALL	D	Durham	Durham
	+++	MARYANN BLACK	D	Durham	Durham
30	****	PHILIP A. LEHMAN	D	Durham	Durham
	++++	MARCIA MOREY	D	Durham	Durham
31		HENRY M. MICHAUX, JR.	D	Durham	Durham
32		TERRY E. GARRISON	D	Vance	Henderson
33		ROSA U. GILL	D	Wake	Raleigh
34		GRIER MARTIN	D	Wake	Raleigh
35		CHRIS MALONE	R	Wake	Wake Forest
36		NELSON DOLLAR	R	Wake	Cary
37		LINDA HUNT WILLIAMS	R	Wake	Holly Springs
38		YVONNE LEWIS HOLLEY	D	Wake	Raleigh
39		DARREN G. JACKSON	D	Wake	Raleigh
40		JOE JOHN	D	Wake	Raleigh
41		GALE ADCOCK	D	Wake	Cary
42		MARVIN W. LUCAS	D	Cumberland	Spring Lake
43		ELMER FLOYD	D	Cumberland	Fayetteville
44		WILLIAM O. RICHARDSON	D	Cumberland	Fayetteville
45		JOHN SZOKA	R	Cumberland	Fayetteville
46		BRENDEN H. JONES	R	Columbus	Tabor City
47		CHARLES GRAHAM	D	Robeson	Lumberton
48		GARLAND E. PIERCE	D	Scotland	Wagram
49		CYNTHIA BALL	D	Wake	Raleigh
50		GRAIG R. MEYER	D	Orange	Chapel Hill
51		JOHN SAULS	R	Lee	Sanford
52		JAMES L. BOLES, JR.	R	Moore	Southern Pines
53		DAVID R. LEWIS	R	Harnett	Dunn
54		ROBERT T. REIVES, II	D	Lee	Sanford
55		MARK BRODY	R	Union	Monroe

56	VERLA INSKO	D	Orange	Chapel Hill
57	PRICEY HARRISON	D	Guilford	Greensboro
58	AMOS L. QUICK, III	D	Guilford	Greensboro
59	JON HARDISTER	R	Guilford	Greensboro
60	CECIL BROCKMAN	D	Guilford	High Point
61	JOHN FAIRCLOTH	R	Guilford	High Point
62	JOHN M. BLUST	R	Guilford	Greensboro
63	STEPHEN M. ROSS	R	Alamance	Burlington
64	DENNIS RIDDELL	R	Alamance	Snow Camp
65	BERT JONES	R	Rockingham	Reidsville
66	KEN GOODMAN	D	Richmond	Rockingham
67	JUSTIN P. BURR	R	Stanly	Albemarle
68	D. CRAIG HORN	R	Union	Weddington
69	DEAN ARP	R	Union	Monroe
70	PAT B. HURLEY	R	Randolph	Asheboro
71	EVELYN TERRY	D	Forsyth	Winston-Salem
72	EDWARD HANES, JR.	D	Forsyth	Winston-Salem
73	LEE ZACHARY	R	Yadkin	Yadkinville
74	DEBRA CONRAD	R	Forsyth	Winston-Salem
75	DONNY LAMBETH	R	Forsyth	Winston-Salem
76	CARL FORD	R	Rowan	China Grove
77	HARRY WARREN	R	Rowan	Salisbury
78	ALLEN MCNEILL.	R	Randolph	Asheboro
79	JULIA C. HOWARD	R	Davie	Mocksville
80	SAM WATFORD	R	Davidson	Thomasville
81	LARRY W. POTTS	R	Davidson	Lexington
82	LARRY G. PITTMAN	R	Cabarrus	Concord
83	LINDA P. JOHNSON	R	Cabarrus	Kannapolis
84	RENA W. TURNER	R	Iredell	Olin
85	JOSH DOBSON	R	McDowell	Nebo
86	HUGH BLACKWELL	R	Burke	Valdese
87	DESTIN HALL	R	Caldwell	Lenoir
88	MARY BELK	D	Mecklenburg	Charlotte
89	MITCHELL S. SETZER	R	Catawba	Catawba
90	SARAH STEVENS	R	Surry	Mount Airy
91	KYLE HALL	R	Stokes	King
92	CHAZ BEASLEY	D	Mecklenburg	Charlotte
93	JONATHAN C. JORDAN	R	Ashe	Jefferson
94	JEFFREY ELMORE	R	Wilkes	North Wilkesboro
95	JOHN A. FRALEY	R	Iredell	Mooresville
96	JAY ADAMS	R	Catawba	Hickory
97	JASON SAINE	R	Lincoln	Lincolnton
98	JOHN R. BRADFORD, III	R	Mecklenburg	Cornelius
99	RODNEY W. MOORE	D	Mecklenburg	Charlotte
100	JOHN AUTRY	D	Mecklenburg	Charlotte
101	BEVERLY M. EARLE	D	Mecklenburg	Charlotte
102	BECKY CARNEY	D	Mecklenburg	Charlotte
103	WILLIAM BRAWLEY	R	Mecklenburg	Matthews
104	ANDY DULIN	R	Mecklenburg	Charlotte
105	SCOTT STONE	R	Mecklenburg	Charlotte
106	CARLA D. CUNNINGHAM	D	Mecklenburg	Charlotte
107	KELLY M. ALEXANDER, JR.	D	Mecklenburg	Charlotte
108	JOHN A. TORBETT	R	Gaston	Stanley
109	DANA BUMGARDNER	R	Gaston	Gastonia
110	KELLY E. HASTINGS	R	Gaston	Cherryville
111	TIM MOORE	R	Cleveland	Kings Mountain
112	DAVID ROGERS	R	Rutherford	Rutherfordton
113	CODY HENSON	R	Transylvania	Brevard
114	SUSAN C. FISHER	D	Buncombe	Asheville
115	JOHN AGER	D	Buncombe	Fairview
116	BRIAN TURNER	D	Buncombe	Asheville
117	CHUCK MCGRADY	R	Henderson	Hendersonville
118	MICHELE D. PRESNELL	R	Yancey	Burnsville
119	MIKE CLAMPITT	R	Swain	Bryson City
120	KEVIN CORBIN	R	Macon	Franklin

*	Resigned September 15, 2017	+	Appointed September 26,2017
**	Resigned January 26, 2017	++	Appointed February 6, 2017
***	Resigned January 16, 2017	+++	Appointed February 15, 2017
****	Resigned March 30, 2017	++++	Appointed April 5, 2017

LEGISLATIVE SERVICES COMMISSION

SENATE PRESIDENT PRO TEMPORE PHILIP E. BERGER *CHAIR*

HOUSE SPEAKER TIMOTHY KEITH MOORE *EX OFFICIO*

SEN. HARRY BROWN
SEN. BEN CLARK
SEN. BRENT JACKSON
SEN. BILL RABON

REP. NELSON DOLLAR
REP. DARREN G. JACKSON
REP. LINDA P. JOHNSON
REP. DAVID R. LEWIS

LEGISLATIVE SERVICES STAFF DIRECTORS

PAUL Y. COBLE..... Legislative Services Officer
KORY J. GOLDSMITH..... Director of the Bill Drafting Division
MARK TROGDON..... Director of the Fiscal Research Division
PETER CAPRIGLIONE ..... Director of the Information Systems Division
KAREN COCHRANE-BROWN..... Director of the Legislative Analysis Division
JOHN W. TURCOTTE..... Director of the Program Evaluation Division

PREAMBLE

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

ARTICLE I
DECLARATION OF RIGHTS

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

Section 1. The equality and rights of persons.

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

Sec. 2. Sovereignty of the people.

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

Sec. 3. Internal government of the State.

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

Sec. 4. Secession prohibited.

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

Sec. 5. Allegiance to the United States.

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

Sec. 6. Separation of powers.

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

Sec. 7. Suspending laws.

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

Sec. 8. Representation and taxation.

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

Sec. 9. Frequent elections.

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

Sec. 10. Free elections.

All elections shall be free.

Sec. 11. Property qualifications.

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

Sec. 12. Right of assembly and petition.

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

Sec. 13. Religious liberty.

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

Sec. 14. Freedom of speech and press.

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

Sec. 15. Education.

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

Sec. 16. Ex post facto laws.

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

Sec. 17. Slavery and involuntary servitude.

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

Sec. 18. Court shall be open.

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

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

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

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

Sec. 20. General warrants.

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

Sec. 21. Inquiry into restraints on liberty.

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

Sec. 22. Modes of prosecution.

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

Sec. 23. Rights of accused.

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

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

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

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

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

Sec. 26. Jury service.

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

Sec. 27. Bail, fines, and punishments.

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

Sec. 28. Imprisonment for debt.

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

Sec. 29. Treason against the State.

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

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

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

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

Sec. 31. Quartering of soldiers.

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

Sec. 32. Exclusive emoluments.

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

Sec. 33. Hereditary emoluments and honors.

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

Sec. 34. Perpetuities and monopolies.

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

Sec. 35. Recurrence to fundamental principles.

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

Sec. 36. Other rights of the people.

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

Sec. 37. Rights of victims of crime.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II
LEGISLATIVE

Section 1. Legislative power.

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

Sec. 2. Number of Senators.

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

Sec. 3. Senate districts; apportionment of Senators.

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

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

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

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

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

Sec. 4. Number of Representatives.

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

Sec. 5. Representative districts; apportionment of Representatives.

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

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

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

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

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

Sec. 6. Qualifications for Senator.

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

Sec. 7. Qualifications for Representative.

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

Sec. 8. Elections.

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

Sec. 9. Term of office.

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

Sec. 10. Vacancies.

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

Sec. 11. Sessions.

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

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

Sec. 12. Oath of members.

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

Sec. 13. President of the Senate.

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

Sec. 14. Other officers of the Senate.

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

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

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

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

Sec. 15. Officers of the House of Representatives.

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

Sec. 16. Compensation and allowances.

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

Sec. 17. Journals.

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

Sec. 18. Protests.

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

Sec. 19. Record votes.

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

Sec. 20. Powers of the General Assembly.

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

Sec. 21. Style of the acts.

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

Sec. 22. Action on bills.

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

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

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

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

(5) Other exceptions. Every bill:

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

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

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

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

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

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

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

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

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

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

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

(b) Sine die

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

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

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

Sec. 23. Revenue bills.

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

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

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

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

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

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

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

ARTICLE III
EXECUTIVE

Section 1. Executive power.

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

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

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

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

Sec. 3. Succession to office of Governor.

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

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

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

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

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

Sec. 4. Oath of office for Governor.

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

Sec. 5. Duties of Governor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 6. Duties of the Lieutenant Governor.

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

Sec. 7. Other elective officers.

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

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

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

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

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

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

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

Sec. 8. Council of State.

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

Sec. 9. Compensation and allowances.

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

Sec. 10. Seal of State.

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

Sec. 11. Administrative departments.

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

ARTICLE IV
JUDICIAL

Section 1. Judicial power.

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

Sec. 2. General Court of Justice.

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

Sec. 3. Judicial powers of administrative agencies.

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

Sec. 4. Court for the Trial of Impeachments.

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

Sec. 5. Appellate division.

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

Sec. 6. Supreme Court.

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

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

Sec. 7. Court of Appeals.

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

Sec. 8. Retirement of Justices and Judges.

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

Sec. 9. Superior Courts.

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

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

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

Sec. 10. District Courts.

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

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

Sec. 11. Assignment of Judges.

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

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

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

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

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

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

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

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

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

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

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

Sec. 14. Waiver of jury trial.

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

Sec. 15. Administration.

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

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

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

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

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

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

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

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

Sec. 18. District Attorney and Prosecutorial Districts.

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

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

Sec. 19. Vacancies.

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

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

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

Sec. 21. Fees, salaries, and emoluments.

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

Sec. 22. Qualification of Justices and Judges.

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

ARTICLE V
FINANCE

Section 1. No capitation tax to be levied.

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

Sec. 2. State and local taxation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) to suppress riots or insurrections;

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

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

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

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

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

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

Sec. 5. Acts levying taxes to state objects.

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

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

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

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

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

Sec. 7. Drawing public money.

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

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

Sec. 8. Health care facilities.

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

Sec. 9. Capital projects for industry.

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

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

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

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

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

Sec. 11. Capital projects for agriculture.

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

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

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

Sec. 12. Higher education facilities.

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

Sec. 13. Seaport and airport facilities.

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

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

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

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

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

Sec. 14. Project development financing.

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

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

ARTICLE VI
SUFFRAGE AND ELIGIBILITY TO OFFICE

Section 1. Who may vote.

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

Sec. 2. Qualifications of voter.

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

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

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

Sec. 3. Registration.

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

Sec. 4. Qualification for registration.

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

Sec. 5. Elections by people and General Assembly.

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

Sec. 6. Eligibility to elective office.

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

Sec. 7. Oath.

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

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

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

Sec. 8. Disqualifications for office.

The following persons shall be disqualified for office:

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

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

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

Sec. 9. Dual office holding.

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

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

Sec. 10. Continuation in office.

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

ARTICLE VII
LOCAL GOVERNMENT

Section 1. General Assembly to provide for local government.

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

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

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

Sec. 2. Sheriffs.

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

Sec. 3. Merged or consolidated counties.

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

ARTICLE VIII
CORPORATIONS

Section 1. Corporate charters.

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

Sec. 2. Corporations defined.

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

ARTICLE IX
EDUCATION

Section 1. Education encouraged.

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

Sec. 2. Uniform system of schools.

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

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

Sec. 3. School attendance.

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

Sec. 4. State Board of Education.

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

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

Sec. 5. Powers and duties of Board.

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

Sec. 6. State school fund.

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

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

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

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

Sec. 8. Higher education.

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

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

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

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

Sec. 10. Escheats.

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

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

ARTICLE X
HOMESTEADS AND EXEMPTIONS

Section 1. Personal property exemptions.

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

Sec. 2. Homestead exemptions.

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

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

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

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

Sec. 3. Mechanics' and laborers' liens.

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

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

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

Sec. 5. Insurance.

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

ARTICLE XI
PUNISHMENTS, CORRECTIONS, AND CHARITIES

Section 1. Punishments.

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

Sec. 2. Death punishment.

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

Sec. 3. Charitable and correctional institutions and agencies.

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

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

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

ARTICLE XII
MILITARY FORCES

Section 1. Governor is Commander in Chief.

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

ARTICLE XIII
CONVENTIONS; CONSTITUTIONAL AMENDMENT AND REVISION

Section 1. Convention of the People.

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

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

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

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

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

Sec. 4. Revision or amendment by legislative initiation.

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

ARTICLE XIV
MISCELLANEOUS

Section 1. Seat of government.

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

Sec. 2. State boundaries.

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

Sec. 3. General laws defined.

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

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

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

Sec. 5. Conservation of natural resources.

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

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

Sec. 6. Marriage.

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

SESSION LAWS

OF THE

STATE OF NORTH CAROLINA

THIRD EXTRA SESSION 2016

Session Law 2016-124 **H.B. 2**

AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2016.

The General Assembly of North Carolina enacts:

PART I. TITLE OF ACT

SECTION 1.1. This act shall be known as "The Disaster Recovery Act of 2016."

PART II. LEGISLATIVE FINDINGS

DAMAGE CAUSED BY HURRICANE MATTHEW AND THE WILDFIRES IN THE WESTERN PART OF THE STATE

SECTION 2.1.(a) The General Assembly finds that Hurricane Matthew was one of the strongest hurricanes to form in the Atlantic Ocean in a decade and that it, along with Tropical Storms Julia and Hermine, caused widespread heavy rainfall, record flooding, and dozens of deaths in North Carolina. The General Assembly further finds that wildfires in the western part of the State burned tens of thousands of acres and destroyed hundreds of structures.

SECTION 2.1.(b) The General Assembly finds that as a result of Hurricane Matthew, the wildfires in western North Carolina, and Tropical Storms Julia and Hermine, the following has occurred:

(1) Central and eastern North Carolina endured record-breaking rainfall that created 1,000-year flood events that devastated the people, infrastructure, businesses, and schools of entire communities.

(2) At the height of Hurricane Matthew, 800,000 people were without power, nearly 3,750 were displaced from their homes, 635 roads were closed, 34 school systems were closed, and 28 people lost their lives.

(3) Riverine flooding began several days after Hurricane Matthew passed and lasted more than two weeks. Several larger rivers reached well above major flooding levels, including the Tar, Cape Fear, Cashie, Lumber, and Neuse. On October 24, 2016, the last river that had reached flood stages finally returned to normal levels.

(4) Forty-nine of the State's counties were declared a major disaster by the President of the United States under the Stafford Act (P.L. 93-288).

(5) People lost their loved ones, their homes, their communities, their houses of worship, their life savings, their jobs, their family mementos, their pets, and their ways of life.

(6) Entire towns were flooded to the rooftops as the water levels of rivers and streams throughout Eastern North Carolina crested at flood-stage heights far beyond those ever seen before in this State.

(7) Approximately 88,000 homes were damaged with a total loss of more than $967 million. Of these, 4,424 homes were completely destroyed. This damage represents an extraordinary economic loss as 68% of the damages, or $659 million, is not expected to be covered by insurance or FEMA assistance.

(8) More than 30,000 businesses suffered physical or economic damage. More than 400,000 employees were impacted.

(9) More than 8,000 businesses have requested assistance due to physical or economic impact loss as a result of the storm. As of November 28, 2016, 614 businesses have completed complex Small Business Administration loan applications. Only 143 of these loan applications have been approved. The numbers suggest both the numbers of businesses that suffered physical damage as a result of the hurricane and the inability of many businesses in the region to take on additional debt. Without additional assistance, many businesses may not be able to reopen and jobs will be lost.

(10) Caskets floated out of the saturated ground.

(11) Local governments have suffered loss of infrastructure, damage to public buildings, roads, wastewater treatment plants, and other facilities. Public Assistance projects are in planning stages to repair facilities and roads, remove debris, and otherwise affect cleanup and repair of local government facilities. In addition, the damage from the storms to property and businesses has eroded the tax base of the counties affected. These counties must bear a loss of revenue at the same time they are shouldering the costs of replacing and repairing the infrastructure and meeting the additional needs of the population struggling to recover from the effects of the hurricane.

(12) More than 62,000 total acres burned in North Carolina, including more than 25,000 acres on land protected by the State.

(13) More than 2,400 emergency responders responded to the wildfires and related events.

(14) Firefighters from 40 states joined North Carolina to assist in firefighting efforts, including teams from Florida, Idaho, Oregon, Utah, and Nevada.

(15) Starting just weeks after Hurricane Matthew on October 23, 2016, and continuing throughout November, 26 major and dozens of smaller fires impacted air quality across the State.

CRITICAL NEEDS NOT MET BY EXISTING STATE AND FEDERAL PROGRAMS AND FUNDS

SECTION 2.2.(a) The General Assembly finds that the State and federal disaster relief initiatives are not intended to make individuals whole after a loss; they are intended to assist the affected areas in recovering from the damage caused by Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.

Without significant additional State assistance to the area devastated by these events, further deterioration of the economy, the environment, public health and safety, and quality of life in the region is likely to occur. Without additional State assistance:

(1) Many people in uninsured, damaged homes will either not qualify for federal housing assistance or not have the resources to take advantage of federal housing assistance.

(2) Local governments already overwhelmed with storm-related expenses may not have the resources to repair damaged infrastructure and provide the new infrastructure necessary for families relocating out of the flood and landslide zones and for businesses that are in the process of rebuilding.

(3) Jobs may be permanently lost because many cannot qualify for Small Business Administration loans.

(4) Many farmers who suffered significant losses may find it difficult to continue farming.

(5) Resources for drinking water protection, solid waste cleanup, hazardous waste cleanup, and remediation of high-risk storage tanks will be inadequate.

SECTION 2.2.(b) It is the intent of the General Assembly that the benefits of the projects and programs authorized by this act are for the common good and collective recovery of the people of this State following devastating natural disasters directly affecting a large portion of the State and indirectly affecting the entire State. The entire State faces a major loss if the counties that bore the major impact of these disasters are not offered the assistance provided by this act. The purpose of this act is to provide an ultimate net public benefit to the State through a successful recovery initiative.

PART III. COUNTIES COVERED BY THIS ACT

SECTION 3.1. Sections 2.1 through 4.4 of this act apply in the North Carolina counties that were any of the following:

(1) Declared a major disaster by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.

(2) Part of the emergency area set forth in any of the following gubernatorial executive orders: Executive Order No. 97 (September 1, 2016), Executive Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3, 2016), Executive Order No. 115 (November 16, 2016), or Executive Order No. 116.

PART IV. FUNDING OF DISASTER RELIEF

APPROPRIATIONS AND ALLOCATIONS OF FUNDS FOR DISASTER RELIEF

SECTION 4.1. In addition to any other funds appropriated during the 2016-2017 fiscal year, there is appropriated from the Savings Reserve Account to the General Fund the sum of one hundred million nine hundred twenty-eight thousand three hundred seventy dollars ($100,928,370) in nonrecurring funds for the 2016-2017 fiscal year and there is appropriated from the unappropriated General Fund balance the sum of one hundred million dollars ($100,000,000) in nonrecurring funds for the 2016-2017 fiscal year. These funds shall be allocated as follows:

(1) $20,000,000 shall be allocated to the Housing Trust Fund for eligible projects under Chapter 122E of the General Statutes. Notwithstanding G.S. 122E-6, these funds shall directly benefit persons and families affected by Hurricane Matthew, the western wildfires, or Tropical Storms Julia and Hermine whose incomes do not exceed one hundred percent (100%) of the area's median income, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.

(2) $9,000,000 shall be allocated to the Division of Emergency Management to develop, implement and fund disaster assistance programs to meet the emergency sheltering and short-term housing needs of individuals affected by Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.

(3) $11,500,000 shall be allocated to the Division of Emergency Management for resilient redevelopment planning. These funds shall be used to do the following:

a. Oversee and facilitate strategic resiliency planning meetings at each of the 49 counties that were declared a major disaster by the President of the United States as a result of Hurricane Matthew as

well as the five economic development regions that were affected by that storm.

b. Develop strategic, resilient redevelopment plans for each of these 49 counties.

c. Oversee the submission of county-approved strategic resiliency action plans for federal approval.

d. Provide redevelopment expertise, technical assistance, and administrative support to the 49 counties and economic regions throughout the planning, design, and implementation of action plans.

(4) $66,228,370 shall be allocated to the State Emergency Response and Disaster Relief Fund to provide the State match for federal disaster assistance programs.

(5) $10,000,000 shall be allocated to the State Emergency Response and Disaster Relief Fund to ensure that sufficient funds are available to provide relief and assistance from future emergencies, as authorized by G.S. 166A-19.42.

(6) $5,000,000 shall be allocated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, for the purpose of providing grants to eligible entities capable of making loans to small businesses affected by Hurricane Matthew, the western wildfires, or Tropical Storms Julia and Hermine.

(7) $20,000,000 shall be allocated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to local governments to construct new infrastructure required to support the development of new residential structures in areas outside the 100-year floodplain or repair or replace existing infrastructure. For purposes of this subdivision, infrastructure includes water, sewer, sidewalks, storm drainage, and other, similar projects that provide assistance or relief for Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.

(8) $10,000,000 shall be allocated to the Department of Commerce to be further allocated to the Rural Economic Development Division to provide grants to local governments to construct new infrastructure required to support the development of new residential structures in areas outside the 100-year floodplain or repair or replace existing infrastructure. For purposes of this subdivision, infrastructure includes water, sewer, sidewalks, storm drainage, and other, similar projects that provide assistance or relief for Hurricane Matthew, the western wildfires, or Tropical Storms Julia and Hermine.

(9) $10,000,000 shall be allocated to the Department of Environmental Quality for disaster-related infrastructure and cleanup needs including, but not limited to, repair of wastewater and drinking water systems, dam safety, emergency permitting, and solid waste cleanup. The Department of Environmental Quality shall do all of the following:

a. Allocate a portion of these funds to assist local governments to mitigate the failure of burial sites and to take other steps necessary to protect the public health.

b. Use, in conjunction with the Department of Health and Human Services, a portion of these funds to provide grants to assist with the repair, replacement, or removal of septic tank systems related to damage caused by flooding.

(10) $37,950,000 shall be allocated to the Department of Agriculture and Consumer Services to be further allocated for the following purposes:

a. $25,500,000 to the North Carolina Forest Service for repairs and operational expenses at Claridge Nursery in Wayne County, wildfire response, and disaster-related timber restoration.
b. $12,200,000 to the Division of Soil and Water Conservation for stream debris removal and non-field farm road repairs and for supplemental funding of the Agricultural Water Resources Assistance Program to support disaster-related farm pond and dam repairs.
c. $250,000 to the Research Stations Division for dike repairs at the Cherry Research Farm in Wayne County.

(11) $1,000,000 shall be allocated to the Department of Insurance, Office of the State Fire Marshal, to provide grants to volunteer fire departments for repairs of damages caused by Hurricane Matthew, the wildfires in the western part of the State, and Tropical Storms Julia and Hermine that were not covered by federal assistance or by the proceeds of insurance policies.

(12) $250,000 shall be allocated to the Department of Commerce to assess, in consultation with the Economic Development Partnership of North Carolina, the need for business assistance funds for businesses affected by Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine. The Department may use funds allocated in this section to fund time-limited positions, as needed, within the Department or the Economic Development Partnership of North Carolina to conduct the assessment. On or before March 1, 2017, the Department shall submit a report detailing its findings and making recommendations for the best process to administer recovery assistance funds to the Chairs of the House Appropriations Committee, the Chairs of the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division.

LIMITATIONS ON FUND USE

SECTION 4.2. The General Assembly finds that the scope of the immediate needs produced by the devastation wrought by recent natural disasters in this State warrants taking the steps in this act. The General Assembly further finds that efforts to assess and address the damage will need to continue when the General Assembly returns for the 2017 Regular Session. Because the 2017 General Assembly will convene shortly and has continuing authority to address the State's disaster relief needs, the 2015 General Assembly finds that broad executive expenditure flexibility over the funds appropriated in this act is not warranted. Accordingly, the Governor shall not use funds appropriated in this act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Nothing in this section shall be construed to prohibit the Governor from exercising the Governor's authority under these statutes with respect to funds other than those appropriated in this act.

EACH APPROPRIATION AND ALLOCATION IS MAXIMUM AND CONDITIONAL

SECTION 4.3. The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this act.

FUNDS DO NOT REVERT

SECTION 4.4. Funds appropriated in or allocated in this act shall remain available to implement the provisions of this act until the General Assembly directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall not apply to funds appropriated in this act.

PART V. IMPLEMENTATION OF ACT

AUTHORITY TO ESTABLISH TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT

SECTION 5.1. The Governor may establish part-time and full-time personnel positions to implement this act. Positions established under this section are time-limited and exempt from the State Human Resources Act.

AUTHORITY TO ESTABLISH ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS

SECTION 5.2. The Governor shall establish advisory councils to advise relevant State agencies on hurricane relief and recovery efforts and to ensure input from representatives of affected communities and groups.

SUBROGATION BY STATE OF RIGHT TO INSURANCE COVERAGE FOR DAMAGED HOMES PURCHASED OR RELOCATED UNDER THE HAZARD MITIGATION PROGRAM

SECTION 5.3. If a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any insurance coverage for the damage to the home, and any monies received from the insurance coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division of Emergency Management shall ensure that those potentially affected by this section are notified of, and adhere to, its requirements.

INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES

SECTION 5.4. It is the intent of the General Assembly that, during this time of rebuilding and relief efforts, each State agency should strive to acquire goods and services from historically underutilized business vendors, whether directly as principal contractors or indirectly as subcontractors or otherwise.

LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET NEEDS

SECTION 5.5. It is the intent of the General Assembly to review in 2017 and 2018 the funds appropriated by Congress and to consider actions needed to address any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of the measures funded by subdivision (3) of Section 4.1 of this act at that time.

PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN RESIDENCES

SECTION 5.6.(a) No State funds appropriated in this act may be expended for the construction of any new residence within the 100-year floodplain unless the construction is in an area regulated by a unit of local government pursuant to a floodplain management ordinance and the construction complies with the ordinance. As used in this section, "100-year floodplain" means any area subject to inundation by a 100-year flood, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal Emergency Management Agency under the National Flood Insurance Program.

SECTION 5.6.(b) Homeowners in the 100-year floodplain who receive homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance, if available, as a precondition to receipt of State homeowner's housing assistance for losses resulting from future flooding.

SECTION 5.6.(c) Funds loaned to small and mid-sized businesses shall be used only for eligible purposes under the Small Business Administration (SBA) disaster loan

assistance program, as described in the Federal disaster declarations designated by the SBA as NC 14911 and NC 14912. Payments for economic losses shall be limited to documented business expenses necessary for the continued operation of the business.

FLEXIBILITY IN SCHOOL CALENDAR TO ACCOMMODATE EXTRAORDINARY CIRCUMSTANCES

SECTION 5.7.(a) Notwithstanding G.S. 115C-84.2(a)(1), if a local board of education closed any school in the local school administrative unit during the month of October 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew for at least two consecutive school days, that school shall be deemed to have completed any scheduled instructional hours and days in excess of those two days missed due to Hurricane Matthew during the month of October 2016. Teachers and other school employees employed for a 10-month term are deemed to have been employed for the scheduled instructional days missed due to Hurricane Matthew in excess of those two days during the month of October 2016, and all other employees shall be compensated as if they had worked the scheduled instructional days missed due to Hurricane Matthew in excess of those two days during the month of October 2016.

SECTION 5.7.(b) Notwithstanding G.S. 115C-218.85(a)(1), if a charter school was closed during the months of October or November 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew or to wildfires in the western part of the State for at least two consecutive school days, that charter school shall be deemed to have completed any scheduled instructional hours and days in excess of those two days missed due to Hurricane Matthew or to wildfires in the Western part of the State during the months of October or November 2016.

SECTION 5.7.(c) Notwithstanding G.S. 115C-238.53(d) and G.S. 115C-238.66(1)d., if a regional board of directors closed a regional school under that board's control during the month of October 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew for at least two consecutive school days, that regional school shall be deemed to have completed any scheduled instructional hours and days in excess of those two days missed due to Hurricane Matthew during the month of October 2016. Teachers and other school employees employed for a 10-month term are deemed to have been employed for the scheduled instructional days missed due to Hurricane Matthew in excess of those two days during the month of October 2016, and all other employees shall be compensated as if they had worked the scheduled instructional days missed due to Hurricane Matthew in excess of those two days during the month of October 2016.

SECTION 5.7.(d) The Superintendent of Public Instruction shall report to the Chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division of the General Assembly on the implementation of this section by local school administrative units, charter schools, and regional schools by March 10, 2017, and shall also provide any additional reports or information requested by the Fiscal Research Division. Local school administrative units, charter schools, and regional schools shall provide information on implementation of this section in the form requested by the Superintendent of Public Instruction no later than February 10, 2017.

REPORTING REQUIREMENTS

SECTION 5.8. The Office of State Budget and Management shall report to the Chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division of the General Assembly on the implementation of this act on a monthly basis and shall also provide any additional reports or information requested by the Fiscal Research Division. Each report required by this section shall include information about all funds expended or encumbered pursuant to this act as of the date of the report, regardless of which State agency or non-State entity administers the funds. Non-State entities that administer

or receive any funds appropriated in this act shall assist and fully cooperate with the Office of State Budget and Management in meeting the Office's obligations under this section.

WAIVER OF CERTAIN DMV FEES

SECTION 5.9.(a) Notwithstanding G.S. 20-14, 20-37.7, 20-85, and 20-88.03, the Governor may waive any fees assessed by the Division of Motor Vehicles under those sections for the following:

(1) A duplicate drivers license, commercial drivers license, or special identification card.
(2) A special identification card issued to a person for the first time.
(3) An application for a duplicate or corrected certificate of title.
(4) A replacement registration plate.
(5) An application for a duplicate registration card.
(6) Late payment of a motor vehicle registration renewal fee.

SECTION 5.9.(b) The waiver authorized under subsection (a) of this section applies only to residents of counties impacted by Hurricane Matthew, as determined by the Governor.

SECTION 5.9.(c) This section is effective when it becomes law and applies to fees assessed or collected on or after October 1, 2016. This section expires December 1, 2016.

ADDITIONAL LIMITATIONS ON USE OF FUNDS

SECTION 5.10. The Governor shall ensure that funds appropriated in this act are expended in a manner that does not adversely affect any person's or entity's eligibility for federal funds that are made available, or that are anticipated to be made available, as a result of Hurricane Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be, or likely will be, covered by federal funds.

FACILITATE USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR DISASTER RELIEF

SECTION 5.11.(a) Notwithstanding any other provision of law, all Community Development Block Grant Disaster Recovery Program funds received by the Department of Commerce in response to the declarations and executive orders described in Section 3.1 of this act shall be transferred to the Emergency Management Division of the Department of Public Safety.

SECTION 5.11.(b) The Emergency Management Division shall assist the Department of Commerce in fulfilling any reporting requirements arising from receipt of the Disaster Recovery Program funds described in subsection (a) of this section.

REQUIRE REPLENISHING OF SAVINGS RESERVE ACCOUNT

SECTION 5.12. The Governor's Recommended State Budget for the 2017-2018 fiscal year shall include a recommendation to transfer to the Savings Reserve Account the amount of funds appropriated from that Reserve in Section 4.1 of this act.

PART VI. EFFECTIVE DATE

SECTION 6.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of December, 2016.

RESOLUTIONS

OF THE

STATE OF NORTH CAROLINA

THIRD EXTRA SESSION 2016

Resolution 2016-24 **H.J.R. 3**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 2016 THIRD EXTRA SESSION.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. When the House of Representatives and the Senate, constituting the 2016 Third Extra Session of the General Assembly, adjourn on the date this resolution is ratified, they stand adjourned sine die.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 14th day of December, 2016.

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Suggestions for Use: Local legislation appears under the name of the particular county or municipality. Legislation that amends or repeals another session law appears under "Laws Amended or Repealed" and under the particular subject. General appropriations appear under "Appropriations". Specific appropriations or earmarks appear under the particular agency, entity, or subject. Committees, Commissions, Councils, and Boards appear as main entries. Numbers are alphabetized as spelled (i.e., 9 is listed alphabetically as "nine"). Session Law numbers (locators) are shown in standard citation format with the word "Section" replaced by the section symbol (§). Thus, "Session Law 145 Section 6A.10 subsection (a) through subsection (p)" would appear as "145§6A.10(a)-(p)", and "Session Law 145 Section 28.31 through Section 28.31A" would appear as "145§§28.31-28.31A". Noncontiguous Session Law sections are separated by a comma. Complete Session Law citations are separated by a semicolon.

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SESSION LAWS

OF THE

STATE OF NORTH CAROLINA

FOURTH EXTRA SESSION 2016

Session Law 2016-125 **S.B. 4**

AN ACT TO CONSOLIDATE THE FUNCTIONS OF ELECTIONS, CAMPAIGN FINANCE, LOBBYING, AND ETHICS UNDER ONE STATE AGENCY BY CREATING THE NORTH CAROLINA BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT; TO CLARIFY THE GENERAL ASSEMBLY'S AUTHORITY TO CORRECT DEFECTS IDENTIFIED BY A COURT IN APPORTIONMENT OR DISTRICTING PLANS; TO RESTORE PARTISAN ELECTIONS FOR THE NORTH CAROLINA SUPREME COURT AND COURT OF APPEALS; TO MODIFY APPELLATE REVIEW OF CERTAIN CASES; AND TO MODIFY THE TERM FOR INDUSTRIAL COMMISSIONERS.

The General Assembly of North Carolina enacts:

PART I. CREATION OF BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT

SECTION 1. Recodification; Technical and Conforming Changes. – The Revisor of Statutes shall recodify Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, as well as Chapter 163 of the General Statutes, as amended by this act, into a new Chapter 138B of the General Statutes to be entitled "Elections and Ethics Enforcement Act," as enacted by Section 2 of this act. The Revisor may also recodify into the new Chapter 138B of the General Statutes other existing statutory laws relating to elections and ethics enforcement that are located elsewhere in the General Statutes as the Revisor deems appropriate. The new Chapter 138B of the General Statutes shall have the following structure:

SUBCHAPTER I. GENERAL PROVISIONS
Article 1. Bipartisan State Board of Elections and Ethics Enforcement.
SUBCHAPTER II. ETHICS AND LOBBYING
Article 5. General Provisions.
Article 6. Public Disclosure of Economic Interests.
Article 7. Ethical Standards for Covered Persons.
Article 8. Lobbying.
Part 1. Registration
Part 2. Prohibitions and Restrictions
Part 3. Reporting
Part 4. Liaison Personnel
Part 5. Exemptions
Part 6. Miscellaneous
Article 9. Violation Consequences.
SUBCHAPTER III. ELECTION AND ELECTION LAWS
Article 15. Time of Primaries and Elections.

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Part 2. Time of Elections to Fill Vacancies
Article 16. Election Officers.
Part 1. State Board Powers and Duties
Part 2. County Boards of Elections
Part 3. Political Activities by Board of Elections Members and Employees
Part 4. Precinct Election Officials
Article 17. Qualifying to Vote.
Part 1. Qualifications of Voters
Part 2. Registration of Voters
Part 3. Challenges
Part 4. HAVA Administrative Complaint Procedure
Article 18. Political Parties.
Article 19. Nomination of Candidates.
Part 1. Primary Elections
Part 2. Nomination by Petition
Part 3. Challenge to Candidacy
Article 20. Conduct of Primaries and Elections.
Part 1. Precincts and Voting Places
Part 2. Precinct Boundaries
Part 3. Voting
Part 4. Counting Official Ballots, Canvassing Votes, Hearing Protests, and Certifying Results
Part 5. Members of United States House of Representatives
Part 6. Presidential Electors
Part 7. Presidential Preference Primary Act
Part 8. Petitions for Elections and Referenda
Article 21. Absentee Voting.
Part 1. Absentee Ballot
Part 2. Uniform Military and Overseas Voters Act
Article 22. Regulation of Election Campaigns.
Part 1. Corrupt Practices and Other Offenses Against the Elective Franchise
Article 23. Regulating Contributions and Expenditures in Political Campaigns.
Part 1. In General
Part 2. Disclosure Requirements for Media Advertisements
Part 3. Municipal Campaign Reporting
Article 24. The North Carolina Public Campaign Fund.
Article 25. The Voter-Owned Elections Act.
Article 26. Legal Expense Funds.
Article 27. Municipal Elections.
Part 1. Municipal Election Procedure
Part 2. Conduct of Municipal Elections
Article 28. Nomination and Election of Appellate, Superior, and District Court Judges.

When recodifying, the Revisor is authorized to change all references to the State Ethics Commission, to the State Board of Elections, or to the Secretary of State, to instead be references to the Bipartisan State Board of Elections and Ethics Enforcement. The Revisor may separate subsections of existing statutory sections into new sections and, when necessary to organize relevant law into its proper place in the above structure, may rearrange sentences that currently appear within subsections. The Revisor may modify statutory citations throughout the General Statutes, as appropriate, and may modify any references to statutory divisions, such as "Chapter," "Subchapter," "Article," "Part," "section," and "subsection," adjust the order of lists of multiple statutes to maintain statutory order, correct terms and conform names and titles

changed by this act, eliminate duplicative references to the Bipartisan State Board of Elections and Ethics Enforcement that result from the changes authorized by this section, and make conforming changes to catch lines and references to catch lines. The Revisor may also adjust subject and verb agreement and the placement of conjunctions. The Revisor shall consult with the State Ethics Commission, the State Board of Elections, the Secretary of State, and the new Bipartisan State Board of Elections and Ethics Enforcement on this recodification.

SECTION 2.(a) The General Statutes are amended by adding a new Chapter to read:

"Chapter 138B.

"**Elections and Ethics Enforcement Act.**"

SECTION 2.(b) Chapter 138B of the General Statutes, as enacted by this act, is amended by adding a new Subchapter to read:

"**SUBCHAPTER I. GENERAL PROVISIONS.**"

SECTION 2.(c) Subchapter I of Chapter 138B of the General Statutes, as enacted by this act, is amended by adding a new Article to read:

"Article 1.

"Bipartisan State Board of Elections and Ethics Enforcement.

"**§ 138B-1. Bipartisan State Board of Elections and Ethics Enforcement established.**

There is established the Bipartisan State Board of Elections and Ethics Enforcement, referred to as the State Board in this Chapter.

"**§ 138B-2. Membership.**

(a) The State Board shall consist of eight individuals registered to vote in North Carolina, as follows:

(1) Four members shall be appointed by the Governor, two of whom shall be of the political party with the highest number of registered affiliates and two of whom shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. The Governor shall appoint two members each from a list of three nominees submitted by the State party chairs of the two political parties with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board.

(2) Two members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121. One member shall be of the political party with the highest number of registered affiliates and one member shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. All appointments shall be from a list of three nominees submitted to the Speaker of the House of Representatives by the majority leader of the House of Representatives and a list of three nominees submitted to the Speaker of the House of Representatives by the minority leader of the House of Representatives.

(3) Two members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121. One member shall be of the political party with the highest number of registered affiliates and one member shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. All appointments shall be from a list of three nominees submitted to the President Pro Tempore by the majority leader of the Senate and a list of three nominees submitted to the President Pro Tempore by the minority leader of the Senate.

(b) Members shall serve for four-year terms, beginning May 1 immediately following the election of the Governor.

(c) Members shall be removed by the member's appointing authority from the State Board only for misfeasance, malfeasance, or nonfeasance.

(d) Any vacancy occurring on the State Board shall be filled by an individual affiliated with the same political party of the vacating member. Any vacancy occurring in the State Board in an appointment made by the Governor shall be filled by the Governor, and the person so appointed shall fill the unexpired term. The Governor shall fill the vacancy from a list of two names submitted by the State party chair of the political party with which the vacating member was affiliated if that list is submitted within 30 days of the occurrence of the vacancy. Any vacancy occurring on the State Board in an appointment made by the General Assembly upon the recommendation of the Speaker of the House of Representatives shall be filled in accordance with G.S. 120-122 for the remainder of the unfulfilled term. Any vacancy occurring on the State Board in an appointment made by the General Assembly upon the recommendation of the President Pro Tempore of the Senate shall be filled in accordance with G.S. 120-122 for the remainder of the unfulfilled term.

(e) At the first meeting held after new appointments are made, the members of the State Board shall take the following oath:

> "I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain, and defend the Constitution of said State; and that I will well and truly execute the duties of the office of member of the Bipartisan State Board of Elections and Ethics Enforcement according to the best of my knowledge and ability, according to law, so help me God."

(f) At the first meeting in May, the State Board shall organize by electing one of its members chair and one of its members vice-chair, each to serve a one-year term as such. In the odd-numbered year, the chair shall be a member of the political party with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the second highest number of registered affiliates. In the even-numbered year, the chair shall be a member of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the highest number of registered affiliates.

(g) At the first meeting held after new appointments are made after taking the oath, the State Board shall elect one of its members secretary, to serve a four-year term as such.

(h) No person shall be eligible to serve as a member of the State Board who holds any elective or appointive office under the government of the United States, the State of North Carolina, or any political subdivision thereof. No person who holds any office in a political party or organization, or who is a candidate for nomination or election to any office, or who is a campaign manager or treasurer of any candidate in a primary or election shall be eligible to serve as a member of the State Board. In addition, no person while serving on the State Board shall:

(1) Make a reportable contribution to a candidate for a public office over which the State Board would have jurisdiction or authority.

(2) Register as a lobbyist under Article 8 of this Chapter.

(3) Make written or oral statements intended for general distribution or dissemination to the public at large supporting or opposing the nomination or election of one or more clearly identified candidates for public office.

(4) Make written or oral statements intended for general distribution or dissemination to the public at large supporting or opposing the passage of one or more clearly identified referendum or ballot issue proposals.

(5) Solicit contributions for a candidate, political committee, or referendum committee.

(i) Members of the State Board shall receive per diem, subsistence, and travel, as provided in G.S. 138-5 and G.S. 138-6.

"**§ 138B-3. Meetings; quorum; majority.**

The State Board shall meet at least monthly and at other times as called by its chair or by six of its members. In the case of a vacancy in the chair, meetings may be called by the vice-chair. Six members of the State Board constitute a quorum for the transaction of business. Except where required by law to act unanimously, a majority vote for action of the State Board shall require six of the eight members.

"**§ 138B-4. Powers of the State Board in the execution of State Board duties.**

(a) In the performance of the duties enumerated in this Chapter, the State Board, upon a vote of six or more of its members, shall have power to administer oaths, issue subpoenas, summon witnesses, and compel the production of papers, books, records, and other evidence. Such subpoenas for designated witnesses or identified papers, books, records, and other evidence shall be signed and issued by the chair.

(b) In the absence of the chair or upon the chair's refusal to act, the vice-chair may sign and issue subpoenas, summon witnesses, and compel the production of papers, books, records, and other evidence approved in accordance with subsection (a) of this section. In the absence of the chair or upon the chair's refusal to act, any member of the State Board may administer oaths.

(c) The State Board, upon a vote of six or more of its members, may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

"**§ 138B-5. Independent agency, staff, and offices.**

(a) The State Board shall be and remain an independent regulatory and quasi-judicial agency and shall not be placed within any principal administrative department. The State Board shall exercise its statutory powers, duties, functions, and authority and shall have all powers and duties conferred upon the heads of principal departments under G.S. 143B-10.

(b) The State Board may employ professional and clerical staff, including an Executive Director.

"**§ 138B-6. Executive Director of the State Board.**

(a) There is hereby created the position of Executive Director of the State Board, who shall perform all duties imposed by statute and such duties as may be assigned by the State Board.

(b) The State Board shall appoint an Executive Director for a term of four years with compensation to be determined by the Office of State Human Resources. The Executive Director shall serve beginning May 15 after the first meeting held after new appointments to the State Board are made, unless removed for cause, until a successor is appointed. In the event of a vacancy, the vacancy shall be filled for the remainder of the term.

(c) The Executive Director shall be responsible for staffing, administration, execution of the State Board's decisions and orders, and shall perform such other responsibilities as may be assigned by the State Board.

(d) The Executive Director shall be the chief State elections official."

SECTION 3.(a) G.S. 138A-6 is repealed.

SECTION 3.(b) G.S. 138A-7 is repealed.

SECTION 3.(c) G.S. 138A-8 is repealed.

SECTION 3.(d) G.S. 138A-9 is repealed.

SECTION 3.(e) G.S. 138A-13 reads as rewritten:

"**§ 138A-13. Request for advice.**

...

(a2) A request for a formal advisory opinion under subsection (a) of this section shall be in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue formal advisory opinions having prospective application only. A public servant or legislative employee who relies upon the advice provided to that public servant or legislative employee on a specific matter addressed by the requested formal advisory opinion shall be immune from all of the following:

(1) Investigation by the ~~Commission,~~State Board, except for an inquiry under G.S. 138A-12(b)(3).

(2) Any adverse action by the employing entity.

~~(3) Investigation by the Secretary of State.~~

...

(b1) A request by a legislator for a recommended formal advisory opinion shall be in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue recommended formal advisory opinions having prospective application only. Until action is taken by the Committee under G.S. 120-104, a legislator who relies upon the advice provided to that legislator on a specific matter addressed by the requested recommended formal advisory opinion shall be immune from all of the following:

(1) Investigation by the Committee or ~~Commission,~~ State Board, except for an inquiry under G.S. 138A-12(b)(3).

(2) Any adverse action by the house of which the legislator is a member.

~~(3) Investigation by the Secretary of State.~~

...."

SECTION 4. Chapter 120C of the General Statutes reads as rewritten:

"...

"**§ 120C-101. Rules and forms.**

(a) The ~~Commission~~ State Board shall adopt any rules or definitions necessary to interpret the provisions of this Chapter and adopt any rules necessary to administer the provisions of this ~~Chapter, except for Articles 2, 4 and 8 of this Chapter. The Secretary of State shall adopt any rules, orders, and forms as are necessary to administer the provisions of Articles 2, 4 and 8 of this Chapter. The Secretary of State may appoint a council to advise the Secretary in adopting rules under this section.~~Chapter.

(b) With respect to the forms adopted under subsection (a) of this section, the ~~Secretary of State~~State Board shall adopt rules to protect from disclosure all confidential information under Chapter 132 of the General Statutes related to economic development initiatives or to industrial or business recruitment activities. The information shall remain confidential until the State, a unit of local government, or the business has announced a commitment by the business to expand or locate a specific project in this State or a final decision not to do so, and the business has communicated that commitment or decision to the State or local government agency involved with the project.

(c) In adopting rules under this Chapter, the ~~Commission~~ State Board is exempt from the requirements of Article 2A of Chapter 150B of the General Statutes, except that the ~~Commission~~ State Board shall comply with G.S. 150B-21.2(d). At least 30 business days prior to adopting a rule, the ~~Commission~~State Board shall:

(1) Publish the proposed rules in the North Carolina Register.

(2) Submit the rule and a notice of public hearing to the Codifier of Rules, and the Codifier of Rules shall publish the proposed rule and the notice of public hearing on the Internet to be posted within five business days.

(3) Notify those on the mailing list maintained in accordance with G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a rule and of the public hearing.

(4) Accept written comments on the proposed rule for at least 15 business days prior to adoption of the rule.

(5) Hold at least one public hearing on the proposed rule no less than five days after the rule and notice have been published.

A rule adopted under this subsection becomes effective the first day of the month following the month the final rule is submitted to the Codifier of Rules for entry into the North Carolina Administrative Code, and applies prospectively. A rule adopted by the Commission that does not comply with the procedural requirements of this subsection shall be null, void, and without effect. For purposes of this subsection, a rule is any ~~Commission~~State Board regulation, standard, or statement of general applicability that interprets an enactment by the General Assembly or Congress, or a regulation adopted by a federal agency, or that describes the procedure or practice requirements of the ~~Commission.~~State Board.

~~(d) For purposes of G.S. 150B-21.3(b2), a written objection filed by the Commission to a rule adopted by the Secretary of State pursuant to this Chapter shall be deemed written objections from 10 or more persons under that statute. Notwithstanding G.S. 150B-21.3(b2), a rule adopted by the Secretary of State pursuant to this Chapter objected to by the Commission under this subsection shall not become effective until an act of the General Assembly approving the rule has become law. If the General Assembly does not approve a rule under this subsection by the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the Rules Review Commission approves the rule, the permanent rule shall not become effective and any temporary rule associated with the permanent rule expires. If the General Assembly fails to approve a rule by the day of adjournment, the Secretary of State may initiate rulemaking for a new permanent rule, including by the adoption of a temporary rule.~~

"**§ 120C-102. Request for advice.**

(a) At the request of any person, State agency, or governmental unit affected by this Chapter, the ~~Commission~~State Board shall render advice on specific questions involving the meaning and application of this Chapter and that person's, State agency's, or any governmental unit's compliance therewith. Requests for advice and advice rendered in response to those requests shall relate to real or reasonably anticipated fact settings or circumstances.

(a1) A request for a formal opinion under subsection (a) of this section shall be in writing, electronic or otherwise. The ~~Commission~~State Board shall issue formal advisory opinions having prospective application only. An individual, State agency, or governmental unit who relies upon the advice provided to that individual, State agency, or governmental unit on a specific matter addressed by a requested formal advisory opinion shall be immune from all of the following:

(1) Investigation by the ~~Commission.~~State Board.

(2) Any adverse action by the employing entity.

~~(3) Investigation by the Secretary of State.~~

(b) Staff to the ~~Commission~~State Board may issue advice, but not formal advisory opinions, under procedures adopted by the ~~Commission.~~State Board.

(c) The ~~Commission~~State Board shall publish its formal advisory opinions within 30 days of issuance, edited as necessary to protect the identities of the individuals requesting opinions.

(d) Except as provided under subsections (c) and (d1) of this section, a request for advice, any advice provided by ~~Commission~~State Board staff, any formal advisory opinions, any supporting documents submitted or caused to be submitted to the ~~Commission~~State Board or ~~Commission~~State Board staff, and any documents prepared or collected by the ~~Commission~~State Board or the ~~Commission~~State Board staff in connection with a request for advice are confidential. The identity of the individual, State agency, or governmental unit making the request for advice, the existence of the request, and any information related to the request may not be revealed without the consent of the requestor. An individual, State agency, or governmental unit who requests advice or receives advice, including a formal advisory

opinion, may authorize the release to any other person, the State, or any governmental unit of the request, the advice, or any supporting documents.

For purposes of this section, "document" is as defined in G.S. 120-129. Requests for advice, any advice, and any documents related to requests for advice are not "public records" as defined in G.S. 132-1.

~~(d1) Staff to the Commission may share all information and documents related to requests under subsection (a) and (a1) of this section with staff of the Office of the Secretary of State. The information and documents in the possession of the staff of the Office of the Secretary of State shall remain confidential and not public records. The Commission shall forward an unedited copy of each formal advisory opinion under this section to the Secretary of State at the time the formal advisory opinion is issued to the requestor, and the Secretary of State shall treat that unedited advisory opinion as confidential and not a public record.~~

(e) Requests for advisory opinions may be withdrawn by the requestor at any time prior to the issuance of a formal advisory opinion.

...

"**§ 120C-601. Powers and duties of the ~~Commission.~~State Board.**

(a) The ~~Commission~~State Board may investigate complaints of violations of this ~~Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State.~~Chapter.

(b) The ~~Commission~~State Board may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

(c) Complaints of violations of this Chapter and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction. Any information obtained by the ~~Commission~~State Board from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of an investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it is confidential in the possession of the providing agency or organization.

(d) The ~~Commission~~State Board shall publish annual statistics on complaints, including the number of complaints, the number of apparent violations of this Chapter referred to a district attorney, the number of dismissals, and the number and age of complaints pending.

"**§ 120C-602. Punishment for violation.**

(a) Whoever willfully violates any provision of Article 2 or Article 3 of this Chapter shall be guilty of a Class 1 misdemeanor, except as provided in those Articles. In addition, no lobbyist who is convicted of a violation of the provisions of this Chapter shall in any way act as a lobbyist for a period of two years from the date of conviction.

(b) ~~In addition to the criminal penalties set forth in this section, the Secretary of State may levy civil fines for a violation of any provision of Articles 2, 4, or 8 of this Chapter up to five thousand dollars ($5,000) per violation.~~ In addition to the criminal penalties set forth in this section, the ~~Commission~~State Board may levy civil fines for a violation of any provision of this Chapter ~~except Article 2, 4, or 8 of this Chapter~~ up to five thousand dollars ($5,000) per violation.

"**§ 120C-603. Enforcement by district attorney and Attorney General.**

(a) The ~~Commission or the Secretary of State, as appropriate,~~ State Board may investigate complaints of violations of this Chapter and shall report apparent violations of this Chapter to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of which

Wake County is a part, who shall prosecute any person or governmental unit who violates any provisions of this Chapter.

(b) Complaints of violations of this Chapter involving the ~~Commission~~State Board or any member employee of the ~~Commission~~State Board shall be referred to the Attorney General for investigation. The Attorney General shall, upon receipt of a complaint, make an appropriate investigation thereof, and the Attorney General shall forward a copy of the investigation to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of which Wake County is a part, who shall prosecute any person or governmental unit who violates any provisions of this Chapter.

...."

SECTION 5.(a) G.S. 163-19 is repealed.

SECTION 5.(b) G.S. 163-20 reads as rewritten:

"**§ 163-20. Meetings of Board; quorum; minutes.**

~~(a) Call of Meeting. – The State Board of Elections shall meet at the call of the chairman whenever necessary to discharge the duties and functions imposed upon it by this Chapter. The chairman shall call a meeting of the Board upon the written application or applications of any two members thereof. If there is no chairman, or if the chairman does not call a meeting within three days after receiving a written request or requests from two members, any three members of the Board shall have power to call a meeting of the Board, and any duties imposed or powers conferred on the Board by this Chapter may be performed or exercised at that meeting, although the time for performing or exercising the same prescribed by this Chapter may have expired.~~

(b) Place of Meeting. – Except as provided in subsection (c), below, the State Board ~~of Elections~~ shall meet in its offices in the City of Raleigh, or at another place in Raleigh to be designated by the chairman. However, subject to the limitation imposed by subsection (c), below, upon the prior written request of any ~~four~~ six members, the State Board ~~of Elections~~ shall meet at any other place in the State designated by the ~~four~~ six members.

(c) Meetings to Investigate Alleged Violations of This Chapter. – When called upon to investigate or hear sworn alleged violations of this Chapter, the State Board ~~of Elections~~ shall meet and hear the matter in the county in which the violations are alleged to have occurred.

~~(d) Quorum. – A majority of the members constitutes a quorum for the transaction of business by the State Board of Elections. If any member of the Board fails to attend a meeting, and by reason thereof there is no quorum, the members present shall adjourn from day to day for not more than three days, by the end of which time, if there is no quorum, the Governor may summarily remove any member failing to attend and appoint his successor.~~

(e) Minutes. – The State Board ~~of Elections~~ shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the office of the Board in Raleigh."

SECTION 5.(c) G.S. 163-21 is repealed.

SECTION 5.(d) G.S. 163-23 is repealed.

SECTION 5.(e) G.S. 163-26 is repealed.

SECTION 5.(f) G.S. 163-27 is repealed.

SECTION 5.(g) G.S. 163-28 is repealed.

SECTION 5.(h) G.S. 163-30 reads as rewritten:

"**§ 163-30. County boards of elections; appointments; terms of office; qualifications; vacancies; oath of office; instructional meetings.**

In every county of the State there shall be a county board of elections, to consist of ~~three~~ four persons of good moral character who are registered voters in the county in which they are to act. Two of the members of the county board of elections shall be of the political party with the highest number of registered affiliates and two shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. In 2017, members of county boards of elections shall be appointed by the State Board on the second Tuesday in July. ~~Members~~ In 2019, members of county boards of

elections shall be appointed by the State Board ~~of Elections~~ on the last Tuesday in June ~~1985,~~ and every two years thereafter, and their terms of office shall continue for two years from the specified date of appointment and until their successors are appointed and qualified. ~~Not more than two members of the county board of elections shall belong to the same political party.~~

No person shall be eligible to serve as a member of a county board of elections who holds any elective office under the government of the United States, or of the State of North Carolina or any political subdivision thereof.

No person who holds any office in a state, congressional district, county or precinct political party or organization, or who is a campaign manager or treasurer of any candidate or political party in a primary or election, shall be eligible to serve as a member of a county board of elections, provided however that the position of delegate to a political party convention shall not be considered an office for the purpose of this section.

No person shall be eligible to serve as a member of a county board of elections who is a candidate for nomination or election.

No person shall be eligible to serve as a member of a county board of elections who is the wife, husband, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, sister, sister-in-law, brother, brother-in-law, aunt, uncle, niece, or nephew of any candidate for nomination or election. Upon any member of the board of elections becoming ineligible, that member's seat shall be declared vacant. This paragraph only applies if the county board of elections is conducting the election for which the relative is a candidate.

The State ~~chairman~~ chair of each political party shall have the right to recommend to the State Board ~~of Elections~~ three registered voters in each county for appointment to the board of elections for that county. If such recommendations are received by the Board 15 or more days before the last Tuesday in June ~~1985,~~2017, and each two years thereafter, it shall be the duty of the State Board ~~of Elections~~ to appoint the county boards from the names thus recommended.

Whenever a vacancy occurs in the membership of a county board of elections for any cause the State ~~chairman~~ chair of the political party of the vacating member shall have the right to recommend two registered voters of the affected county for such office, and it shall be the duty of the State Board ~~of Elections~~ to fill the vacancy from the names thus recommended.

At the meeting of the county board of elections required by G.S. 163-31 to be held on Tuesday following the third Monday in July in the year of their appointment the members shall take the following oath of office:

> "I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States; and that I will well and truly execute the duties of the office of member of the _____ County Board of Elections to the best of my knowledge and ability, according to law; so help me God."

At the first meeting in July annually, the county boards shall organize by electing one of its members chair and one of its members vice-chair, each to serve a one-year term as such. In the odd-numbered year, the chair shall be a member of the political party with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the second highest number of registered affiliates. In the even-numbered year, the chair shall be a member of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the highest number of registered affiliates.

Each member of the county board of elections shall attend each instructional meeting held pursuant to G.S. 163-46, unless excused for good cause by the ~~chairman~~ chair of the board, and shall be paid the sum of twenty-five dollars ($25.00) per day for attending each of those meetings."

SECTION 5.(i) G.S. 163-31 reads as rewritten:

"**§ 163-31. Meetings of county boards of elections; quorum; majority; minutes.**

In each county of the State the members of the county board of elections shall meet at the courthouse or board office at noon on the Tuesday following the third Monday in July in the year of their appointment by the State Board ~~of Elections~~ and, after taking the oath of office provided in G.S. 163-30, they shall organize by electing one member ~~chairman~~chair and another member secretary of the county board of elections. On the Tuesday following the third Monday in August of the year in which they are appointed the county board of elections shall meet and appoint precinct chief judges and judges of elections. The board may hold other meetings at such times as the ~~chairman~~ chair of the board, or any ~~two~~ three members thereof, may direct, for the performance of duties prescribed by law. ~~A majority of the~~Three members shall constitute a quorum for the transaction of board business. Except where required by law to act unanimously, a majority vote for action of the board shall require three of the four members. The ~~chairman~~ chair shall notify, or cause to be notified, all members regarding every meeting to be held by the board.

The county board of elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the board office and it shall be the responsibility of the secretary, elected by the board, to keep the required minute book current and accurate. The secretary of the board may designate the director of elections to record and maintain the minutes under his or her supervision."

SECTION 5.(j) G.S. 163-182.13 reads as rewritten:

"**§ 163-182.13. New elections.**

(a) When State Board May Order New Election. – The State Board ~~of Elections~~ may order a new election, upon agreement of at least ~~four~~ six of its members, in the case of any one or more of the following:

(1) Ineligible voters sufficient in number to change the outcome of the election were allowed to vote in the election, and it is not possible from examination of the official ballots to determine how those ineligible voters voted and to correct the totals.

(2) Eligible voters sufficient in number to change the outcome of the election were improperly prevented from voting.

(3) Other irregularities affected a sufficient number of votes to change the outcome of the election.

(4) Irregularities or improprieties occurred to such an extent that they taint the results of the entire election and cast doubt on its fairness.

(b) State Board to Set Procedures. – The State Board ~~of Elections~~ shall determine when a new election shall be held and shall set the schedule for publication of the notice, preparation of absentee official ballots, and the other actions necessary to conduct the election.

(c) Eligibility to Vote in New Election. – Eligibility to vote in the new election shall be determined by the voter's eligibility at the time of the new election, except that in a primary, no person who voted in the initial primary of one party shall vote in the new election in the primary of another party. The State Board ~~of Elections~~ shall ~~promulgate~~ adopt rules to effect the provisions of this subsection.

(d) Jurisdiction in Which New Election Held. – The new election shall be held in the entire jurisdiction in which the original election was held.

(e) Which Candidates to Be on Official Ballot. – All the candidates who were listed on the official ballot in the original election shall be listed in the same order on the official ballot for the new election, except in either of the following:

(1) If a candidate dies or otherwise becomes ineligible between the time of the original election and the new election, that candidate may be replaced in the same manner as if the vacancy occurred before the original election.

(2) If the election is for a multiseat office, and the irregularities could not have affected the election of one or more of the candidates, the new election, upon

agreement of at least ~~four~~ six members of the State Board, may be held among only those candidates whose election could have been affected by the irregularities.

(f) Tie Votes. – If ineligible voters voted in an election and it is possible to determine from the official ballots the way in which those votes were cast and to correct the results, and consequently the election ends in a tie, the provisions of G.S. 163-182.8 concerning tie votes shall apply."

SECTION 5.(k) G.S. 163-278.22(7) reads as rewritten:

"(7) To make investigations to the extent the State Board deems necessary with respect to statements filed under the provisions of this Article and with respect to alleged failures to file any statement required under the provisions of this Article or Article 22M of the General Statutes and, upon complaint under oath by any registered voter, with respect to alleged violations of any part of this Article or Article 22M of the General Statutes. The State Board shall conclude all investigations no later than one year from the date of the start of the investigation, unless the State Board has reported an apparent violation to the proper district attorney and additional investigation of the apparent violation is deemed necessary by the State Board."

SECTION 6. G.S. 120-70.141 reads as rewritten:

"**§ 120-70.141. Purpose and powers of Committee.**

(a) The Joint Legislative Elections Oversight Committee shall examine, on a continuing basis, election administration and campaign finance regulation in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve elections administration and campaign finance regulation. In this examination, the Committee shall do the following:

(1) Study the budgets, programs, and policies of the Bipartisan State Board of Elections and Ethics Enforcement and the county boards of elections to determine ways in which the General Assembly may improve election ~~administration and campaign finance regulation.~~administration.

(1a) Study the budgets, programs, and policies of the Bipartisan State Board of Elections and Ethics Enforcement and the county boards of elections to determine ways in which the General Assembly may improve campaign finance regulation.

(2) Examine election statutes and court decisions to determine any legislative changes that are needed to improve election administration and campaign finance regulation.

(3) Study other states' initiatives in election administration and campaign finance regulation to provide an ongoing commentary to the General Assembly on these initiatives and to make recommendations for implementing similar initiatives in North Carolina; and

(4) Study any other election matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee."

SECTION 7. Any previous assignment of duties of a quasi-legislative or quasi-judicial nature by the Governor or General Assembly to the agencies or functions transferred by this act shall have continued validity with the transfer under this act. Except as otherwise specifically provided in this act, each enumerated commission, board, or other function of State government transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act, is a continuation of the former entity for purposes of succession to all the rights, powers, duties, and obligations of the former. Where the former

entities are referred to by law, contract, or other document in their former name, the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act, is charged with exercising the functions of the former named entity.

SECTION 8. No action or proceeding pending on January 1, 2017, brought by or against the State Board of Elections, the State Ethics Commission, or the Secretary of State regarding the lobbyist registration and lobbying enforcement of the Secretary of State shall be affected by any provision of this act, but the same may be prosecuted or defended in the name of the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. In these actions and proceedings, the Bipartisan State Board of Elections and Ethics Enforcement or its Executive Director, as appropriate, shall be substituted as a party upon proper application to the courts or other administrative or quasi-judicial bodies.

Any business or other matter undertaken or commanded by any State program or office or contract transferred by this act to the Bipartisan State Board of Elections and Ethics Enforcement pertaining to or connected with the functions, powers, obligations, and duties set forth herein, which is pending on January 1, 2017, may be conducted and completed by the Bipartisan State Board of Elections and Ethics Enforcement in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the original program, office, or commissioners or directors thereof.

SECTION 9. The consolidation provided for under this act shall not affect any ongoing investigation or audit. Any ongoing hearing or other proceeding before the State Ethics Commission or State Board of Elections on January 1, 2017, shall be transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created by this act, on January 1, 2017. Prosecutions for offenses or violations committed before January 1, 2017, are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

SECTION 10. Rules adopted by the State Ethics Commission, Secretary of State related to lobbying, and the State Board of Elections shall remain in effect as provided in G.S. 150B-21.7. Policies, procedures, and guidance shall remain in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement. The list of covered boards adopted by the State Ethics Commission under G.S. 138A-11 as of December 31, 2016, shall continue in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement.

SECTION 11. Any evaluation of a statement of economic interest issued by the State Ethics Commission pursuant to Article 3 of Chapter 138A of the General Statutes in 2016 shall remain in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement.

SECTION 12. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the State Ethics Commission are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in Part I of this act. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the State Board of Elections are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in Part I of this act. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the lobbying registration and lobbying enforcement functions of the Secretary of State are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in Part I of this act. The Director of the Budget shall resolve any disputes arising out of this transfer.

SECTION 13. The members of the State Ethics Commission serving on December 31, 2016, shall constitute and serve as the Bipartisan State Board of Elections and Ethics Enforcement, as constituted and authorized by this act until June 30, 2017. The chair and

vice-chair of the State Ethics Commission serving on December 31, 2016, shall continue to serve as the chair and vice-chair of Bipartisan State Board of Elections and Ethics Enforcement, as constituted and authorized by this act until June 30, 2017. Notwithstanding G.S. 138B-2, members of the Bipartisan State Board of Elections and Ethics Enforcement appointed by the Governor and General Assembly in 2017 shall take office July 1, 2017.

SECTION 14. Until such time as the Bipartisan State Board of Elections and Ethics Enforcement appointed in 2017 appoints an Executive Director, the Executive Director of the State Board of Elections under G.S. 163-26, as of December 31, 2016, shall be acting Executive Director.

SECTION 15. The appropriations and resources of the State Ethics Commission is transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfer shall have all the elements of a Type I transfer under G.S. 143A-6.

SECTION 16. The appropriations and resources of the State Board of Elections, including any office space of the State Board of Elections, is transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfer shall have all the elements of a Type I transfer under G.S. 143A-6, with the Budget Code for the newly established State Board being the previous State Board of Elections budget code of 18025.

SECTION 17. The appropriations and resources of the lobbying registration and lobbying enforcement functions of the Secretary of State are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfers shall have all the elements of a Type I transfer under G.S. 143A-6. Specifically, the following positions shall be transferred: Lobbying Compliance Director (Position 60008800), Law Enforcement Agent (Position 60008806), Administrative Assistant II (Position 60008801), Administrative Assistant II (Position 60008802), and Administrative Assistant II (Position 60008803).

SECTION 18. The Bipartisan State Board of Elections and Ethics Enforcement shall report to the Joint Legislative Commission on Governmental Operations, Joint Legislative Elections Oversight Committee, and the Legislative Ethics Committee on or before April 1, 2018, and again on or before March 1, 2019, as to recommendations for statutory changes necessary to further implement this consolidation.

SECTION 19. Notwithstanding the recodification in Section 1 of this Part, the Bipartisan State Board of Elections and Ethics Enforcement shall not administer or enforce Part 1, Part 3, or Part 6 of Article 8 of Chapter 138B of the General Statutes, and the Secretary of State shall maintain the authority to administer and enforce Articles 2, 4, and 8 of Chapter 120C of the General Statutes, as those Articles existed on January 1, 2017, until October 1, 2017. Section 17 of this Part becomes effective October 1, 2017. G.S. 163-30, as amended by Section 5(h) of this Part and G.S. 163-31, as amended by Section 5(i) of this Part, becomes effective July 1, 2017. G.S. 163-278.22(7), as amended by Section 5(k) of this Part, becomes effective January 1, 2017, and applies to investigations initiated on or after that date. Except as otherwise provided, this Part becomes effective January 1, 2017.

PART II. CLARIFY LEGISLATIVE AUTHORITY TO APPORTION DISTRICTS

SECTION 20.(a) G.S. 120-2.4 reads as rewritten:

"**§ 120-2.4. Opportunity for General Assembly to remedy defects.**

(a) If the General Assembly enacts a plan apportioning or redistricting State legislative or congressional districts, in no event may a court impose its own substitute plan unless the court first gives the General Assembly a period of time to remedy any defects identified by the court in its findings of fact and conclusions of law. That period of time shall not be less than two weeks. In the event the General Assembly does not act to remedy any identified defects to its plan within that period of time, the court may impose an interim districting plan for use in the next general election only, but that interim districting plan may differ from the districting plan enacted by the General Assembly only to the extent necessary to remedy any defects identified by the court.

(b) Notwithstanding any other provision of law or authority of the State Board of Elections under Chapter 163 of the General Statutes, the State Board of Elections shall have no authority to alter, amend, correct, impose, or substitute any plan apportioning or redistricting State legislative or congressional districts other than a plan imposed by a court under this section or a plan enacted by the General Assembly."

SECTION 20.(b) G.S. 163-22 is amended by adding two new subsections to read:

"(r) Nothing in this Chapter shall grant authority to the State Board of Elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting State legislative or congressional districts other than a plan imposed by a court under G.S. 120-2.4 or a plan enacted by the General Assembly.

(s) Nothing in this Chapter shall grant authority to the State Board of Elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting districts for a unit of local government other than a plan imposed by a court, a plan enacted by the General Assembly, or a plan adopted by the appropriate unit of local government under statutory or local act authority."

SECTION 20.(c) G.S. 163-33 is amended by adding two new subdivisions to read:

"(15) Nothing in this Chapter shall grant authority to county boards of elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting State legislative or congressional districts other than a plan imposed by a court under G.S. 120-2.4 or a plan enacted by the General Assembly.

(16) Nothing in this Chapter shall grant authority to county boards of elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting districts for a unit of local government other than a plan imposed by a court, a plan enacted by the General Assembly, or a plan adopted by the appropriate unit of local government under statutory or local act authority."

SECTION 20.(d) G.S. 163-27.1 reads as rewritten:

"**§ 163-27.1. Emergency powers.**

(a) The Executive Director, as chief State elections official, may exercise emergency powers to conduct an election in a district where the normal schedule for the election is disrupted by any of the following:

(1) A natural disaster.

(2) Extremely inclement weather.

(3) An armed conflict involving Armed Forces of the United States, or mobilization of those forces, including North Carolina National Guard and reserve components of the Armed Forces of the United States.

In exercising those emergency powers, the Executive Director shall avoid unnecessary conflict with the provisions of this Chapter. The Executive Director shall adopt rules describing the emergency powers and the situations in which the emergency powers will be exercised.

(b) Nothing in this Chapter shall grant authority to the State Board of Elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting State legislative or congressional districts other than a plan imposed by a court under G.S. 120-2.4 or a plan enacted by the General Assembly.

(c) Nothing in this Chapter shall grant authority to the State Board of Elections to alter, amend, correct, impose, or substitute any plan apportioning or redistricting districts for a unit of local government other than a plan imposed by a court, a plan enacted by the General Assembly, or a plan adopted by the appropriate unit of local government under statutory or local act authority."

PART III. PARTISAN APPELLATE COURT ELECTIONS

SECTION 21.(a) G.S. 163-106 reads as rewritten:

"**§ 163-106. Notices of candidacy; pledge; with whom filed; date for filing; withdrawal.**

…

(c) Time for Filing Notice of Candidacy. – Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

Governor
Lieutenant Governor
All State executive officers
Justices of the Supreme Court
Judges of the Court of Appeals
United States Senators
Members of the House of Representatives of the United States
District attorneys

Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the county board of elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

State Senators
Members of the State House of Representatives
All county offices.

(d) Notice of Candidacy for Certain Offices to Indicate Vacancy. – In any primary in which there are two or more vacancies for associate justices for the Supreme Court, two or more vacancies for the Court of Appeals, or two vacancies for United States Senator from North Carolina, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which ~~he~~ the candidate seeks nomination. Votes cast for a candidate shall be effective only for ~~his~~ nomination to the vacancy for which ~~he~~the candidate has given notice of candidacy as provided in this subsection.

...."

SECTION 21.(b) G.S. 163-107(a) reads as rewritten:

"(a) Fee Schedule. – At the time of filing a notice of candidacy, each candidate shall pay to the board of elections with which ~~he~~ the candidate files under the provisions of G.S. 163-106 a filing fee for the office ~~he seeks~~ sought in the amount specified in the following tabulation:

Office Sought	**Amount of Filing Fee**
Governor	One percent (1%) of the annual salary of the office sought
Lieutenant Governor	One percent (1%) of the annual salary of the office sought
All State executive offices	One percent (1%) of the annual salary of the office sought
All Justices of the Supreme Court, Judges of the Court of Appeals, and District Attorneys of the General Court of Justice	One percent (1%) of the annual salary of the office sought
United States Senator	One percent (1%) of the annual salary of the office sought
Members of the United States House of Representatives	One percent (1%) of the annual salary of the office sought
State Senator	One percent (1%) of the annual salary of the office sought
Member of the State House of Representatives	One percent (1%) of the annual salary of the office sought

All county offices not compensated by fees	One percent (1%) of the annual salary of the office sought
All county offices compensated partly by salary and partly by fees	One percent (1%) of the first annual salary to be received (exclusive of fees)

The salary of any office that is the basis for calculating the filing fee is the starting salary for the office, rather than the salary received by the incumbent, if different. If no starting salary can be determined for the office, then the salary used for calculation is the salary of the incumbent, as of January 1 of the election year."

SECTION 21.(c) G.S. 163-107.1(b) reads as rewritten:

"(b) If the candidate is seeking the office of United States Senator, Governor, Lieutenant Governor, ~~or~~ any State executive officer, Justice of the Supreme Court, or Judge of the Court of Appeals, the petition must be signed by 10,000 registered voters who are members of the political party in whose primary the candidate desires to run, except that in the case of a political party as defined by G.S. 163-96(a)(2) which will be making nominations by primary election, the petition must be signed by five percent (5%) of the registered voters of the State who are affiliated with the same political party in whose primary the candidate desires to run, or in the alternative, the petition shall be signed by no less than 8,000 registered voters regardless of the voter's political party affiliation, whichever requirement is greater. The petition must be filed with the State Board of Elections not later than 12:00 noon on Monday preceding the filing deadline before the primary in which he seeks to run. The names on the petition shall be verified by the board of elections of the county where the signer is registered, and the petition must be presented to the county board of elections at least 15 days before the petition is due to be filed with the State Board of Elections. When a proper petition has been filed, the candidate's name shall be printed on the primary ballot."

SECTION 21.(d) G.S. 163-111(c)(1) reads as rewritten:

"(1) A candidate who is apparently entitled to demand a second primary, according to the unofficial results, for one of the offices listed below, and desiring to do so, shall file a request for a second primary in writing with the Executive Director of the State Board of Elections no later than 12:00 noon on the ninth day (including Saturdays and Sundays) following the date on which the primary was conducted, and such request shall be subject to the certification of the official results by the State Board of Elections. If the vote certification by the State Board of Elections determines that a candidate who was not originally thought to be eligible to call for a second primary is in fact eligible to call for a second primary, the Executive Director of the State Board of Elections shall immediately notify such candidate and permit ~~him~~ the candidate to exercise any options available to ~~him~~ the candidate within a 48-hour period following the notification:

Governor,
Lieutenant Governor,
All State executive officers,
Justices of the Supreme Court, Judges of the Court of Appeals, or District Attorneys of the General Court of Justice,
United States Senators,
Members of the United States House of Representatives,
State Senators in multi-county senatorial districts, and
Members of the State House of Representatives in multi-county representative districts."

SECTION 21.(e) Subchapter X of Chapter 163 of the General Statutes reads as rewritten:

"**SUBCHAPTER X. ELECTION OF ~~APPELLATE, SUPERIOR,~~ SUPERIOR AND DISTRICT COURT JUDGES.**

"Article 25.

"Nomination and Election of ~~Appellate, Superior,~~ Superior and District Court Judges.

"**§ 163-321. Applicability.**

The nomination and election of ~~justices of the Supreme Court, judges of the Court of Appeals, and~~ superior and district court judges of the General Court of Justice shall be as provided by this Article.

…

"**§ 163-323. Notice of candidacy.**

…

(b) Time for Filing Notice of Candidacy. – Candidates seeking election to the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the election:

~~Justices of the Supreme Court.~~

~~Judges of the Court of Appeals.~~

Judges of the superior courts.

Judges of the district courts.

…

(f) Notice of Candidacy for Certain Offices to Indicate Vacancy. – In any election in which there are two or more vacancies for the office of ~~justice of the Supreme Court, judge of the Court of Appeals, or~~ district court judge to be filled by nominations, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which the candidate seeks election. Votes cast for a candidate shall be effective only for election to the vacancy for which the candidate has given notice of candidacy as provided in this subsection.

A person seeking election for a specialized district judgeship established under G.S. 7A-147 shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the specialized judgeship to which the person seeks nomination.

…

"**§ 163-325. Petition in lieu of payment of filing fee.**

…

(b) Requirements of Petition; Deadline for Filing. – If the candidate is seeking the office of ~~justice of the Supreme Court, judge of the Court of Appeals, or~~ superior or district court judge, that individual shall file a written petition with the State Board of Elections no later than 12:00 noon on Monday preceding the filing deadline before the primary. ~~If the office is justice of the Supreme Court or judge of the Court of Appeals, the petition shall be signed by 8,000 registered voters in the State. If the office is superior court or district court judge, the~~ The petition shall be signed by five percent (5%) of the registered voters of the election area in which ~~the office will be voted for.~~ the registered voters will vote for the office. The board of elections shall verify the names on the petition, and if the petition and notice of candidacy are found to be sufficient, the candidate's name shall be printed on the appropriate ballot. Petitions must be presented to the county board of elections for verification at least 15 days before the petition is due to be filed with the State Board of Elections. The State Board of Elections may adopt rules to implement this section and to provide standard petition forms.

"**§ 163-326. Certification of notices of candidacy.**

…

(b) Notification of Local Boards. – No later than 10 days after the time for filing notices of candidacy under the provisions of G.S. 163-323(b) has expired, the chairman of the State Board of Elections shall certify to the chairman of the county board of elections in each county in the appropriate district the names of candidates for nomination to the offices of ~~justice of the Supreme Court, judge of the Court of Appeals, and~~ superior and district court judge who have filed the required notice and paid the required filing fee or presented the required petition to the State Board of Elections, so that their names may be printed on the official judicial ballot for ~~justice of the Supreme Court, judge of the Court of Appeals, and~~ superior and district court.

…

"**§ 163-329. Elections to fill vacancy in office created after primary filing period opens.**

(a) General. – If a vacancy is created in the office of ~~justice of the Supreme Court, judge of the Court of Appeals, or~~ judge of superior court after the filing period for the primary opens but more than 60 days before the general election, and under the Constitution of North Carolina an election is to be held for that position, such that the office shall be filled in the general election as provided in G.S. 163-9, the election to fill the office for the remainder of the term shall be conducted without a primary using the method provided in subsection (b1) of this section. If a vacancy is created in the office of ~~justice of the Supreme Court, judge of the Court of Appeals, or~~ judge of superior court before the filing period for the primary opens, and under the Constitution of North Carolina an election is to be held for that position, such that the office shall be filled in the general election as provided in G.S. 163-9, the election to fill the office for the remainder of the term shall be conducted in accordance with G.S. 163-322.

(b) Repealed by Session Laws 2006-192, s. 8(a), effective August 3, 2006, and applicable to vacancies occurring on or after that date.

(b1) Method for Vacancy Election. – If a vacancy for the office of ~~justice of the Supreme Court, judge of the Court of Appeals, or~~ judge of the superior court occurs more than 60 days before the general election and after the opening of the filing period for the primary, then the State Board of Elections shall designate a special filing period of one week for candidates for the office. If more than two candidates file and qualify for the office in accordance with G.S. 163-323, then the Board shall conduct the election for the office as follows:

(1) When the vacancy described in this section occurs more than 63 days before the date of the second primary for members of the General Assembly, a special primary shall be held on the same day as the second primary. The two candidates with the most votes in the special primary shall have their names placed on the ballot for the general election held on the same day as the general election for members of the General Assembly.

(2) When the vacancy described in this section occurs less than 64 days before the date of the second primary, a general election for all the candidates shall be held on the same day as the general election for members of the General Assembly and the results shall be determined on a plurality basis as provided by G.S. 163-292.

(3) Repealed by Session Laws 2013-381, s. 51.1, effective January 1, 2014.

(c) Applicable Provisions. – Except as provided in this section, the provisions of this Article apply to elections conducted under this section.

(d) Rules. – The State Board of Elections shall adopt rules for the implementation of this section. The rules are not subject to Article 2A of Chapter 150B of the General Statutes. The rules shall include the following:

(1) If after the first-choice candidate is eliminated, a ballot does not indicate one of the uneliminated candidates as an alternative choice, the ballot is exhausted and shall not be counted after the initial round.

(2) The fact that the voter does not designate a second or third choice does not invalidate the voter's higher choice or choices.

(3) The fact that the voter gives more than one ranking to the same candidate shall not invalidate the vote. The highest ranking given a particular candidate shall count as long as the candidate is not eliminated.

(4) In case of a tie between candidates such that two or more candidates have an equal number of first choices and more than two candidates qualify for the second round, instant runoff voting shall be used to determine which two candidates shall advance to the second round.

…

"**§ 163-332. Ballots.**

…

(b) Ballots to Be Furnished by County Board of Elections. – It shall be the duty of the county board of elections to print official ballots for the following offices to be voted for in the primary:

~~Justice of the Supreme Court.~~

~~Judge of the Court of Appeals.~~

Superior court judge.

District court judge.

In printing ballots, the county board of elections shall be governed by instructions of the State Board of Elections with regard to width, color, kind of paper, form, and size of type.

Three days before the election, the chairman of the county board of elections shall distribute official ballots to the chief judge of each precinct in his county, and the chief judge shall give a receipt for the ballots received. On the day of the primary, it shall be the chief judge's duty to have all the ballots so delivered available for use at the precinct voting place.

…."

SECTION 21.(f) G.S. 163-323(h) is repealed.

SECTION 21.(g) G.S. 163-165.5(a)(4) reads as rewritten:

"(4) Party designations in partisan ballot ~~items and in nonpartisan ballot items as required by G.S. 163-323(h).~~items."

SECTION 21.(h) This Part becomes effective January 1, 2018, and applies to primaries and elections held on or after that date.

PART IV. MODIFY APPELLATE REVIEW OF CERTAIN CASES

SECTION 22.(a) G.S. 7A-16 reads as rewritten:

"**§ 7A-16. Creation and organization.**

The Court of Appeals is created effective January 1, 1967. It shall consist initially of six judges, elected by the qualified voters of the State for terms of eight years. The Chief Justice of the Supreme Court shall designate one of the judges as Chief Judge, to serve in such capacity at the pleasure of the Chief Justice. Before entering upon the duties of his office, a judge of the Court of Appeals shall take the oath of office prescribed for a judge of the General Court of Justice.

The Governor on or after July 1, 1967, shall make temporary appointments to the six initial judgeships. The appointees shall serve until January 1, 1969. Their successors shall be elected at the general election for members of the General Assembly in November, 1968, and shall take office on January 1, 1969, to serve for the remainder of the unexpired term which began on January 1, 1967.

Upon the appointment of at least five judges, and the designation of a Chief Judge, the court is authorized to convene, organize, and promulgate, subject to the approval of the Supreme Court, such supplementary rules as it deems necessary and appropriate for the discharge of the judicial business lawfully assigned to it.

Effective January 1, 1969, the number of judges is increased to nine, and the Governor, on or after March 1, 1969, shall make temporary appointments to the additional judgeships thus created. The appointees shall serve until January 1, 1971. Their successors shall be elected at the general election for members of the General Assembly in November, 1970, and shall take office on January 1, 1971, to serve for the remainder of the unexpired term which began on January 1, 1969.

Effective January 1, 1977, the number of judges is increased to 12; and the Governor, on or after July 1, 1977, shall make temporary appointments to the additional judgeships thus created. The appointees shall serve until January 1, 1979. Their successors shall be elected at the general election for members of the General Assembly in November, 1978, and shall take office on January 1, 1979, to serve the remainder of the unexpired term which began on January 1, 1977.

On or after December 15, 2000, the Governor shall appoint three additional judges to increase the number of judges to 15.

The Court of Appeals shall sit in panels of three judges ~~each.~~each and may also sit en banc to hear or rehear any cause upon a vote of the majority of the judges of the court. The Chief Judge insofar as practicable shall assign the members to panels in such fashion that each member sits a substantially equal number of times with each other ~~member. He~~member, shall preside ~~over the panel of which he is a member,~~when a member of a panel, and shall designate the presiding judge of the other panel or panels.

~~Three judges shall constitute a quorum for the transaction of the business of the court, except as may be provided in G.S. 7A-32.~~Except as may be provided in G.S. 7A-32, three judges shall constitute a quorum for the transaction of the business of the court when sitting in panels of three judges, and a majority of the then sitting judges on the Court of Appeals shall constitute a quorum for the transaction of the business of the court when sitting en banc.

In the event the Chief Judge is unable, on account of absence or temporary incapacity, to perform the duties placed upon him as Chief Judge, the Chief Justice shall appoint an acting Chief Judge from the other judges of the Court, to temporarily discharge the duties of Chief Judge."

SECTION 22.(b) G.S. 7A-27 reads as rewritten:

"**§ 7A-27. Appeals of right from the courts of the trial divisions.**

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.

(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(3) From any interlocutory order of a Business Court Judge that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

~~(a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a court, either final or interlocutory, that holds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing in this subsection shall be deemed to apply to appeals from orders of the trial courts pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.~~

(b) Except as provided in subsection (a) ~~or (a1)~~ of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

e. Determines a claim prosecuted under G.S. 50-19.1.

f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General ~~Assembly as applied against a party in a civil action.~~Assembly. This sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action. ~~This sub-subdivision does not apply to facial challenges to an act's validity heard by a three-judge panel pursuant to G.S. 1-267.1.~~

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

SECTION 22.(c) G.S. 7A-30 reads as rewritten:

"**§ 7A-30. Appeals of right from certain decisions of the Court of Appeals.**

Except as provided in G.S. 7A-28, an appeal lies of right to the Supreme Court from any decision of the Court of Appeals rendered in a case:

(1) Which directly involves a substantial question arising under the Constitution of the United States or of this State, or

(2) In which there is a ~~dissent.~~dissent when the Court of Appeals is sitting in a panel of three judges. An appeal of right pursuant to this subdivision is not effective until after the Court of Appeals sitting en banc has rendered a decision in the case, if the Court of Appeals hears the case en banc, or until after the time for filing a motion for rehearing of the cause by the Court of Appeals has expired or the Court of Appeals has denied the motion for rehearing."

SECTION 22.(d) G.S. 7A-31(a) reads as rewritten:

"(a) In any cause in which appeal is taken to the Court of ~~Appeals,~~Appeals, including any cause heard while the Court of Appeals was sitting en banc, except a cause appealed from the North Carolina Industrial Commission, the North Carolina State Bar pursuant to G.S. 84-28, the Property Tax Commission pursuant to G.S. 105-345, the Board of State Contract Appeals pursuant to G.S. 143-135.9, the Commissioner of Insurance pursuant to ~~G.S. 58-2-80,~~ G.S. 58-2-80 or G.S. 58-65-131(c), a court-martial pursuant to G.S. 127A-62, a motion for appropriate relief, or valuation of exempt property pursuant to G.S. 7A-28, the Supreme Court may, in its discretion, on motion of any party to the cause or on its own motion, certify the cause for review by the Supreme Court, either before or after it has been determined by the Court of Appeals. A cause appealed to the Court of Appeals from any of the administrative bodies listed in the preceding sentence may be certified in similar fashion, but only after determination of the cause in the Court of Appeals. The effect of such certification is to transfer the cause from the Court of Appeals to the Supreme Court for review by the Supreme Court. If the cause is certified for transfer to the Supreme Court before its determination in the Court of Appeals, review is not had in the Court of Appeals but the cause is forthwith transferred for review in the first instance by the Supreme Court. If the cause is certified for transfer to the Supreme Court after its determination by the Court of Appeals, the Supreme Court reviews the decision of the Court of Appeals.

Except in courts-martial and motions within the purview of G.S. 7A-28, the State may move for certification for review of any criminal cause, but only after determination of the cause by the Court of Appeals."

SECTION 22.(e) G.S. 58-65-131(c) reads as rewritten:

"(c) Compliance Required in Certain Events. – A corporation governed by this Article shall comply with the provisions of this section, G.S. 58-65-132, and G.S. 58-65-133 before it may do any of the following:

…

In determining whether the corporation must comply with the provisions of this section, G.S. 58-65-132, and G.S. 58-65-133, the Commissioner may review and consolidate actions of

the corporation, its subsidiaries, and other legal entities in which the corporation directly or indirectly owns an interest, and treat the consolidated actions as requiring a conversion. An appeal of the Commissioner's order that consolidated actions require a conversion shall lie directly to the North Carolina Court of ~~Appeals, provided that any party may petition the North Carolina Supreme Court, pursuant to G.S. 7A-31(b), to certify the case for discretionary review by the Supreme Court prior to determination by the Court of~~ Appeals. Appeals under this subsection must be filed within 30 days of the Commissioner's order and shall be considered in the most expeditious manner practical. The corporation must file a plan of conversion within 12 months of the later of the issuance of the Commissioner's order or a final decision on appeal."

SECTION 22.(f) G.S. 120-2.5 is repealed.

SECTION 23.(a) G.S. 1A-1, Rule 42(b)(4) of the Rules of Civil Procedure, reads as rewritten:

"**Rule 42. Consolidation; separate trials.**

...

(b) Separate trials. –

...

(4) Pursuant to G.S. 1-267.1, any facial challenge to the validity of an act of the General Assembly, other than a challenge to plans apportioning or redistricting State legislative or congressional districts, shall be heard by a three-judge panel in the Superior Court of Wake County if a claimant raises such a challenge in the claimant's complaint or amended complaint in any court in this State, or if such a challenge is raised by the defendant in the defendant's answer, responsive pleading, or within 30 days of filing the defendant's answer or responsive pleading. In that event, the court shall, on its own motion, transfer that portion of the action challenging the validity of the act of the General Assembly to the Superior Court of Wake County for resolution by a three-judge panel if, after all other matters in the action have been resolved, a determination as to the facial validity of an act of the General Assembly must be made in order to completely resolve any matters in the case. The court in which the action originated shall maintain jurisdiction over all matters other than the challenge to the act's facial ~~validity and~~ validity. For a motion filed under Rule 11 or Rule 12(b)(1) through (7), the original court shall rule on the motion, however, it may decline to rule on a motion that is based solely upon Rule 12(b)(6). If the original court declines to rule on a Rule 12(b)(6) motion, the motion shall be decided by the three-judge panel. The original court shall stay all matters that are contingent upon the outcome of the challenge to the act's facial validity pending a ruling on that challenge and until all appeal rights are exhausted. Once the three-judge panel has ruled and all appeal rights have been exhausted, the matter shall be transferred or remanded to the three-judge panel or the trial court in which the action originated for resolution of any outstanding matters, as appropriate."

SECTION 23.(b) This section becomes effective February 1, 2017, and applies to motions filed on or after that date.

PART V. MODIFY THE TERM FOR INDUSTRIAL COMMISSIONERS

SECTION 24.(a) G.S. 97-77 reads as rewritten:

"**§ 97-77. North Carolina Industrial Commission created; members appointed by Governor; terms of office; chairman.**

(a) There is hereby created a commission to be known as the North Carolina Industrial Commission, consisting of six commissioners who shall devote their entire time to the duties of the Commission. The Governor shall appoint the members of the Commission for terms of six years. Three commissioners shall be persons who, on account of their previous vocations,

employment or affiliations, can be classed as representatives of employers. Three commissioners shall be persons who, on account of their previous vocations, employment or affiliations, can be classed as representatives of employees. No person may serve more than two terms on the Commission, including any term served prior to the effective date of this section. In calculating the number of terms served, a partial term that is less than three years in length shall not be included.

(a1) Appointments of commissioners are subject to confirmation by the General Assembly by joint resolution. The names of commissioners to be appointed by the Governor shall be submitted by the Governor to the General Assembly for confirmation by the General Assembly on or before March 1 of the year of expiration of the term. If the Governor fails to timely submit nominations, the General Assembly shall appoint to fill the succeeding term upon the joint recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives in accordance with G.S. 120-121 not inconsistent with this section.

In case of death, incapacity, resignation, or any other vacancy in the office of any commissioner prior to the expiration of the term of office, a nomination to fill the vacancy ~~for the remainder of the unexpired term~~ shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. Appointments to fill a vacancy shall have a term of six years plus the remainder of the unexpired term. If the Governor fails to timely nominate a person to fill the vacancy, the General Assembly shall appoint a person to fill the remainder of the unexpired term upon the joint recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives in accordance with G.S. 120-121 not inconsistent with this section. If a vacancy arises or exists pursuant to this subsection when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the commissioner may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, and (iii) after sine die adjournment of the Regular Session.

No person while in office as a commissioner may be nominated or appointed on an interim basis to fill the remainder of an unexpired term, or to a full term that commences prior to the expiration of the term that the commissioner is serving.

(b) ~~One member, to be designated by the Governor, shall act as chairman.~~ On December 30, 2016, and every four years thereafter, one member shall be designated by the Governor to act as chairman for a term of four years. In case of death, incapacity, resignation, or any other vacancy of the chairman, the Governor shall designate a new chairman from the remaining commissioners for the remainder of the four-year term. No member who has served less than one year on the Commission may be designated to act as chairman.

The chairman shall be the chief judicial officer and the chief executive officer of the Industrial Commission; such authority shall be exercised pursuant to the provisions of Chapter 126 of the General Statutes and the rules and policies of the State Human Resources Commission. Notwithstanding the provisions of this Chapter, the chairman shall have such authority as is necessary to direct and oversee the Commission. The chairman may delegate any duties and responsibilities as may be necessary to ensure the proper management of the Industrial Commission. Notwithstanding the provisions of this Chapter, Chapter 143A, and Chapter 143B of the General Statutes, the chairman may hire or fire personnel and transfer personnel within the Industrial Commission.

~~The Governor may designate one vice-chairman from the remaining commissioners.~~ On December 30, 2016, and every four years thereafter, one member shall be designated by the Governor to act as vice-chairman for a term of four years. In case of death, incapacity, resignation, or any other vacancy of the vice-chairman, the Governor shall designate a new vice-chairman from the remaining commissioners for the remainder of the four-year term. The vice-chairman shall assume the powers of the chairman upon request of the chairman or when

the chairman is absent for 24 hours or more. The authority delegated to the vice-chairman shall be relinquished immediately upon the return of the chairman or at the request of the chairman."

SECTION 24.(b) G.S. 97-77(a1), as amended by subsection (a) of this section, reads as rewritten:

"(a1) Appointments of commissioners are subject to confirmation by the General Assembly by joint resolution. The names of commissioners to be appointed by the Governor shall be submitted by the Governor to the General Assembly for confirmation by the General Assembly on or before March 1 of the year of expiration of the term. If the Governor fails to timely submit nominations, the General Assembly shall appoint to fill the succeeding term upon the joint recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives in accordance with G.S. 120-121 not inconsistent with this section.

In case of death, incapacity, resignation, or any other vacancy in the office of any commissioner prior to the expiration of the term of office, a nomination to fill the vacancy for the remainder of the unexpired term shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. ~~Appointments to fill a vacancy shall have a term of six years plus the remainder of the unexpired term.~~ If the Governor fails to timely nominate a person to fill the vacancy, the General Assembly shall appoint a person to fill the remainder of the unexpired term upon the joint recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives in accordance with G.S. 120-121 not inconsistent with this section. If a vacancy arises or exists pursuant to this subsection when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the commissioner may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, and (iii) after sine die adjournment of the Regular Session.

No person while in office as a commissioner may be nominated or appointed on an interim basis to fill the remainder of an unexpired term, or to a full term that commences prior to the expiration of the term that the commissioner is serving."

SECTION 24.(c) Subsection (a) of this section is effective when it becomes law and applies to the first appointment made to fill a vacancy existing as of that date. Subsection (b) of this section becomes effective on the earlier of December 31, 2016, or upon the filling of a vacancy pursuant to subsection (a) of this section.

PART VI. EFFECTIVE DATE

SECTION 25. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 26. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

Session Law 2016-126 **H.B. 17**

AN ACT TO CLARIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION'S ROLE AS THE ADMINISTRATIVE HEAD OF THE DEPARTMENT OF PUBLIC INSTRUCTION, TO CHANGE THE APPOINTMENTS PROCESS FOR THE BOARDS OF TRUSTEES FOR THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA, TO MODIFY THE APPOINTMENT OF HEADS OF PRINCIPAL STATE DEPARTMENTS, AND TO ESTABLISH TASK FORCE FOR SAFER SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. CLARIFY ROLES/DPI/SBE

SECTION 1. G.S. 115C-11 reads as rewritten:

"**§ 115C-11. Organization and internal procedures of Board.**

…

(a1) Student advisors. – The ~~Governor~~ Superintendent of Public Instruction is hereby authorized to appoint two high school students who are enrolled in the public schools of North Carolina as advisors to the State Board of Education. The student advisors shall participate in State Board deliberations in an advisory capacity only. The State Board may, in its discretion, exclude the student advisors from executive sessions.

~~The Governor shall make initial appointments of student advisors to the State Board as follows:~~

~~(1) One high school junior shall be appointed for a two-year term beginning September 1, 1986, and expiring June 14, 1988; and~~

~~(2) One high school senior shall be appointed for a one-year term beginning September 1, 1986, and expiring June 14, 1987. When an initial or subsequent term expires, the Governor~~The Superintendent of Public Instruction shall ~~appoint a~~ stagger the appointments of the two student advisors so that a high school junior ~~for~~ is serving in the first year of a two-year term and a high school senior is serving in the second year of a two-year term simultaneously. The appointment of a high school junior shall be made beginning June 15 of ~~that~~ each year. If a student advisor is no longer enrolled in the public schools of North Carolina or if a vacancy otherwise occurs, the ~~Governor~~ Superintendent of Public Instruction shall appoint a student advisor for the remainder of the unexpired term.

Student advisors shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

…

(a3) Superintendent Advisor. – The ~~Governor~~ Superintendent of Public Instruction shall appoint a superintendent of a local school administrative unit as an advisor to the State Board of Education. The superintendent advisor shall serve for a term of one year. The superintendent advisor shall participate in State Board deliberations and committee meetings in an advisory capacity only. The State Board may, in its discretion, exclude the superintendent advisor from executive sessions.

In the event that a superintendent advisor ceases to be a superintendent in a local school administrative unit, the position of superintendent advisor shall be deemed vacant. In the event that a vacancy occurs in the position for whatever reason, the ~~Governor~~ Superintendent of Public Instruction shall appoint a superintendent advisor for the remainder of the unexpired term. The superintendent advisor to the State Board shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

…

(i) Administrative Assistance. – The Superintendent of Public Instruction shall provide technical assistance and administrative assistance, including all personnel except as otherwise provided in subsection (j) of this section, to the State Board of Education through the Department of Public Instruction.

(j) Certain Personnel Appointed by the State Board. – The State Board may appoint only the following personnel positions to support the operations of the State Board of Education through the Department of Public Instruction:

	Position number	Title
(1)	65023576	Attorney I.
(2)	60009384	Attorney II.
(3)	65003194	Paralegal II.
(4)	60095070	Administrative Assistant I."

SECTION 2. G.S. 115C-12 reads as rewritten:

"**§ 115C-12. Powers and duties of the Board generally.**

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish ~~policy~~all needed rules and regulations for the system of free public schools, subject to laws enacted by the General Assembly. In accordance with Sections 7 and 8 of Article III of the North Carolina Constitution, the Superintendent of Public Instruction, as an elected officer and Council of State member, shall administer all needed rules and regulations adopted by the State Board of Education through the Department of Public Instruction. The powers and duties of the State Board of Education are defined as follows:

…."

SECTION 3. G.S. 115C-19 reads as rewritten:

"**§ 115C-19. Chief administrative officer of the State Board of Education.**

As provided in Article IX, Sec. 4(2) of the North Carolina Constitution, the Superintendent of Public Instruction shall be the secretary and chief administrative officer of the State Board of Education. ~~As secretary and chief administrative officer of the State Board of Education, the Superintendent manages on a day-to-day basis the administration of the free public school system, subject to the direction, control, and approval of the State Board. Subject to the direction, control, and approval of the State Board of Education, the Superintendent of Public Instruction~~ As provided in Sections 7 and 8 of Article III of the North Carolina Constitution, the Superintendent of Public Instruction shall be an elected officer and Council of State member and shall carry out the duties prescribed under ~~G.S. 115C-21.~~G.S. 115C-21 as the administrative head of the Department of Public Instruction. The Superintendent of Public Instruction shall administer all needed rules and regulations adopted by the State Board of Education through the Department of Public Instruction."

SECTION 4. G.S. 115C-21 reads as rewritten:

"**§ 115C-21. Powers and duties generally.**

(a) Administrative Duties. – ~~Subject to the direction, control, and approval of the State Board of Education, it~~It shall be the duty of the Superintendent of Public Instruction:

(1) To organize and establish a Department of Public Instruction which shall include ~~such~~ divisions and departments ~~as the State Board considers necessary~~ for supervision and administration of the public school ~~system.~~system, to administer the funds appropriated for the operation of the Department of Public Instruction, in accordance with all needed rules and regulations adopted by the State Board of Education, and to enter into contracts for the operations of the Department of Public Instruction. All appointments of administrative and supervisory personnel to the staff of the Department of Public ~~Instruction are subject to the approval of the State Board of Education, which~~Instruction and the State Board of Education, except for certain personnel appointed by the State Board of Education as provided in G.S. 115C-11(j), shall be under the control and management of the Superintendent of Public Instruction who may terminate these appointments ~~for cause~~ in conformity with Chapter 126 of the General Statutes, the North Carolina Human Resources Act.

(2) To keep the public informed as to the problems and needs of the public schools by constant contact with all school administrators and teachers, by personal appearance at public gatherings, and by information furnished to the press of the State.

(3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for changes in the school law.

(4) To have printed and distributed such educational bulletins as are necessary for the professional improvement of teachers and for the cultivation of public sentiment for public education, and to have printed all forms necessary and proper for the administration of the Department of Public Instruction.

(5) To ~~manage~~ have under his or her direction and control, all ~~those~~ matters relating to the direct supervision and administration of the public school ~~system that the State Board delegates to the Superintendent of Public Instruction.~~system.

(6) To create ~~a~~and administer special ~~fund~~funds within the Department of Public Instruction to manage funds received as grants from nongovernmental sources in support of public ~~education. Effective July 1, 1995, this special fund is transferred to the State Board of Education and shall be administered by the State Board~~education in accordance with G.S. 115C-410.

(7) Repealed by Session Laws 1995, c. 72, s. 2.

(8) To administer, through the Department of Public Instruction, all needed rules and regulations established by the State Board of Education.

(9) To have under his or her direction and control all matters relating to the provision of staff services, except certain personnel appointed by the State Board as provided in G.S. 115C-11(j), and support of the State Board of Education, including implementation of federal programs on behalf of the State Board.

(b) Duties as Secretary to the State Board of Education. – ~~Subject to the direction, control, and approval of the State Board of Education,~~As secretary to the State Board of Education, it shall be the duty of the Superintendent of Public Instruction:

~~(1) To administer through the Department of Public Instruction, the instructional policies established by the Board.~~

(1a) Repealed by Session Laws 1995, c. 72, s. 2.

(1b) To administer funds appropriated for the operations of the State Board of Education and for aid to local school administrative units.

(2) To keep the Board informed regarding developments in the field of public education.

(3) To make recommendations to the Board with regard to the problems and needs of education in North Carolina.

(4) To make available to the public schools a continuous program of comprehensive supervisory services.

(5) To collect and organize information regarding the public schools, on the basis of which he or she shall furnish the Board such tabulations and reports as may be required by the Board.

(6) To communicate to the public school administrators all information and instructions regarding ~~instructional policies and procedures~~needed rules and regulations adopted by the Board.

(7) To have custody of the official seal of the Board and to attest all deeds, leases, or written contracts executed in the name of the Board. All deeds of conveyance, leases, and contracts affecting real estate, title to which is held by the Board, and all contracts of the Board required to be in writing and under seal, shall be executed in the name of the Board by the chairman and attested by the secretary; and proof of the execution, if required or desired, may be had as provided by law for the proof of corporate instruments.

(8) To attend all meetings of the Board and to keep the minutes of the proceedings of the Board in a well-bound and suitable book, which minutes shall be approved by the Board prior to its adjournment; and, as soon

thereafter as possible, to furnish to each member of the Board a copy of said minutes.

(9) To perform such other duties as may be necessary and appropriate for the Superintendent of Public Instruction in the role as secretary to the ~~Board may assign to him from time to time.~~Board."

SECTION 5. G.S. 115C-408(a) reads as rewritten:

"(a) It is the policy of the State of North Carolina to create a public school system that graduates good citizens with the skills demanded in the marketplace, and the skills necessary to cope with contemporary society, using State, local and other funds in the most cost-effective manner. The Board shall have general supervision and administration of the educational funds provided by the State and federal governments, except those mentioned in Section 7 of Article IX of the State Constitution, and also excepting such local funds as may be provided by a county, city, or district. The Superintendent of Public Instruction shall administer any available educational funds through the Department of Public Instruction in accordance with all needed rules and regulations adopted by the State Board of Education."

SECTION 6. G.S. 115C-410 reads as rewritten:

"**§ 115C-410. Power to accept gifts and grants.**

The Board is authorized to adopt all needed rules and regulations related to the creation and administration of special funds within the Department of Public Instruction to manage any funds received as grants from nongovernmental sources in support of public education. In accordance with the State Board's rules and regulations, the Superintendent of Public Instruction is authorized to create and administer such special funds and to accept, receive, use, or reallocate to local school administrative units any gifts, donations, grants, devises, or other forms of voluntary contributions."

SECTION 7. G.S. 126-5(d) reads as rewritten:

"(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of ~~1,500~~ 425 exempt positions throughout the following departments and offices:

a. Department of Administration.
b. Department of Commerce.
c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
d. Department of Public Safety.
e. Department of Natural and Cultural Resources.
f. Department of Health and Human Services.
g. Department of Environmental Quality.
h. Department of Revenue.
i. Department of Transportation.
j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
k. Department of Information Technology.
~~l. Office of State Budget and Management.~~
~~m. Office of State Human Resources.~~
n. Department of Military and Veterans Affairs.

(2) Exempt Positions in Council of State Departments and Offices. – The Secretary of State, the Auditor, the Treasurer, the Attorney General, the Commissioner of Agriculture, the Commissioner of Insurance, and the Labor Commissioner may designate exempt positions. The State Board of Education may designate exempt positions in the Department of Public Instruction. The number of exempt policymaking positions in each

department headed by an elected department head listed above in this ~~sub-subdivision~~sub-subdivision, other than the Department of Public Instruction, shall be limited to ~~20~~ 25 exempt policymaking positions or ~~one~~ two percent ~~(1%)~~(2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions shall be limited to ~~20~~ 25 positions or ~~one~~ two percent ~~(1%)~~(2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt policymaking positions designated by the State Board of Education shall be limited to 70 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions designated by the State Board of Education shall be limited to 70 exempt managerial positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater.

…

(2c) Changes in Cabinet Department Exempt Position Designation. – If the status of a position designated exempt pursuant to subsection (d)(1) of this section is changed and the position is made subject to the provisions of this Chapter, an employee occupying the position who has been continuously employed in a permanent position for the immediate 12 preceding months, shall be deemed a career State employee as defined by G.S. 126-1.1(a) upon the effective date of the change in designation.

...."

SECTION 8. G.S. 126-5(d), as amended by Section 7 of this act, reads as rewritten:

"(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 425 exempt positions throughout the following departments and offices:

a. Department of Administration.
b. Department of Commerce.
c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
d. Department of Public Safety.
e. Department of Natural and Cultural Resources.
f. Department of Health and Human Services.
g. Department of Environmental Quality.
h. Department of Revenue.
i. Department of Transportation.
j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
k. Department of Information Technology.
l. Repealed.
m. Repealed.
n. Department of Military and Veterans Affairs.

(2) Exempt Positions in Council of State Departments and Offices. – The Secretary of State, the Auditor, the Treasurer, the Attorney General, the Superintendent of Public Instruction, the Commissioner of Agriculture, the Commissioner of Insurance, and the Labor Commissioner may designate exempt positions. ~~The State Board of Education may designate exempt positions in the Department of Public Instruction.~~ The number of exempt

policymaking positions in each department headed by an elected department head listed above in this ~~sub-subdivision, other than the Department of Public Instruction,~~sub-subdivision shall be limited to 25 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions shall be limited to 25 positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt policymaking positions designated by the ~~State Board of Education~~Superintendent of Public Instruction shall be limited to 70 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions designated by the ~~State Board of Education~~Superintendent of Public Instruction shall be limited to 70 exempt managerial positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater.

(2a) Designation of Additional Positions. – The ~~Governor,~~Governor or elected department ~~head, or State Board of Education~~head may request that additional positions be designated as exempt. The request shall be made by sending a list of exempt positions that exceed the limit imposed by this subsection to the Speaker of the North Carolina House of Representatives and the President of the North Carolina Senate. A copy of the list also shall be sent to the Director of the Office of State Human Resources. The General Assembly may authorize all, or part of, the additional positions to be designated as exempt positions. If the General Assembly is in session when the list is submitted and does not act within 30 days after the list is submitted, the list shall be deemed approved by the General Assembly, and the positions shall be designated as exempt positions. If the General Assembly is not in session when the list is submitted, the 30-day period shall not begin to run until the next date that the General Assembly convenes or reconvenes, other than for a special session called for a specific purpose not involving the approval of the list of additional positions to be designated as exempt positions; the policymaking positions shall not be designated as exempt during the interim.

(2b) Designation of Liaison Positions. – Liaisons to the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 for the Departments of Commerce, Environmental Quality, and Transportation are designated as exempt.

(2c) Changes in Cabinet Department Exempt Position Designation. – If the status of a position designated exempt pursuant to subsection (d)(1) of this section is changed and the position is made subject to the provisions of this Chapter, an employee occupying the position who has been continuously employed in a permanent position for the immediate 12 preceding months, shall be deemed a career State employee as defined by G.S. 126-1.1(a) upon the effective date of the change in designation.

(3) Letter. – These positions shall be designated in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate by July 1 of the year in which the oath of office is administered to each Governor unless the provisions of subsection (d)(4) apply.

(4) Vacancies. – In the event of a vacancy in the Office of Governor or in the office of a member of the Council of State, the person who succeeds to or is appointed or elected to fill the unexpired term shall make such designations in a letter to the Director of the Office of State Human Resources, the

Speaker of the House of Representatives, and the President of the Senate within 180 days after the oath of office is administered to that person. ~~In the event of a vacancy in the Office of Governor, the State Board of Education shall make these designations in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate within 180 days after the oath of office is administered to the Governor.~~

(5) Creation, Transfer, or Reorganization. – The ~~Governor,~~Governor or elected department ~~head, or State Board of Education~~head may designate as exempt a position that is created or transferred to a different department, or is located in a department in which reorganization has occurred, after October 1 of the year in which the oath of office is administered to the Governor. The designation must be made in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate within 180 days after such position is created, transferred, or in which reorganization has occurred.

(6) Reversal. – Subsequent to the designation of a position as an exempt position as hereinabove provided, the status of the position may be reversed and made subject to the provisions of this Chapter by the ~~Governor,~~Governor or by an elected department ~~head, or by the State Board of Education~~head in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate.

(7) Hearing Officers. – Except for deputy commissioners appointed pursuant to G.S. 97-79 and as otherwise specifically provided by this section, no employee, by whatever title, whose primary duties include the power to conduct hearings, take evidence, and enter a decision based on findings of fact and conclusions of law based on statutes and legal precedents shall be designated as exempt. This subdivision shall apply beginning July 1, 1985, and no list submitted after that date shall designate as exempt any employee described in this subdivision."

SECTION 9. G.S. 143-745(a)(1) reads as rewritten:

"(1) "Agency head" means the Governor, a Council of State member, a cabinet secretary, the President of The University of North Carolina, the President of the Community College System, the State Controller, and other independent appointed officers with authority over a State agency. ~~The agency head for the Department of Public Instruction shall be the State Board of Education.~~"

SECTION 10. G.S. 143A-44.1 reads as rewritten:

"**§ 143A-44.1. Creation.**

There is hereby created a Department of Public Instruction. The head of the Department of Public Instruction is the ~~State Board of Education. Any provision of G.S. 143A-9 to the contrary notwithstanding, the appointment of the State Board of Education shall be as prescribed in Article IX, Section (4)(1) of the Constitution.~~Superintendent of Public Instruction."

SECTION 11. G.S. 143A-44.2 is repealed.

SECTION 12. G.S. 143A-44.3 reads as rewritten:

"**§ 143A-44.3. Superintendent of Public Instruction; creation; transfer of powers and duties.**

The office of the Superintendent of Public Instruction, as provided for by Article III, Section 7 of the Constitution, and the Department of Public Instruction are transferred to the Department of Public Instruction. The Superintendent of Public Instruction shall be the Secretary and Chief Administrative Officer of the State Board of Education, and shall have all

powers and duties conferred by this Chapter and the Constitution, delegated to him or her by the Governor and by the State Board of Education, and conferred by Chapter 115C of the General ~~Statutes,~~Statutes and the laws of this State."

SECTION 13. G.S. 14-234(d6) is repealed.

SECTION 14. G.S. 115C-75.5(4) reads as rewritten:

"(4) ASD Superintendent. – The superintendent of the ASD appointed by the ~~State Board of Education~~Superintendent of Public Instruction in accordance with G.S. 115C-75.6(b)."

SECTION 15. G.S. 115C-75.6 reads as rewritten:

"**§ 115C-75.6. Achievement School District.**

(a) There is established the Achievement School District (ASD) under the administration of the State Board of ~~Education.~~Education and the Superintendent of Public Instruction. The ASD shall assume the supervision, management, and operation of elementary schools that have been selected as achievement schools pursuant to this Article.

~~(b) An ASD Superintendent Selection Advisory Committee shall be established to make a recommendation to the State Board of Education on appointment of a superintendent to serve as the executive officer of the ASD. The Committee shall ensure that the individual recommended has qualifications consistent with G.S. 115C-271(a). The Lieutenant Governor shall serve as chair of the Committee and shall appoint the following additional members:~~

~~(1) Three members of the State Board of Education.~~

~~(2) One teacher or retired teacher.~~

~~(3) One principal or retired principal.~~

~~(4) One superintendent or retired superintendent.~~

~~(5) One parent of a student currently enrolled in a low-performing school, as defined in G.S. 115C-105.37.~~

(c) The ~~State Board of Education shall consider the recommendation of the ASD Superintendent Selection Advisory Committee and~~ Superintendent of Public Instruction shall appoint a superintendent to serve as the executive officer of the ASD. The ASD Superintendent shall serve at the pleasure of the ~~State Board of Education~~Superintendent of Public Instruction at a salary established by the ~~State Board of Education~~Superintendent of Public Instruction within the funds appropriated for this purpose. The ASD Superintendent shall have qualifications consistent with G.S. 115C-271(a) and report directly to the ~~State Board of Education.~~Superintendent of Public Instruction.

(d) By January 15 annually, the State Board of ~~Education~~Education, Superintendent of Public Instruction, and the ASD Superintendent shall report to the Joint Legislative Education Oversight Committee on all aspects of operation of ASD, including the selection of achievement schools and their progress."

SECTION 16. G.S. 115C-150.11 reads as rewritten:

"**§ 115C-150.11. State Board of Education as governing agency.**

The State Board of Education shall be the sole governing agency for the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The ~~Department~~Superintendent of Public Instruction through the Department of Public Instruction shall be responsible for the ~~administration~~administration, including appointment of staff, and oversight of a school governed by this Article."

SECTION 17. G.S. 115C-218 reads as rewritten:

"**§ 115C-218. Purpose of charter schools; establishment of North Carolina Charter Schools Advisory Board and North Carolina Office of Charter Schools.**

…

(b) North Carolina Charter Schools Advisory Board. –

(1) Advisory Board. – There is created the North Carolina Charter Schools Advisory Board, hereinafter referred to in this Article as the Advisory Board. The Advisory Board shall be located administratively within the

Department of Public Instruction and shall report to the State Board of Education.

(2) Membership. – The State Superintendent of Public Instruction, or the Superintendent's designee, shall be the secretary of the Advisory Board and a nonvoting member. ~~The Chair of the State Board of Education shall appoint a member of the State Board to serve as a nonvoting member of the Advisory Board.~~ The Advisory Board shall consist of the following 11 voting members:

~~a. Three members appointed by the Governor, including the chair of the Advisory Board.~~

b. ~~Three~~Four members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

c. ~~Three~~Four members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

d. ~~One member~~Two members appointed by the State Board of Education who ~~is~~are not ~~a~~ current ~~member~~members of the State Board of Education and who ~~is a~~are charter school ~~advocate~~advocates in North Carolina.

e. The Lieutenant Governor or the Lieutenant Governor's designee.

(3) Covered board. – The Advisory Board shall be treated as a board for purposes of Chapter 138A of the General Statutes.

(4) Qualifications of members. – Members appointed to the Advisory Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Advisory Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(5) Terms of office and vacancy appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(6) Presiding officers and quorum. – The Advisory Board shall annually elect a chair and a vice-chair from among its membership. The chair shall preside over the Advisory Board's meetings. In the absence of the chair, the vice-chair shall preside over the Advisory Board's meetings. A majority of the Advisory Board constitutes a quorum.

(7) Presiding officers and quorum. – Meetings. – Meetings of the Advisory Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(8) Expenses. – Members of the Advisory Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(9) Removal. – Any appointed member of the Advisory Board may be removed by a vote of at least two-thirds of the members of the Advisory Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(10) Powers and duties. – The Advisory Board shall have the following duties:

a. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and

approval of applications, monitoring of charter schools, and grounds for revocation of charters.

b. To review applications and make recommendations to the State Board for final approval of charter applications.

c. To make recommendations to the State Board on actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocations of charters.

d. To undertake any other duties and responsibilities as assigned by the State Board.

(11) Duties of the chair of the Advisory Board. – In addition to any other duties prescribed in this Article, the chair of the Advisory Board, or the chair's designee, shall advocate for the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(c) North Carolina Office of Charter Schools. –

(1) Establishment of the North Carolina Office of Charter Schools. – There is established the North Carolina Office of Charter Schools, hereinafter referred to in this Article as the Office of Charter Schools. The Office of Charter Schools shall be administratively located in the Department of Public ~~Instruction, subject to the supervision, direction, and control of the State Board of Education.~~Instruction. The Office of Charter Schools shall consist of an executive director appointed by the ~~State Board of Education~~Superintendent of Public Instruction and such other professional, administrative, technical, and clerical personnel as may be necessary to assist the Office of Charter Schools in carrying out its powers and duties.

(2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the ~~State Board of Education~~Superintendent of Public Instruction at a salary established by the ~~State Board~~Superintendent within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:

a. Serve as staff to the Advisory Board and fulfill any task and duties assigned to it by the Advisory Board.

b. Provide technical assistance and guidance to charter schools operating within the State.

c. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.

d. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.

e. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services with the Department of Public Instruction.

f. Other duties as assigned by the ~~State Board.~~Superintendent of Public Instruction.

(4) Agency cooperation. – All State agencies and departments shall cooperate with the Office of Charter Schools in carrying out its powers and duties as necessary in accordance with this Article."

SECTION 18. G.S. 115C-218.20(b) reads as rewritten:

"(b) No civil liability shall attach to the State Board of Education, the Superintendent of Public Instruction, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school."

SECTION 19. G.S. 115C-238.73(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of the board of directors, or its employees, or the State Board of Education, the Superintendent of Public Instruction, or ~~its~~any of their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 20. G.S. 115C-332(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of a local board of education, or its employees, or the State Board of Education, the Superintendent of Public Instruction, or ~~its~~any of their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Chapter 31 of Chapter 143 of the General Statutes."

SECTION 21. G.S. 115C-333(e) reads as rewritten:

"(e) Civil Immunity. – There shall be no liability for negligence on the part of the State Board of ~~Education~~Education, the Superintendent of Public Instruction, or a local board of education, or their members or employees, individually or collectively, arising from any action taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 22. G.S. 115C-333.1(g) reads as rewritten:

"(g) Civil Immunity. – There shall be no liability for negligence on the part of the State Board of ~~Education~~Education, the Superintendent of Public Instruction, or a local board of education, or their members or employees, individually or collectively, arising from any action taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 23. G.S. 115C-390.3(c) reads as rewritten:

"(c) Notwithstanding any other law, no ~~officer~~officer, member, or employee of the State Board of ~~Education~~Education, the Superintendent of Public Instruction, or of a local board of ~~education~~education, individually or collectively, shall be civilly liable for using reasonable force in conformity with State law, State or local rules, or State or local policies regarding the control, discipline, suspension, and expulsion of students. Furthermore, the burden of proof is on the claimant to show that the amount of force used was not reasonable."

SECTION 24. G.S. 115C-521 reads as rewritten:

"**§ 115C-521. Erection of school buildings.**

…

(b) It shall be the duty of the local boards of education ~~of the several local school administrative school units of the State~~ to make provisions for the public school term by providing adequate school buildings equipped with suitable school furniture and apparatus. The needs and the cost of those buildings, equipment, and apparatus, shall be presented each year when the school budget is submitted to the respective tax-levying authorities. The boards of commissioners shall be given a reasonable time to provide the funds which they, upon investigation, shall find to be necessary for providing their respective units with buildings suitably equipped, and it shall be the duty of the several boards of county commissioners to provide funds for the same.

Upon determination by a local board of education that the existing permanent school building does not have sufficient classrooms to house the pupil enrollment anticipated for the school, the local board of education may acquire and use as temporary classrooms for the operation of the school, relocatable or mobile classroom units, whether built on the lot or not, which units and method of use shall meet the approval of the School Planning Division of the ~~State Board of Education,~~Department of Public Instruction, and which units shall comply with all applicable requirements of the North Carolina State Building Code and of the local building and electrical codes applicable to the area in which the school is located. These units shall also be anchored in a manner required to assure their structural safety in severe weather. The acquisition and installation of these units shall be subject in all respects to the provisions of Chapter 143 of the General Statutes. The provisions of Chapter 87, Article 1, of the General Statutes, shall not apply to persons, firms or corporations engaged in the sale or furnishing to local boards of education and the delivery and installation upon school sites of classroom trailers as a single building unit or of relocatable or mobile classrooms delivered in less than four units or sections.

…

(f) A local board of education may use prototype designs from the clearinghouse established under subsection (e) of this section that is a previously approved and constructed project by the School Planning Division of the ~~State Board of Education,~~Department of Public Instruction and other appropriate review agencies. The local board of education may contract with the architect of record to make changes and upgrades as necessary for regulatory approval.

…."

SECTION 25. G.S. 115C-535 reads as rewritten:

"**§ 115C-535. Authority and rules for organization of system.**

The ~~State Board of Education~~Superintendent of Public Instruction is hereby authorized, directed and empowered to establish a division to manage and operate a system of insurance for public school ~~property.~~property in accordance with all needed rules and regulations adopted by the State Board of Education. The Board shall adopt such rules and regulations as, in its discretion, may be necessary to provide all details inherent in the insurance of public school property. The ~~Board~~Superintendent of Public Instruction shall employ a director, safety inspectors, engineers and other personnel with suitable training and experience, which in ~~its~~his or her opinion is necessary to insure and protect effectively public school property, and ~~it~~he or she shall fix their compensation consistent with the ~~approval~~policies of the ~~Personnel~~State Human Resources Commission."

SECTION 26. G.S. 116-239.12(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of the board of trustees, or its employees, or the State Board of ~~Education,~~Education, the Superintendent of Public Instruction, or ~~its~~their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the

extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 27. G.S. 143B-146.16(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of the Secretary, the Department of Health and Human Services or its employees, a residential school or its employees, or the State Board of ~~Education~~Education, Superintendent of Public Instruction, or ~~its~~their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 28. Section 8.37 of S.L. 2015-241, as amended by Section 8.30 of S.L. 2016-94, reads as rewritten:

"**BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION**

"**SECTION 8.37.(a)** Notwithstanding G.S. 143C-6-4, the ~~State Board of Education~~ Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department of Public Instruction, if necessary, to implement the budget reductions for the 2015-2017 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The ~~State Board~~Department of Public Instruction shall provide a current organization chart for the Department of Public Instruction in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

"**SECTION 8.37.(b)** In implementing budget reductions for the 2015-2017 fiscal biennium, the ~~State Board of Education~~Department of Public Instruction shall make no reduction to funding or positions for (i) the North Carolina Center for Advancement of Teaching and (ii) the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, except that the ~~State Board~~Superintendent of Public Instruction may, in its discretion, reduce positions at these institutions that have been vacant for more than 16 months. The ~~State Board~~Department of Public Instruction shall also make no reduction in funding to any of the following entities:

(1) Communities in Schools of North Carolina, Inc.
(2) Teach For America, Inc.
(3) Beginnings for Parents of Children who are Deaf or Hard of Hearing, Inc.

"**SECTION 8.37.(c)** In implementing budget reductions for the 2016-2017 fiscal year, the Department of Public Instruction shall do all of the following:

(1) In addition to the prohibition on a reduction to funding and positions for the items listed in subsection (b) of this section, the Department shall make no transfers from or reduction to funding or positions for the following:
   a. The Excellent Public Schools Act, Read to Achieve Program, initially established under Section 7A.1 of S.L. 2012-142.
   b. The North Carolina School Connectivity Program.
(2) The Department shall transfer the sum of fifty thousand dollars ($50,000) to the Office of Administrative Hearings to be allocated to the Rules Review Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred in the defense of *North Carolina State Board of Education v. The State of North Carolina and The Rules Review Commission*, Wake County Superior Court, File No. 14 CVS 14791 (filed November 7, 2014). These funds shall not revert at the end of the 2016-2017 fiscal year but shall remain

available during the 2017-2018 fiscal year for expenditure in accordance with the provisions of this subdivision."

SECTION 29. By May 15, 2017, the State Board of Education shall revise, as necessary, any of its rules and regulations to comply with the provisions of this Part.

SECTION 30. The Department of Public Instruction shall review all State laws and rules and regulations governing the public school system to ensure compliance with the intent of this Part to restore authority to the Superintendent of Public Instruction as the administrative head of the Department of Public Instruction and the Superintendent's role in the direct supervision of the public school system. By April 15, 2017, the Department of Public Instruction shall report to the 2017 General Assembly on the results of its review, including any recommended legislation.

SECTION 31. Notwithstanding G.S. 115C-11, as amended by this act, the current student advisor and the local superintendent advisor members serving on the State Board of Education as of the effective date of this Part shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, the student advisor and local superintendent advisor members on the State Board shall be appointed by the Superintendent of Public Instruction in accordance with G.S. 115C-11, as amended by this act.

SECTION 32. Notwithstanding G.S. 115C-218, as amended by this act, the current members serving on the North Carolina Charter Schools Advisory Board as of the effective date of this Part shall serve the remainder of their terms. For the two terms appointed by the Governor expiring in 2017, one member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121, and one member shall be appointed by the State Board of Education in accordance with G.S. 115C-218. For the one term appointed by the Governor expiring in 2019, that member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121. As terms expire thereafter or as vacancies occur prior to the expiration of a term, the members on the North Carolina Charter Schools Advisory Board shall be appointed in accordance with G.S. 115C-218, as amended by this act. If a vacancy occurs in a seat appointed by the Governor, the State Board of Education shall fill that vacancy for the reminder of that term. Upon expiration of that term, the member shall be appointed in accordance with G.S. 115C-218.

SECTION 33. Sections 1 through 6 and Sections 8 through 32 of this Part become effective January 1, 2017. The remainder of this Part is effective when it becomes law.

PART II. MODIFY APPOINTMENT OF UNC BOARDS OF TRUSTEES

SECTION 35. G.S. 116-31 reads as rewritten:

"**§ 116-31. Membership of the boards of trustees.**

~~(a) All persons who, as of June 30, 1972, are serving as trustees of the regional universities and of the North Carolina School of the Arts, redesignated effective August 1, 2008, as the "University of North Carolina School of the Arts," except those who may have been elected to the Board of Governors, shall continue to serve for one year beginning July 1, 1972, and the terms of all such trustees shall continue for the period of one year.~~

(b) Effective July 1, 1972, a separate board of trustees shall be created for each of the following institutions: North Carolina State University at Raleigh, the University of North Carolina at Asheville, the University of North Carolina at Chapel Hill, the University of North Carolina at Charlotte, the University of North Carolina at Greensboro, and the University of North Carolina at Wilmington. ~~For the period commencing July 1, 1972, and ending June 30, 1973, each such board shall be constituted as follows:~~

~~(1) Twelve or more persons elected prior to July 1, 1972, by and from the membership of the Board of Trustees of the University of North Carolina, and~~

~~(2) The president of the student government of the institution, ex officio.~~

~~(c) If any vacancy should occur in any board of trustees during the year beginning July 1, 1972, the Governor may appoint a person to serve for the balance of the year.~~

(d) Except as provided in G.S. 116-65, ~~effective July 1, 1973,~~ each of the 16 institutions of higher education set out in G.S. 116-2(4) shall have board of trustees composed of 13 persons chosen as follows:

(1) Eight elected by the Board of ~~Governors,~~Governors.

~~(2) Four appointed by the Governor, and~~

(2a) Four members appointed by the General Assembly under G.S. 120-121, two of whom shall be appointed upon the recommendation of the President Pro Tempore of the Senate and two of whom shall be appointed upon the recommendation of the Speaker of the House of Representatives.

(3) The president of the student government ex officio.

The Board of Trustees of the North Carolina School of Science and Mathematics shall be established in accordance with G.S. 116-233.

(e) ~~From and after July 1, 1973, the~~The term of office of all trustees, except the ex officio member, shall be four years, commencing on July 1 of odd-numbered years. In every odd-numbered year the Board of Governors shall elect four persons to each board of trustees and the ~~Governor~~ General Assembly shall appoint ~~two persons~~ one person upon the recommendation of the President Pro Tempore of the Senate and one person upon the recommendation of the Speaker of the House of Representatives to each such board.

(g) ~~From and after July 1, 1973, any~~Any person who has served two full four-year terms in succession as a member of a board of trustees shall, for a period of one year, be ineligible for election or appointment to the same board but may be elected or appointed to the board of another institution.

(h) No member of the General Assembly or officer or employee of the State, The University of North Carolina, or any constituent institution shall be eligible for election or appointment as a trustee. No spouse of a member of the General Assembly, or of an officer or employee of a constituent institution may be a trustee of that constituent institution. Any trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, The University of North Carolina, or any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes an officer or employee of that constituent institution shall be deemed thereupon to resign from his or her membership on the board of trustees.

(i) No person may serve simultaneously as a member of a board of trustees and as a member of the Board of Governors. Any trustee who is elected or appointed to the Board of Governors shall be deemed to resign as a trustee effective as of the date that his or her term commences as a member of the Board of Governors.

(j) ~~From and after July 1, 1973, whenever~~Whenever any vacancy shall occur in the membership of a board of trustees among those appointed by the ~~Governor,~~General Assembly, it shall be the duty of the secretary of the board to inform the ~~Governor~~ General Assembly of the existence of such vacancy, and the ~~Governor shall appoint a person to fill the unexpired term,~~ vacancy shall be filled as provided in G.S. 120-122, and whenever any vacancy shall occur among those elected by the Board of Governors, it shall be the duty of the secretary of the board to inform the Board of Governors of the existence of the vacancy, and the Board of Governors shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the State or nation, to be present for three successive regular meetings of a board of trustees, his or her place as a member shall be deemed vacant."

SECTION 36. G.S. 116-233 reads as rewritten:

"**§ 116-233. Board of Trustees; appointment; terms of office.**

(a) Notwithstanding the provisions of G.S. 116-31(d), there shall be a Board of Trustees of the School, which shall consist of up to 30 members as follows:

(1) Thirteen members who shall be appointed by the Board of Governors of The University of North Carolina, one from each congressional district.

(2) Four members without regard to residency who shall be appointed by the Board of Governors of The University of North Carolina.

(3) Three members, ex officio, who shall be the chief academic officers, respectively, of constituent institutions. The Board of Governors shall in 1985 and quadrennially thereafter designate the three constituent institutions whose chief academic officers shall so serve, such designations to expire on June 30, 1989, and quadrennially thereafter.

(4) The chief academic officer of a college or university in North Carolina other than a constituent institution, ex officio. The Board of Governors shall designate in 1985 and quadrennially thereafter which college or university whose chief academic officer shall so serve, such designation to expire on June 30, 1989, and quadrennially thereafter.

(5) ~~Two~~ Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.

(6) ~~Two~~ Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.

~~(7) Two members appointed by the Governor.~~

(8) The president of the student government, ex officio, who shall be a nonvoting member.

(9) Up to two additional nonvoting members selected at the discretion of the chancellor and the Board of Trustees, with terms expiring June 30 of each year.

(b) Appointed members of the Board of Trustees shall be selected for their interest in and commitment to public education and to the purposes of the School, and they shall be charged with the responsibility of serving the interests of the whole State. In appointing members, the objective shall be to obtain the services of the best qualified persons, taking into consideration the desirability of diversity of membership, including men and women, representatives of different races, and members of different political parties.

(c) No member of the General Assembly or officer or employee of the State, the School, The University of North Carolina, or of any constituent institution of The University of North Carolina, shall be eligible to be appointed to the Board of Trustees except as specified under subdivision (3) of subsection (a) of this section. No spouse of a member of the General Assembly, or of an officer or employee of the school may be a member of the Board of Trustees. Any appointed trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, except as specified under subdivision (3) of subsection (a) of this section, or whose spouse is elected or appointed to the General Assembly or becomes such an officer or employee of the School, shall be deemed thereupon to resign from his or her membership on the Board of Trustees. This subsection does not apply to ex officio members.

(d) Members appointed under subdivisions (1) or (2) of subsection (a) of this section shall serve staggered four-year terms expiring June 30 of odd numbered years.

(d1) Only an ex officio member shall be eligible to serve more than two successive terms.

(d2) Any vacancy in the membership of the Board of Trustees appointed under G.S. 116-233(a)(1) or (2) shall be reported promptly by the Secretary of the Board of Trustees to the Board of Governors of The University of North Carolina, which shall fill any such vacancy by appointment of a replacement member to serve for the balance of the unexpired term. Any vacancy in members appointed under G.S. 116-233(a)(5) or (6) shall be filled in accordance with G.S. 120-122. ~~Any vacancy in members appointed under G.S. 116-233(a)(7)~~

~~shall be filled by the Governor for the remainder of the unexpired term.~~ Reapportionment of congressional districts does not affect the right of any member to complete the term for which the member was appointed.

(e) Of the initial members appointed under ~~G.S. 116-233(a)(5),~~ G.S. 116-233(a)(5) in 1985, one member shall serve a term to expire June 30, 1987, and one member shall serve a term to expire June 30, 1989. Subsequent appointments shall be for four-year terms. The initial members appointed under ~~G.S. 116-233(a)(6),~~G.S. 116-233(a)(6) in 1985 shall be appointed for terms to expire June 30, 1987. Subsequent appointments shall be for two-year ~~terms. The initial members appointed under G.S. 116-233(a)(7) shall be appointed for terms to expire January 15, 1989. Successors shall be appointed for four-year terms.~~terms until January 15, 2017, at which point subsequent appointments shall be for four-year terms.

(e1) The initial members appointed under G.S. 116-233(a)(5) and (6) in 2017, and successors of those members, shall serve four-year terms.

(f) Whenever an appointed member of the Board of Trustees shall fail, for any reason other than ill health or service in the interest of the State or nation, to be present at three successive regular meetings of the Board, his or her place as a member of the Board shall be deemed vacant."

SECTION 37. This Part is effective when it becomes law and applies to (i) vacancy appointments made on or after that date and (ii) appointments to fill terms expiring January 15, 2017, and thereafter. A vacancy by any board member appointed by the Governor to any board affected by this Part shall be filled by joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as provided in G.S. 120-121. The terms of members holding office as of the effective date of this Part shall not be affected.

PART III. SENATE CONFIRMATION OF CABINET APPOINTEES

SECTION 38. G.S. 143B-9 reads as rewritten:

"**§ 143B-9. Appointment of officers and employees.**

(a) The head of each principal State department, except those departments headed by popularly elected officers, shall be appointed by the Governor and serve at ~~his~~ the Governor's pleasure. The salary of the head of each of the principal State departments shall be set by the Governor, and the salary of elected officials shall be as provided by law.

For each head of each principal State department covered by this subsection, the Governor shall notify the President of the Senate of the name of each person to be appointed, and the appointment shall be subject to senatorial advice and consent in conformance with Section 5(8) of Article III of the North Carolina Constitution unless (i) the senatorial advice and consent is expressly waived by an enactment of the General Assembly or (ii) a vacancy occurs when the General Assembly is not in regular session. Any person appointed to fill a vacancy when the General Assembly is not in regular session may serve without senatorial advice and consent for no longer than the earlier of the following:

(1) The date on which the Senate adopts a simple resolution that specifically disapproves the person appointed.

(2) The date on which the General Assembly shall adjourn pursuant to a joint resolution for a period longer than 30 days without the Senate adopting a simple resolution specifically approving the person appointed.

(b) The head of a principal State department shall appoint a chief deputy or chief assistant, and such chief deputy or chief assistant shall not be subject to the North Carolina Human Resources Act. The salary of such chief deputy or chief assistant shall be set by the Governor. Unless otherwise provided for in the Executive Organization Act of 1973, and subject to the provisions of the ~~Personnel~~ Human Resources Act, the head of each principal State department shall designate the administrative head of each transferred agency and all employees of each division, section, or other unit of the principal State department."

SECTION 39. This Part is effective when it becomes law.

PART IV. ESTABLISH TASK FORCE FOR SAFER SCHOOLS; TRANSFER CENTER FOR SAFER SCHOOLS

SECTION 41.1.(a) Effective December 15, 2016, the Center for Safer Schools is hereby moved to the Department of Public Instruction, Division of Safe and Healthy Schools Support. This transfer shall have all of the elements of a Type I transfer, as defined in G.S. 143A-6.

SECTION 41.1.(b) Article 8C of Chapter 115C of the General Statutes is amended by adding two new sections to read:

"**§ 115C-105.55. Establish Task Force for Safer Schools.**

(a) Task Force Established. – There is hereby created the Task Force for Safer Schools within the North Carolina Department of Public Instruction.

(b) Membership. – The Task Force shall consist of 25 members. The composition of the Task Force shall include all of the following:

(1) The Secretary of the Department of Public Safety or the Secretary's designee.
(2) The Secretary of the Department of Health and Human Services or the Secretary's designee.
(3) A member of the State Board of Education appointed by the Governor.
(4) Two local school board members appointed by the Chair of the State Board of Education.
(5) A representative from the North Carolina Department of Public Safety, Division of Emergency Management, appointed by the Secretary of the Department of Public Safety.
(6) A representative from the North Carolina Justice Academy appointed by the Attorney General.
(7) A member of the Governor's Crime Commission appointed by the Governor.
(8) Two local law enforcement officers appointed by the Governor.
(9) Two public school administrators appointed by the Chair of the State Board of Education.
(10) A public school teacher appointed by the Chair of the State Board of Education.
(11) A public school psychologist appointed by the Governor.
(12) A public school resource officer appointed by the Governor.
(13) Two high school students currently enrolled at public high schools appointed by the Governor.
(14) A parent of a currently enrolled public school student appointed by the Governor.
(15) A juvenile justice professional appointed by the Governor.
(16) A North Carolina licensed social worker appointed by the Governor.
(17) A North Carolina licensed school counselor appointed by the Governor.
(18) An expert in gang intervention and prevention in schools appointed by the Governor.
(19) Three at-large members appointed by the Governor.

(c) Appointment of Chair and Vice-Chair. – The Governor shall appoint a Chair and Vice-Chair from among the membership of the Task Force. The Chair and Vice-Chair shall serve at the pleasure of the Governor.

(d) Terms; Vacancies. – Effective December 1, 2016, all members shall be appointed for a term of four years. Members may be reappointed to successive terms. Any appointment to fill a vacancy on the Task Force created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term.

(e) Removal. – The Governor shall have the authority to remove any member of the Task Force for misfeasance, malfeasance, or nonfeasance, pursuant to the provisions of G.S. 143B-13.

(f) Per Diem, Etc. – Members of the Task Force may receive necessary per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

"**§ 115C-105.56. Task Force for Safer Schools; powers and duties.**

The Task Force shall have all of the following duties:

(1) To serve as an advisory board to the Center for Safer Schools.

(2) To provide guidance and recommendations to the Governor, Superintendent of Public Instruction, and the General Assembly to improve statewide policy to enhance statewide and local capacities to create safer schools.

(3) To encourage interagency collaboration among State and local government agencies to achieve effective policies and streamline efforts to create safer schools.

(4) To Assist the Center for Safer Schools in collecting and disseminating information on recommended best practices and community needs related to creating safer schools in North Carolina.

(5) Other duties as assigned by the State Board of Education."

PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 42. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 43. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

RESOLUTIONS

OF THE

STATE OF NORTH CAROLINA

FOURTH EXTRA SESSION 2016

Resolution 2016-25 **S.J.R. 6**

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF ANDREW HEATH AS A SPECIAL SUPERIOR COURT JUDGE.

Whereas, under the provisions of G.S. 7A-45.1(a10), as special superior court judgeships become vacant, the Governor shall submit the names of his nominees for those judgeships to the General Assembly for confirmation by ratified joint resolution; and

Whereas, a vacancy has occurred due to the confirmation of the Honorable Gregory McGuire to another judicial appointment; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his nominee, Andrew Heath, for a term as a special superior court judge; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly confirms the appointment of Andrew Heath of Wake County as a special superior court judge, whose term of office shall commence on the date of the appointment by the Governor and whose term of office shall end five years from the date of appointment.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

Resolution 2016-26 **S.J.R. 7**

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF ADAM MATTHEW CONRAD AS A SPECIAL SUPERIOR COURT JUDGE.

Whereas, under the provisions of G.S. 7A-45.1(a9) and (a10), as special superior court judgeships become vacant, the Governor shall submit the names of his nominees for those judgeships to the General Assembly for confirmation by ratified joint resolution; and

Whereas, a vacancy has occurred due to the retirement of the Honorable James Gale on October 1, 2016; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his nominee, Adam Matthew Conrad, for a term as a special superior court judge; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly confirms the appointment of Adam Matthew Conrad of Mecklenburg County as a special superior court judge, whose term of office shall commence on the date of the appointment by the Governor and whose term of office shall end five years from the date of appointment.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

Resolution 2016-27 **H.J.R. 24**

A JOINT RESOLUTION TO CONFIRM THE APPOINTMENT OF YOLANDA STITH TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.

Whereas, G.S. 97-77 provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and

Whereas, a vacancy has occurred due to the resignation of Commissioner William Daughtridge; and

Whereas, the Governor wishes to appoint Yolanda Stith to the North Carolina Industrial Commission; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of Yolanda Stith to a term on the North Carolina Industrial Commission, to begin immediately upon confirmation for the remainder of the unexpired term of William Daughtridge and for a full term in accordance with G.S. 97-77, is confirmed.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

Resolution 2016-28 **H.J.R. 2**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 2016 FOURTH EXTRA SESSION.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. When the House of Representatives and the Senate, constituting the 2016 Fourth Extra Session of the General Assembly, adjourn on the date this resolution is ratified, they stand adjourned sine die.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 16th day of December, 2016.

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Suggestions for Use: Local legislation appears under the name of the particular county or municipality. Legislation that amends or repeals another session law appears under "Laws Amended or Repealed" and under the particular subject. General appropriations appear under "Appropriations". Specific appropriations or earmarks appear under the particular agency, entity, or subject. Committees, Commissions, Councils, and Boards appear as main entries. Numbers are alphabetized as spelled (i.e., 9 is listed alphabetically as "nine"). Session Law numbers (locators) are shown in standard citation format with the word "Section" replaced by the section symbol (§). Thus, "Session Law 145 Section 6A.10 subsection (a) through subsection (p)" would appear as "145§6A.10(a)-(p)", and "Session Law 145 Section 28.31 through Section 28.31A" would appear as "145§§28.31-28.31A". Noncontiguous Session Law sections are separated by a comma. Complete Session Law citations are separated by a semicolon.

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RESOLUTIONS

OF THE

STATE OF NORTH CAROLINA

FIFTH EXTRA SESSION 2016

Resolution 2016-29 **H.J.R. 2**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 2016 FIFTH EXTRA SESSION.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. When the House of Representatives and the Senate, constituting the 2016 Fifth Extra Session of the General Assembly, adjourn on the date this resolution is ratified, they stand adjourned sine die.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 21st day of December, 2016.

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A

Adjournment 29

Session Law 2017-1 **H.B. 39**

AN ACT TO REDUCE THE NUMBER OF MEMBERS OF THE BOARD OF GOVERNORS ELECTED EACH REGULAR SESSION BY THE GENERAL ASSEMBLY FROM SIXTEEN TO TWELVE AND TO MAKE CONFORMING CHANGES.

Whereas, Section 8 of Article IX of the North Carolina Constitution provides that "The General Assembly shall maintain a public system of higher education, comprising The University of North Carolina and such other institutions of higher education as the General Assembly may deem wise"; and

Whereas, the 16 baccalaureate-granting institutions that make up The University of North Carolina are under one governing board which is the Board of Governors; and

Whereas, the General Assembly, in compliance with the North Carolina Constitution, maintains a nationally recognized world-class public system of higher education that serves the citizens of this State; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-6(a) reads as rewritten:

"(a) As the terms of members of the Board of Governors provided for in G.S. 116-5 expire, their successors shall be elected by the Senate and House of Representatives. ~~Sixteen~~ Twelve members shall be elected at the regular legislative session in ~~1993~~ 2017 and every two years thereafter. The Senate and the House of Representatives shall each elect one-half of the persons necessary to fill the vacancies on the Board of Governors."

SECTION 2. G.S. 116-6.1 reads as rewritten:

"**§ 116-6.1. Student member of the Board of Governors.**

(a) Commencing July 1, 1991, and during ~~his~~ a person's continuance as a student in good standing at a constituent institution of The University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or ~~his~~ the person's designee shall serve ex officio as a member of the Board of Governors. This student member shall be in addition to the ~~32~~ 28 members elected to the Board of Governors.

(b) The student member shall have all the rights and privileges of membership, except that ~~he~~ the student member shall not have a vote."

SECTION 3. G.S. 116-6.1(a), as amended by Section 2 of this act, reads as rewritten:

"(a) Commencing July 1, 1991, and during a person's continuance as a student in good standing at a constituent institution of The University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or the person's designee shall serve ex officio as a member of the Board of Governors. This student member shall be in addition to the ~~28~~ 24 members elected to the Board of Governors."

SECTION 3.5. Notwithstanding G.S. 116-6(c), during the 2017 Regular Session of the General Assembly, the House of Representatives and the Senate shall hold their elections within 45 legislative days after appointments to their education committees are complete.

SECTION 4. Sections 1, 3.5, and 4 of this act are effective when this act becomes law. Section 2 of this act becomes effective July 1, 2017. Section 3 of this act becomes effective July 1, 2019.

In the General Assembly read three times and ratified this the 21st day of February, 2017.

Session Law 2017-2 **H.B. 119**

AN ACT TO CLARIFY THE TIME OF THE NEXT GENERAL ELECTION TO FILL CERTAIN VACANCIES IN THE OFFICE OF COUNTY COMMISSIONER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-27 reads as rewritten:

"**§ 153A-27. Vacancies on the board of commissioners.**

(a) If a vacancy occurs on the board of commissioners, the remaining members of the board shall appoint a qualified person to fill the vacancy. If the number of vacancies on the board is such that a quorum of the board cannot be obtained, the chairman of the board shall appoint enough members to make up a quorum, and the board shall then proceed to fill the remaining vacancies. If the number of vacancies on the board is such that a quorum of the board cannot be obtained and the office of chairman is vacant, the clerk of superior court of the county shall fill the vacancies upon the request of any remaining member of the board or upon the petition of any five registered voters of the county. If for any other reason the remaining members of the board do not fill a vacancy within 60 days after the day the vacancy occurs, the clerk shall immediately report the vacancy to the clerk of superior court of the county. The clerk of superior court shall, within 10 days after the day the vacancy is reported to him, fill the vacancy.

(b) If the member being replaced was serving a two-year term, or if the member was serving a four-year term and the vacancy occurs later than 60 days before the general election for county commissioner held after the first two years of the term, the appointment to fill the vacancy is for the remainder of the unexpired term. Otherwise, the term of the person appointed to fill the vacancy extends to the first Monday in December next following the first general election for county commissioner held more than 60 days after the day the vacancy occurs; at that general election, a person shall be elected to the seat vacated, either to the remainder of the unexpired term or, if the term has expired, to a full term.

(c) To be eligible for appointment to fill a vacancy, a person must (i) be a member of the same political party as the member being replaced, if that member was elected as the nominee of a political party, and (ii) be a resident of the same district as the member being replaced, if the county is divided into electoral districts. The board of commissioners or the clerk of superior court, as the case may be, shall consult the county executive committee of the appropriate political party before filling a vacancy, but neither the board nor the clerk of the superior court is bound by the committee's recommendation."

SECTION 2. G.S. 153A-27.1 reads as rewritten:

"**§ 153A-27.1. Vacancies on board of commissioners in certain counties.**

(a) If a vacancy occurs on the board of commissioners, the remaining members of the board shall appoint a qualified person to fill the vacancy. If the number of vacancies on the board is such that a quorum of the board cannot be obtained, the chairman of the board shall appoint enough members to make up a quorum, and the board shall then proceed to fill the remaining vacancies. If the number of vacancies on the board is such that a quorum of the board cannot be obtained and the office of chairman is vacant, the clerk of superior court of the county shall fill the vacancies upon the request of any remaining member of the board or upon the petition of any registered voters of the county.

(b) If the member being replaced was serving a two-year term, or if the member was serving a four-year term and the vacancy occurs later than 60 days before the general election

for county commissioner held after the first two years of the term, the appointment to fill the vacancy is for the remainder of the unexpired term. Otherwise, the term of the person appointed to fill the vacancy extends to the first Monday in December next following the first general election for county commissioner held more than 60 days after the day the vacancy occurs; at that general election, a person shall be elected to the seat vacated for the remainder of the unexpired term.

(c) To be eligible for appointment to fill a vacancy, a person must (i) be a member of the same political party as the member being replaced, if that member was elected as the nominee of a political party, and (ii) be a resident of the same district as the member being replaced, if the county is divided into electoral districts.

(d) If the member who vacated the seat was elected as a nominee of a political party, the board of commissioners, the chairman of the board, or the clerk of superior court, as the case may be, shall consult the county executive committee of the appropriate political party before filling the vacancy, and shall appoint the person recommended by the county executive committee of the political party of which the commissioner being replaced was a member, if the party makes a recommendation within 30 days of the occurrence of the vacancy.

(e) Whenever because of G.S. 153A-58(3)b. or because of any local act, only the qualified voters of an area which is less than the entire county were eligible to vote in the general election for the member whose seat is vacant, the appointing authority must accept the recommendation only if the county executive committee restricted voting to committee members who represent precincts all or part of which were within the territorial area of the district of the county commissioner.

(f) The provisions of any local act which provides that a county executive committee of a political party shall fill any vacancy on a board of county commissioners are repealed.

(g) Counties subject to this section are not subject to G.S. 153A-27.

(h) This section shall apply only in the following counties: Alamance, Alexander, Alleghany, Avery, Beaufort, Brunswick, Buncombe, Burke, Caldwell, Carteret, Cherokee, Clay, Cleveland, Cumberland, Dare, Davidson, Davie, Forsyth, Graham, Guilford, Harnett, Haywood, Henderson, Hyde, Jackson, Lee, Lincoln, Macon, Madison, McDowell, Mecklenburg, Moore, Pender, Polk, Randolph, Rockingham, Rutherford, Sampson, Stanly, Stokes, Transylvania, and Yancey."

SECTION 3. This act is effective when it becomes law and applies to vacancy elections held on or after that date.

In the General Assembly read three times and ratified this the 7th day of March, 2017.

Session Law 2017-3 **H.B. 100**

AN ACT TO RESTORE PARTISAN JUDICIAL ELECTIONS FOR NORTH CAROLINA SUPERIOR AND DISTRICT COURTS AND TO CHANGE THE TIME FOR SUBMISSION OF PETITIONS FOR UNAFFILIATED CANDIDATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18C-112(e)(1) reads as rewritten:

"(e) If any member takes any of the following actions, the member vacates office as a member of the Commission and the vacancy shall be filled as provided by G.S. 18C-111(c):

(1) Files a notice of candidacy under G.S. 163-106 ~~or G.S. 163-323~~ or a petition under ~~G.S. 163-107.1 or G.S. 163-325.~~G.S. 163-107.1."

SECTION 2. G.S. 163-1(b) reads as rewritten:

"(b) On Tuesday next after the first Monday in May preceding each general election to be held in November for the officers referred to in subsection (a) of this section, there shall be held in all election precincts within the territory for which the officers are to be elected a primary election for the purpose of nominating candidates for each political party in the State

for those ~~offices, and nonpartisan candidates as to offices elected under the provisions of Article 25 of this Chapter.~~offices."

SECTION 3. G.S. 163-22.3 reads as rewritten:

"**§ 163-22.3. State Board of Elections littering notification.**

At the time an individual files with the State Board of Elections a notice of candidacy pursuant to G.S. 163-106, 163-112, 163-291, ~~163-294.2, or 163-323,~~ or 163-294.2, is certified to the State Board of Elections by a political party executive committee to fill a nomination vacancy pursuant to G.S. 163-114, is certified to the State Board of Elections by a new political party as that party's nominee pursuant to G.S. 163-98, qualifies with the State Board of Elections as an unaffiliated or write-in candidate pursuant to Article 11 of this Chapter, or formally initiates a candidacy with the State Board of Elections pursuant to any statute or local act, the State Board of Elections shall notify the candidate of the provisions concerning campaign signs in G.S. 136-32 and G.S. 14-156, and the rules adopted by the Department of Transportation pursuant to G.S. 136-18."

SECTION 4. G.S. 163-82.10B reads as rewritten:

"**§ 163-82.10B. Confidentiality of date of birth.**

Boards of elections shall keep confidential the date of birth of every voter-registration applicant and registered voter, except in the following situations:

(1) When a voter has filed notice of candidacy for elective office under G.S. 163-106, 163-122, 163-123, or 163-294.2, ~~or 163-323,~~ has been nominated as a candidate under G.S. 163-98 or G.S. 163-114, or has otherwise formally become a candidate for elective office. The exception of this subdivision does not extend to an individual who meets the definition of "candidate" only by beginning a tentative candidacy by receiving funds or making payments or giving consent to someone else to receive funds or transfer something of value for the purpose of exploring a candidacy.

(2) When a voter is serving in an elective office.

(3) When a voter has been challenged pursuant to Article 8 of this Chapter.

(4) When a voter-registration applicant or registered voter expressly authorizes in writing the disclosure of that individual's date of birth.

(5) When requested by a county jury commission established pursuant to G.S. 9-1 for purposes of preparing the master jury list in that county pursuant to G.S. 9-2.

The disclosure of an individual's age does not constitute disclosure of date of birth in violation of this section.

The county board of elections shall give precinct officials access to a voter's date of birth where necessary for election administration, consistent with the duty to keep dates of birth confidential.

Disclosure of a date of birth in violation of this section shall not give rise to a civil cause of action. This limitation of liability does not apply to the disclosure of a date of birth in violation of this subsection as a result of gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable."

SECTION 5. G.S. 163-106, as amended by Section 21(a) of S.L. 2016-125, reads as rewritten:

"**§ 163-106. Notices of candidacy; pledge; with whom filed; date for filing; withdrawal.**

…

(c) Time for Filing Notice of Candidacy. – Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

Governor

Lieutenant Governor

All State executive officers

Justices of the Supreme Court
Judges of the Court of Appeals
Judges of the superior court
Judges of the district court
United States Senators
Members of the House of Representatives of the United States
District attorneys

Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the county board of elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

State Senators
Members of the State House of Representatives
All county offices.

(d) Notice of Candidacy for Certain Offices to Indicate Vacancy. – In any primary in which there are two or more vacancies for associate justices for the Supreme Court, two or more vacancies for the Court of Appeals, ~~or~~ two or more vacancies for district court judge, or two vacancies for United States Senator from North Carolina, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which the candidate seeks nomination. A person seeking election for a specialized district judgeship established under G.S. 7A-147 shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the specialized judgeship to which the person seeks nomination. Votes cast for a candidate shall be effective only for nomination to the vacancy for which the candidate has given notice of candidacy as provided in this subsection.

…

(f) Candidates required to file their notice of candidacy with the State Board of Elections under subsection (c) of this section shall file along with their notice a certificate signed by the chairman of the board of elections or the director of elections of the county in which they are registered to vote, stating that the person is registered to vote in that county, if the candidacy is for superior court judge and the county contains more than one superior court district, stating the superior court district of which the person is a resident, stating the party with which the person is affiliated, and that the person has not changed his affiliation from another party or from unaffiliated within three months prior to the filing deadline under subsection (c) of this section. In issuing such certificate, the chairman or director shall check the registration records of the county to verify such information. During the period commencing 36 hours immediately preceding the filing deadline the State Board of Elections shall accept, on a conditional basis, the notice of candidacy of a candidate who has failed to secure the verification ordered herein subject to receipt of verification no later than three days following the filing deadline. The State Board of Elections shall prescribe the form for such certificate, and distribute it to each county board of elections no later than the last Monday in December of each odd-numbered year.

…

(j) No person may file a notice of candidacy for superior court judge, unless that person is, at the time of filing the notice of candidacy, a resident of the judicial district as it will exist at the time the person would take office if elected. No person may be nominated as a superior court judge under G.S. 163-114, unless that person is, at the time of nomination, a resident of the judicial district as it will exist at the time the person would take office if elected. This subsection implements Section 9(1) of Article IV of the North Carolina Constitution, which requires regular superior court judges to reside in the district for which elected."

SECTION 6. G.S. 163-107(a), as amended by Section 21(b) of S.L. 2016-125, reads as rewritten:

"(a) Fee Schedule. – At the time of filing a notice of candidacy, each candidate shall pay to the board of elections with which the candidate files under the provisions of G.S. 163-106 a filing fee for the office sought in the amount specified in the following tabulation:

Office Sought	**Amount of Filing Fee**
Governor	One percent (1%) of the annual salary of the office sought
Lieutenant Governor	One percent (1%) of the annual salary of the office sought
All State executive offices	One percent (1%) of the annual salary of the office sought
All ~~Justices of the Supreme Court, Judges of the Court of Appeals, and~~ Justices, Judges, and District Attorneys of the General Court of Justice	One percent (1%) of the annual salary of the office sought
United States Senator	One percent (1%) of the annual salary of the office sought
Members of the United States House of Representatives	One percent (1%) of the annual salary of the office sought
State Senator	One percent (1%) of the annual salary of the office sought
Member of the State House of Representatives	One percent (1%) of the annual salary of the office sought
All county offices not compensated by fees	One percent (1%) of the annual salary of the office sought
All county offices compensated partly by salary and partly by fees	One percent (1%) of the first annual salary to be received (exclusive of fees)

The salary of any office that is the basis for calculating the filing fee is the starting salary for the office, rather than the salary received by the incumbent, if different. If no starting salary can be determined for the office, then the salary used for calculation is the salary of the incumbent, as of January 1 of the election year."

SECTION 7. G.S. 163-107.1(c) reads as rewritten:

"(c) County, Municipal and District Primaries. – If the candidate is seeking one of the offices set forth in G.S. 163-106(c) but which is not listed in subsection (b) of this section, or a municipal or any other office requiring a partisan primary which is not set forth in G.S. 163-106(c) or (d), ~~he~~ the candidate shall file a written petition with the appropriate board of elections no later than 12:00 noon on Monday preceding the filing deadline before the primary. The petition shall be signed by five percent (5%) of the registered voters of the election area in which the office will be voted for, who are affiliated with the same political party in whose primary the candidate desires to run, or in the alternative, the petition shall be signed by no less than 200 registered voters regardless of said voter's political party affiliation, whichever requirement is greater. The board of elections shall verify the names on the petition, and if the petition is found to be sufficient, the candidate's name shall be printed on the appropriate primary ballot. Petitions for candidates for member of the U.S. House of Representatives, District Attorney, judge of the superior court, judge of the district court, and members of the State House of Representatives from multi-county districts or members of the State Senate from multi-county districts must be presented to the county board of elections for verification at least 15 days before the petition is due to be filed with the State Board of Elections, and such petition must be filed with the State Board of Elections no later than 12:00 noon on Monday preceding the filing deadline. The State Board of Elections may adopt rules to implement this section and to provide standard petition forms."

SECTION 8. G.S. 163-111(c)(1), as amended by Section 21(d) of S.L. 2016-125, reads as rewritten:

"(c) Procedure for Requesting Second Primary.

(1) A candidate who is apparently entitled to demand a second primary, according to the unofficial results, for one of the offices listed below, and desiring to do so, shall file a request for a second primary in writing with the Executive Director of the State Board of Elections no later than 12:00 noon on the ninth day (including Saturdays and Sundays) following the date on which the primary was conducted, and such request shall be subject to the certification of the official results by the State Board of Elections. If the vote certification by the State Board of Elections determines that a candidate who was not originally thought to be eligible to call for a second primary is in fact eligible to call for a second primary, the Executive Director of the State Board of Elections shall immediately notify such candidate and permit the candidate to exercise any options available to the candidate within a 48-hour period following the notification:

Governor,
Lieutenant Governor,
All State executive officers,
~~Justices of the Supreme Court, Judges of the Court of Appeals, or~~ Justices, Judges, or District Attorneys of the General Court of Justice,
United States Senators,
Members of the United States House of Representatives,
State Senators in multi-county senatorial districts, and
Members of the State House of Representatives in multi-county representative districts."

SECTION 9. G.S. 163-114 reads as rewritten:

"**§ 163-114. Filling vacancies among party nominees occurring after nomination and before election.**

If any person nominated as a candidate of a political party for one of the offices listed below (either in a primary or convention or by virtue of having no opposition in a primary) dies, resigns, or for any reason becomes ineligible or disqualified before the date of the ensuing general election, the vacancy shall be filled by appointment according to the following instructions:

Position	
President	Vacancy is to be filled by appointment of national executive committee of political party in which vacancy occurs
Vice President	
Presidential elector or alternate elector	Vacancy is to be filled by appointment of State executive committee of political party in which vacancy occurs
Any elective State office	
United States Senator	
A district office, including:	Appropriate district executive committee of political party in which vacancy occurs
Member of the United States House of Representatives	
Judge of district court	
District Attorney	
State Senator in a multi-county senatorial district	
Member of State House of Representatives in a multi-county representative district	

State Senator in a single-county senatorial district	County executive committee of political party in which vacancy occurs, provided, in the case of the State Senator or State Representative in a single-county district where not all the county is located in that district, then in voting, only those members of the county executive committee who reside within the district shall vote
Member of State House of Representatives in a single-county representative district	
Any elective county office	
Judge of superior court in a single-county judicial district where the district is the whole county or part of the county	County executive committee of political party in which vacancy occurs; provided, in the case of a superior court judge in a single-county district where not all the county is located in that district, then in voting, only those members of the county executive committee who reside within the district shall vote
Judge of superior court in a multicounty judicial district	Appropriate district executive committee of political party in which vacancy occurs.

The party executive making a nomination in accordance with the provisions of this section shall certify the name of its nominee to the chairman of the board of elections, State or county, that has jurisdiction over the ballot item under G.S. 163-182.4. If at the time a nomination is made under this section the general election ballots have already been printed, the provisions of G.S.163-165.3(c) shall apply. If a vacancy occurs in a nomination of a political party and that vacancy arises from a cause other than death and the vacancy in nomination occurs more than 120 days before the general election, the vacancy in nomination may be filled under this section only if the appropriate executive committee certifies the name of the nominee in accordance with this paragraph at least 75 days before the general election.

In a county which is partly in a multicounty judicial district, in choosing that county's member or members of the judicial district executive committee for the multicounty district, only the county convention delegates or county executive committee members who reside within the area of the county which is within that multicounty district may vote.

In a county not all of which is located in one congressional district, in choosing the congressional district executive committee member or members from that area of the county, only the county convention delegates or county executive committee members who reside within the area of the county which is within the congressional district may vote.

In a county which is partly in a multi-county senatorial district or which is partly in a multi-county House of Representatives district, in choosing that county's member or members of the senatorial district executive committee or House of Representatives district executive committee for the multi-county district, only the county convention delegates or county executive committee members who reside within the area of the county which is within that multi-county district may vote.

An individual whose name appeared on the ballot in a primary election preliminary to the general election shall not be eligible to be nominated to fill a vacancy in the nomination of another party for the same office in the same year."

SECTION 10. G.S. 163-122 reads as rewritten:

"**§ 163-122. Unaffiliated candidates nominated by petition.**

(a) Procedure for Having Name Printed on Ballot as Unaffiliated Candidate. – Any qualified voter who seeks to have ~~his~~ the voter's name printed on the general election ballot as an unaffiliated candidate shall:

(1) If the office is a statewide office, file written petitions with the State Board of Elections supporting ~~his~~ the voter's candidacy for a specified office. These petitions must be filed with the State Board of Elections on or before 12:00

noon on the ~~last Friday in June preceding the general election~~ second Wednesday prior to the primary election and must be signed by qualified voters of the State equal in number to two percent (2%) of the total number of voters who voted in the most recent general election for Governor. Also, the petition must be signed by at least 200 registered voters from each of four congressional districts in North Carolina. ~~No later than 5:00 p.m. on the fifteenth day preceding the date the petitions are due to be filed with the State Board of Elections, each petition shall be presented to the chairman of the board of elections of the county in which the signatures were obtained. Provided the petitions are timely submitted, the chairman~~ The petitions shall be divided into sections based on the county in which the signatures were obtained. Provided the petitions are timely filed, the State Board of Elections shall require the filed petition be verified no later than 15 business days after canvass of the primary in one of the following ways:

a. The Executive Director shall examine the names on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in the designated county and shall attach to the petition a signed certificate. Said certificates shall state that the signatures on the petition have been checked against the registration records and shall indicate the number of signers to be qualified and registered to vote in each county.

b. The chair shall examine the names on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in ~~his~~ the chair's county and shall attach to the petition ~~his~~ the chair's signed certificate. Said certificates shall state that the signatures on the petition have been checked against the registration records and shall indicate the number of signers to be qualified and registered to vote in ~~his~~ the chair's county. The chair shall return the petition and certificate to the State Board.

The ~~chairman~~ State Board shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to ~~him for checking. Verification by the chairman of the county board of elections shall be completed within two weeks from the date such petitions are presented.~~the State Board.

(2) ~~If~~ Except as provided in this subsection, if the office is a district office under the jurisdiction of the State Board of Elections under G.S. 163-182.4(b), file written petitions with the State Board of Elections supporting that voter's candidacy for a specified office. These petitions must be filed with the State Board of Elections on or before 12:00 noon on the ~~last Friday in June preceding the general election~~ second Wednesday prior to the primary election and must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of registered voters in the district as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. ~~Each petition shall be presented to the chairman of the board of elections of the county in which the signatures were obtained. The chairman shall examine the names on the petition and the procedure for certification and deadline for submission to the county board shall be the same~~ The petitions shall be divided into sections based on the county in which the signatures were obtained. The petitions shall be verified as specified in ~~(1) above.~~subdivision (1) of this subsection.

(3) If the office is a county office or a single county legislative district, file written petitions with the ~~chairman~~ chair or director of the county board of

elections supporting ~~his~~ the voter's candidacy for a specified county office. These petitions must be filed with the county board of elections on or before 12:00 noon on the ~~last Friday in June preceding the general election~~ second Wednesday prior to the primary election and must be signed by qualified voters of the county equal in number to four percent (4%) of the total number of registered voters in the county as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held, except if the office is for a district consisting of less than the entire county and only the voters in that district vote for that office, the petitions must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of voters in the district according to the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. Each petition shall be presented to the chairman or director of the county board of elections. ~~The chairman shall examine, or cause to be examined, the names on the petition and the procedure for certification shall be the same as specified in (1) above.~~The chair or director of the county board of elections shall verify the filed petition no later than 15 business days after canvass as provided in sub-subdivision b. of subdivision (1) of this subsection, and shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to the county board of elections.

(4) If the office is a partisan municipal office, file written petitions with the ~~chairman~~ chair or director of the county board of elections in the county wherein the municipality is located supporting ~~his~~ the voter's candidacy for a specified municipal office. These petitions must be filed with the county board of elections on or before the time and date specified in G.S. 163-296 and must be signed by the number of qualified voters specified in G.S. 163-296. ~~The procedure for certification shall be the same as specified in (1) above.~~The chair or director of the county board of elections shall verify the filed petition no later than 15 business days after canvass as provided in sub-subdivision b. of subdivision (1) of this subsection, and shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to the county board of elections.

(5) If the office is a superior court judge or a district court judge, regardless of whether the district lies entirely in one county or in more than one county, file written petitions with the State Board of Elections supporting that voter's candidacy for a specified office. These petitions must be filed with the State Board of Elections on or before 12:00 noon on the second Wednesday prior to the primary election and must be signed by qualified voters of the district equal in number to two percent (2%) of the total number of registered voters in the district as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. The petitions shall be divided into sections based on the county in which the signatures were obtained. The petitions shall be verified as specified in subdivision (1) of this subsection.

Upon compliance with the provisions of subdivisions (1), (2), (3), ~~or (4)~~ (4), or (5) of this subsection, the board of elections with which the petitions have been timely filed shall cause the unaffiliated candidate's name to be printed on the general election ballots in accordance with Article 14A of this Chapter.

(a1) An individual whose name appeared on the ballot in a primary election preliminary to the general election shall not be eligible to have ~~his~~ that individual's name placed on the general election ballot as an unaffiliated candidate for the same office in that year.

(b) Form of Petition. – Petitions requesting an unaffiliated candidate to be placed on the general election ballot shall contain on the heading of each page of the petition in bold print or in all capital letters the words: "THE UNDERSIGNED REGISTERED VOTERS IN _____ COUNTY HEREBY PETITION ON BEHALF OF _____ AS AN UNAFFILIATED CANDIDATE FOR THE OFFICE OF _____ IN THE NEXT GENERAL ELECTION. THE UNDERSIGNED HEREBY PETITION THAT SUBJECT CANDIDATE BE PLACED ON THE APPROPRIATE BALLOT UPON COMPLIANCE WITH THE PROVISIONS CONTAINED IN G.S. 163-122."

~~(c) This section does not apply to elections under Article 25 of this Chapter.~~

(d) When any person files a petition with a board of elections under this section, the board of elections shall, immediately upon receipt of the petition, inspect the registration records of the county and cancel the petition of any person who does not meet the constitutional or statutory qualifications for the office, including residency.

The board shall give notice of cancellation to any person whose petition has been cancelled under this subsection by mail or by having the notice served on that person by the sheriff and to any other candidate filing for the same office. A person whose petition has been cancelled or another candidate for the same office affected by a substantiation under this subsection may request a hearing on the issue of constitutional or statutory qualifications for the office. If the person requests a hearing, the hearing shall be conducted in accordance with Article 11B of Chapter 163 of the General Statutes.

(e) Any candidate seeking to have that candidate's name printed on the general election ballot under this section shall pay a filing fee equal to that provided for candidates for the office in G.S. 163-107 or comply with the alternative available to candidates for the office in G.S. 163-107.1."

SECTION 11. G.S. 163-123(g) reads as rewritten:

"(g) Municipal ~~and Nonpartisan~~ Elections Excluded. – This section does not apply to municipal elections conducted under Subchapter IX of Chapter 163 of the General ~~Statutes, and does not apply to nonpartisan elections except for elections under Article 25 of this Chapter.~~Statutes."

SECTION 12. G.S. 163-165.5(a)(3) reads as rewritten:

"**§ 163-165.5. Contents of official ballots.**

(a) Except as provided in this section, each official ballot shall contain all the following elements:

…

(3) The names of the candidates as they appear on their notice of candidacy filed pursuant to G.S. 163-106 ~~or G.S. 163-323,~~ or on petition forms filed in accordance with G.S. 163-122. No title, appendage, or appellation indicating rank, status, or position shall be printed on the official ballot in connection with the candidate's name. Candidates, however, may use the title Mr., Mrs., Miss, or Ms. Nicknames shall be permitted on an official ballot if used in the notice of candidacy or qualifying petition, but the nickname shall appear according to standards adopted by the State Board of Elections. Those standards shall allow the presentation of legitimate nicknames in ways that do not mislead the voter or unduly advertise the candidacy. In the case of candidates for presidential elector, the official ballot shall not contain the names of the candidates for elector but instead shall contain the nominees for President and Vice President which the candidates for elector represent. The State Board of Elections shall establish a review procedure that local boards of elections shall follow to ensure that candidates' names appear on the official ballot in accordance with this subdivision."

SECTION 13. Article 25 of Subchapter X of Chapter 163 of the General Statutes is repealed.

SECTION 14. This act is effective with respect to primaries and elections held on or after January 1, 2018.

In the General Assembly read three times and ratified this the 9th day of March, 2017.

Session Law 2017-4 **H.B. 142**

AN ACT TO RESET S.L. 2016-3.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2016-3 and S.L. 2016-99 are repealed.

SECTION 2. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 81A.

"Preemption of Regulation of Access to Multiple Occupancy Restrooms.

"**§ 143-760. Preemption of regulation of access to multiple occupancy restrooms, showers, or changing facilities.**

State agencies, boards, offices, departments, institutions, branches of government, including The University of North Carolina and the North Carolina Community College System, and political subdivisions of the State, including local boards of education, are preempted from regulation of access to multiple occupancy restrooms, showers, or changing facilities, except in accordance with an act of the General Assembly."

SECTION 3. No local government in this State may enact or amend an ordinance regulating private employment practices or regulating public accommodations.

SECTION 4. This act is effective when it becomes law. Section 3 of this act expires on December 1, 2020.

In the General Assembly read three times and ratified this the 30th day of March, 2017.

Session Law 2017-5 **H.B. 7**

AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-4-2 reads as rewritten:

"**§ 143C-4-2. Savings ~~Reserve Account and appropriation of General Fund unreserved fund balance.~~Reserve.**

(a) ~~Creation and Source of Funds. –~~ Creation. – The Savings Reserve ~~Account~~ is established as a reserve in the General ~~Fund. The Controller shall reserve to the Savings Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.~~Fund and is a component of the unappropriated General Fund balance.

(b) General Use of Funds. – ~~The Savings Reserve Account is a component of the unappropriated General Fund balance. Funds~~ In each fiscal year, funds reserved to the Savings Reserve ~~Account~~ shall be available for ~~expenditure only upon an act of appropriation by the General Assembly.~~expenditure in an aggregate amount that does not exceed seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts, upon appropriation by a majority vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To cover a decline in General Fund revenue from one fiscal year to another.

(2) To cover the difference between that fiscal year's General Fund operating budget appropriations, excluding departmental receipts, and projected revenue.

(3) To pay costs imposed by a court or administrative order.

(4) To provide relief and assistance from the effects of an emergency, as that term is defined in G.S. 166A-19.3.

(b1) Extraordinary Use of Funds. – In each fiscal year, funds reserved to the Savings Reserve shall be available for expenditure upon a two-thirds vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To use for any of the purposes set forth in subdivisions (1) through (4) of subsection (b) of this section in an aggregate amount that exceeds seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts.

(2) For a purpose not set forth in subdivisions (1) through (4) of subsection (b) of this section in any amount.

~~(c) Goal for Savings Reserve Account Balance. – The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than eight percent (8%) of the prior year's General Fund operating budget.~~

(d) Savings Reserve Requirement. – Each Current Operations Appropriations Act enacted by the General Assembly shall include a transfer to the Savings Reserve of fifteen percent (15%) of each fiscal year's estimated growth in State tax revenues that are deposited in the General Fund, except that if that transfer would cause the balance of the Reserve to exceed the recommended Savings Reserve balance developed pursuant to subsection (f) of this section then the amount transferred pursuant to this subsection shall be reduced accordingly.

(e) Actual Transfer of Funds to Savings Reserve. – Each fiscal year, the Office of State Controller shall transfer to the Savings Reserve the estimated growth amount required by subsection (d) of this section. Upon calculation of the actual growth in State tax revenues that are deposited in the General Fund, the Office of State Controller shall adjust the amount of the transfer to the Savings Reserve to achieve an amount equivalent to fifteen percent (15%) of the actual growth.

(f) Evaluation of Savings Reserve. – The Office of State Budget and Management and the Fiscal Research Division of the General Assembly shall jointly develop and annually produce an evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's General Fund tax structure, which shall take into consideration relevant statistical and economic literature. After completing the evaluation, these entities may revise the methodology as needed to estimate the target for the Savings Reserve balance, which shall be calculated so as to be sufficient to cover two years of need for nine out of 10 scenarios involving a decline in General Fund revenue from one fiscal year to the next fiscal year. The recommended balance shall be expressed as a percentage of the prior year General Fund operating budget appropriations, excluding departmental receipts. The Office of State Budget and Management shall report this percentage to the Chairs of the House of Representatives and Senate Appropriations and Finance Committees no later than February 1 of each year.

(g) Additional Transfer of Funds by General Assembly Permissible. – Nothing in this section shall be construed to prohibit the General Assembly from directing the transfer of additional funds into the Savings Reserve.

(h) Applicability. – Nothing in this section shall be construed to apply to the Highway Fund or the Highway Trust Fund."

SECTION 2. G.S. 143C-3-5(b) reads as rewritten:

"**§ 143C-3-5. Budget recommendations and budget message.**

…

(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

(1) A Recommended State Budget setting forth goals for improving the State with recommended expenditure requirements, funding sources, and performance information for each State government program and for each proposed capital improvement. The Recommended State Budget may be presented in a format chosen by the Director, except that the Recommended State Budget shall clearly distinguish program base budget requirements, program reductions, program eliminations, program expansions, and new programs, and shall explain all proposed capital improvements in the context of the Six-Year Capital Improvements Plan and as required by G.S. 143C-8-6.

(1a) The Governor's Recommended State Budget shall include a base budget, which shall be presented in the budget support document pursuant to subdivision (2) of this subsection.

…

(3) A Current Operations Appropriations Act that makes appropriations for each fiscal year of the upcoming biennium for the operating expenses of all State agencies as contained in the Recommended State Budget, together with a Capital Improvements Appropriations Act that authorizes any capital improvements projects.

…

(6) The Governor's Recommended State Budget shall include a transfer to the Savings Reserve of fifteen percent (15%) of the estimated growth in State tax revenues that are deposited in the General Fund for each fiscal year of the upcoming biennium. This subdivision applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f)."

SECTION 3. G.S. 142-15.4 reads as rewritten:

"**§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever general obligation bonds issued or incurred by the State are refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f).

(c) This section does not apply to general obligation bond indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 4. G.S. 142-96 reads as rewritten:

"**§ 142-96. Savings from refinancing of special indebtedness to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever special indebtedness issued or incurred pursuant to this Article is refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f).

(c) This section does not apply to special indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 5. G.S. 143C-5-4(b)(8) reads as rewritten:

"(8) Statutory transfers to reserves. – Notwithstanding G.S. 143C-4-2 and G.S. 143C-4-3, funds shall not be reserved to the Savings Reserve ~~Account~~ or the Repairs and Renovations Reserve ~~Account~~ and the State Controller shall not transfer funds from the unreserved fund balance to those ~~accounts~~ reserves on June 30 of the prior fiscal year."

SECTION 6. G.S. 147-86.11(e)(7) reads as rewritten:

"(7) The State Controller may use cash reserved to the Savings Reserve ~~Account~~ and cash from other funds, including special funds, that is not needed temporarily to meet the cash flow needs of the General Fund, but only to the extent that this authority can be used without jeopardizing the ability of reserves or funds, including special funds, to meet their ongoing obligations. Any cash transferred from reserves or funds, including special funds, shall be fully restored by the end of the fiscal year in which the funds were transferred, and interest shall be paid on all cash transferred to the General Fund pursuant to this subdivision from interest-bearing accounts."

SECTION 7. During the 2019 Regular Session of the General Assembly, it is the intent of the General Assembly to study whether the changes to the Savings Reserve enacted in this act have successfully accomplished its purpose of establishing and maintaining sufficient reserves to address unanticipated events and circumstances, such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies.

SECTION 8. The Office of State Budget and Management and the Fiscal Research Division shall commence development of the methodology for arriving at the consensus estimate required in G.S. 143C-4-2(f), as enacted by this act.

SECTION 9. Sections 8 and 9 of this act are effective when this act becomes law. The remainder of this act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 3rd day of April, 2017.

Session Law 2017-6 **S.B. 68**

AN ACT TO REPEAL G.S. 126-5(D)(2C), AS ENACTED BY S.L. 2016-126; TO REPEAL PART I OF S.L. 2016-125; AND TO CONSOLIDATE THE FUNCTIONS OF ELECTIONS, CAMPAIGN FINANCE, LOBBYING, AND ETHICS UNDER ONE QUASI-JUDICIAL AND REGULATORY AGENCY BY CREATING THE NORTH CAROLINA BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT.

Whereas, the General Assembly finds that bipartisan cooperation with elections administration and ethics enforcement lend confidence to citizens in the integrity of their government; and

Whereas, the General Assembly finds that the State Board of Elections, which is charged with elections administration and campaign finance enforcement, is an "independent regulatory and quasi-judicial agency and shall not be placed within any principal administrative department" pursuant to G.S. 163-28; and

Whereas, the General Assembly finds that the State Ethics Commission, which is charged with interpretation of the State Government Ethics Act and the Lobbying Law, is "located within the Department of Administration for administrative purposes only, but shall exercise all of its powers, including the power to employ, direct, and supervise all personnel, independently of the Secretary of Administration" pursuant to G.S. 138A-9; and

Whereas, the functions of ethics, elections, and lobbying affect and regulate a similar group of persons; and

Whereas, the rights of that group of persons affected may include issues directly related to the First Amendment right of free speech; and

Whereas, the General Assembly finds it beneficial and conducive to consistency to establish one quasi-judicial and regulatory body with oversight authority for ethics, elections, and lobbying; and

Whereas, the General Assembly also finds it imperative to ensure protections of free speech rights and increase public confidence in the decisions to restrict free speech; and

Whereas, the General Assembly finds that voices from all major political parties should be heard in decisions relating to First Amendment rights of free speech; and

Whereas, the General Assembly finds that important governmental and First Amendment rights will be impacted in the decisions of the quasi-judicial and regulatory body regulating ethics, elections, and lobbying; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 126-5(d)(2c), as enacted by S.L. 2016-126, is repealed.

SECTION 2. Part I of S.L. 2016-125 is repealed.

SECTION 3. Recodification; Technical and Conforming Changes. – The Revisor of Statutes shall recodify Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, as well as Chapter 163 of the General Statutes, as amended by this act, into a new Chapter 163A of the General Statutes to be entitled "Elections and Ethics Enforcement Act," as enacted by Section 4 of this act. The Revisor may also recodify into the new Chapter 163A of the General Statutes other existing statutory laws relating to elections and ethics enforcement that are located elsewhere in the General Statutes as the Revisor deems appropriate. The new Chapter 163A of the General Statutes shall have the following structure:

SUBCHAPTER I. GENERAL PROVISIONS.
Article 1. Bipartisan State Board of Elections and Ethics Enforcement.
SUBCHAPTER II. ETHICS AND LOBBYING.
Article 5. General Provisions.
Article 6. Public Disclosure of Economic Interests.
Article 7. Ethical Standards for Covered Persons.
Article 8. Lobbying.
Part 1. Registration.
Part 2. Prohibitions and Restrictions.
Part 3. Reporting.
Part 4. Liaison Personnel.
Part 5. Exemptions.
Part 6. Miscellaneous.
Article 9. Violation Consequences.
SUBCHAPTER III. ELECTION AND ELECTION LAWS.

Article 15. Time of Primaries and Elections.
Part 1. Time of Primaries and Elections.
Part 2. Time of Elections to Fill Vacancies.
Article 16. Election Officers.
Part 1. State Board Powers and Duties.
Part 2. County Boards of Elections.
Part 3. Political Activities by Board of Elections Members and Employees.
Part 4. Precinct Election Officials.
Article 17. Qualifying to Vote.
Part 1. Qualifications of Voters.
Part 2. Registration of Voters.
Part 3. Challenges.
Part 4. HAVA Administrative Complaint Procedure.
Article 18. Political Parties.
Article 19. Nomination of Candidates.
Part 1. Primary Elections.
Part 2. Nomination by Petition.
Part 3. Challenge to Candidacy.
Article 20. Conduct of Primaries and Elections.
Part 1. Precincts and Voting Places.
Part 2. Precinct Boundaries.
Part 3. Voting.
Part 4. Counting Official Ballots, Canvassing Votes, Hearing Protests, and Certifying Results.
Part 5. Members of United States House of Representatives.
Part 6. Presidential Electors.
Part 7. Presidential Preference Primary Act.
Part 8. Petitions for Elections and Referenda.
Article 21. Absentee Voting.
Part 1. Absentee Ballot.
Part 2. Uniform Military and Overseas Voters Act.
Article 22. Regulation of Election Campaigns.
Part 1. Corrupt Practices and Other Offenses Against the Elective Franchise.
Article 23. Regulating Contributions and Expenditures in Political Campaigns.
Part 1. In General.
Part 2. Disclosure Requirements for Media Advertisements.
Part 3. Municipal Campaign Reporting.
Article 24. The North Carolina Public Campaign Fund.
Article 25. The Voter-Owned Elections Act.
Article 26. Legal Expense Funds.
Article 27. Municipal Elections.
Part 1. Municipal Election Procedure.
Part 2. Conduct of Municipal Elections.
Article 28. Nomination and Election of Appellate, Superior, and District Court Judges.

When recodifying, the Revisor is authorized to change all references to the State Ethics Commission, to the State Board of Elections, or to the Secretary of State, to instead be references to the Bipartisan State Board of Elections and Ethics Enforcement. The Revisor may separate subsections of existing statutory sections into new sections and, when necessary to organize relevant law into its proper place in the above structure, may rearrange sentences that currently appear within subsections. The Revisor may modify statutory citations throughout the General Statutes, as appropriate, and may modify any references to statutory divisions, such as "Chapter," "Subchapter," "Article," "Part," "section," and "subsection," adjust the order of lists

of multiple statutes to maintain statutory order, correct terms and conform names and titles changed by this act, eliminate duplicative references to the Bipartisan State Board of Elections and Ethics Enforcement that result from the changes authorized by this section, and make conforming changes to catch lines and references to catch lines. The Revisor may also adjust subject and verb agreement and the placement of conjunctions. The Revisor shall consult with the State Ethics Commission, the State Board of Elections, the Secretary of State, and the new Bipartisan State Board of Elections and Ethics Enforcement on this recodification.

SECTION 4.(a) The General Statutes are amended by adding a new Chapter to read:

"Chapter 163A.

"**Elections and Ethics Enforcement Act.**"

SECTION 4.(b) Chapter 163A of the General Statutes, as enacted by this act, is amended by adding a new Subchapter to read:

"**SUBCHAPTER I. GENERAL PROVISIONS.**"

SECTION 4.(c) Subchapter I of Chapter 163A of the General Statutes, as enacted by this act, is amended by adding a new Article to read:

"Article 1.

"Bipartisan State Board of Elections and Ethics Enforcement.

"**§ 163A-1. Bipartisan State Board of Elections and Ethics Enforcement established.**

There is established the Bipartisan State Board of Elections and Ethics Enforcement, referred to as the State Board in this Chapter.

"**§ 163A-2. Membership.**

(a) The State Board shall consist of eight individuals registered to vote in North Carolina, appointed by the Governor, four of whom shall be of the political party with the highest number of registered affiliates and four of whom shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. The Governor shall appoint four members each from a list of six nominees submitted by the State party chairs of the two political parties with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board.

(b) Members shall serve for two-year terms, beginning May 1 of the odd-numbered year.

(c) Members shall be removed by the Governor from the State Board only for misfeasance, malfeasance, or nonfeasance. Violation of G.S. 163A-3(d) shall be considered nonfeasance.

(d) Any vacancy occurring on the State Board shall be filled by an individual affiliated with the same political party of the vacating member. Any vacancy occurring in the State Board shall be filled by the Governor, and the person so appointed shall fill the unexpired term. The Governor shall fill the vacancy from a list of two names submitted by the State party chair of the political party with which the vacating member was affiliated if that list is submitted within 30 days of the occurrence of the vacancy.

(e) At the first meeting held after new appointments are made, the members of the State Board shall take the following oath:

> "I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain, and defend the Constitution of said State; and that I will well and truly execute the duties of the office of member of the Bipartisan State Board of Elections and Ethics Enforcement according to the best of my knowledge and ability, according to law, so help me God."

(f) At the first meeting in May, the State Board shall organize by electing one of its members chair and one of its members vice-chair, each to serve a two-year term as such. In

2017 and every four years thereafter, the chair shall be a member of the political party with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the second highest number of registered affiliates. In 2019 and every four years thereafter, the chair shall be a member of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the highest number of registered affiliates.

(g) At the first meeting held after new appointments are made after taking the oath, the State Board shall elect one of its members secretary, to serve a two-year term as such.

(h) No person shall be eligible to serve as a member of the State Board who:

(1) Holds any elective or appointive office under the government of the United States, the State of North Carolina, or any political subdivision thereof.

(2) Holds any office in a political party or organization.

(3) Is a candidate for nomination or election to any office.

(4) Is a campaign manager or treasurer of any candidate in a primary or election.

(5) Has served two full consecutive terms.

(i) No person while serving on the State Board shall:

(1) Make a reportable contribution to a candidate for a public office over which the State Board would have jurisdiction or authority.

(2) Register as a lobbyist under Article 8 of this Chapter.

(3) Make written or oral statements intended for general distribution or dissemination to the public at large supporting or opposing the nomination or election of one or more clearly identified candidates for public office.

(4) Make written or oral statements intended for general distribution or dissemination to the public at large supporting or opposing the passage of one or more clearly identified referendum or ballot issue proposals.

(5) Solicit contributions for a candidate, political committee, or referendum committee.

(j) Members of the State Board shall receive per diem, subsistence, and travel, as provided in G.S. 138-5 and G.S. 138-6.

"**§ 163A-3. Meetings; quorum; majority.**

(a) The State Board shall meet at least monthly and at other times as called by its chair or by a majority of its members. In the case of a vacancy in the chair, meetings may be called by the vice-chair.

(b) A majority of the members constitutes a quorum for the transaction of business by the State Board.

(c) Unless otherwise specified in this Chapter, an affirmative vote of at least five members of the State Board shall be required for all actions by the State Board.

(d) If any member of the State Board fails to attend a meeting, and by reason thereof there is no quorum, the members present shall adjourn from day to day for not more than three days. By the end of which time, if there is no quorum, the Governor may summarily remove any member failing to attend and appoint a successor.

"**§ 163A-4. Powers of the State Board in the execution of State Board duties.**

(a) In the performance of the duties enumerated in Article 8 of Subchapter II of this Chapter and Subchapter III of this Chapter, the State Board shall have power to issue subpoenas, summon witnesses, and compel the production of papers, books, records, and other evidence. Such subpoenas for designated witnesses or identified papers, books, records, and other evidence shall be signed and issued by the chair.

(b) In the absence of the chair or upon the chair's refusal to act, the vice-chair may sign and issue subpoenas, summon witnesses, and compel the production of papers, books, records, and other evidence approved in accordance with subsection (a) of this section.

(c) In the performance of the duties enumerated in this Chapter, the State Board, acting through the chair, shall have the power to administer oaths. In the absence of the chair or upon the chair's refusal to act, any member of the State Board may administer oaths.

(d) Except as provided in subsection (a) of this section, the State Board, upon a vote of five or more of its members, may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of the remainder this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.

"**§ 163A-5. Independent agency, staff, and offices.**

(a) The State Board shall be and remain an independent regulatory and quasi-judicial agency and shall not be placed within any principal administrative department. The State Board shall exercise its statutory powers, duties, functions, and authority and shall have all powers and duties conferred upon the heads of principal departments under G.S. 143B-10.

(b) The State Board may employ professional and clerical staff, including an Executive Director.

"**§ 163A-6. Executive Director of the State Board.**

(a) There is hereby created the position of Executive Director of the State Board, who shall perform all duties imposed by statute and such duties as may be assigned by the State Board.

(b) The State Board shall appoint an Executive Director for a term of two years with compensation to be determined by the Office of State Human Resources. The Executive Director shall serve beginning May 15 after the first meeting held after new appointments to the State Board are made, unless removed for cause, until a successor is appointed. In the event of a vacancy, the vacancy shall be filled for the remainder of the term.

(c) The Executive Director shall be responsible for staffing, administration, and execution of the State Board's decisions and orders and shall perform such other responsibilities as may be assigned by the State Board.

(d) The Executive Director shall be the chief State elections official."

SECTION 5.(a) G.S. 138A-6 is repealed.

SECTION 5.(b) G.S. 138A-7 is repealed.

SECTION 5.(c) G.S. 138A-8 is repealed.

SECTION 5.(d) G.S. 138A-9 is repealed.

SECTION 5.(e) G.S. 138A-12(r) is repealed.

SECTION 5.(f) G.S. 138A-13 reads as rewritten:

"**§ 138A-13. Request for advice.**

...

(a2) A request for a formal advisory opinion under subsection (a) of this section shall be in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue formal advisory opinions having prospective application only. A public servant or legislative employee who relies upon the advice provided to that public servant or legislative employee on a specific matter addressed by the requested formal advisory opinion shall be immune from all of the following:

(1) Investigation by the ~~Commission,~~State Board, except for an inquiry under G.S. 138A-12(b)(3).

(2) Any adverse action by the employing entity.

~~(3) Investigation by the Secretary of State.~~

...

(b1) A request by a legislator for a recommended formal advisory opinion shall be in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue recommended formal

advisory opinions having prospective application only. Until action is taken by the Committee under G.S. 120-104, a legislator who relies upon the advice provided to that legislator on a specific matter addressed by the requested recommended formal advisory opinion shall be immune from all of the following:

(1) Investigation by the Committee or ~~Commission,~~ State Board, except for an inquiry under G.S. 138A-12(b)(3).

(2) Any adverse action by the house of which the legislator is a member.

~~(3) Investigation by the Secretary of State.~~

Any recommended formal advisory opinion issued to a legislator under this subsection shall immediately be delivered to the chairs of the Committee, together with a copy of the request. Except for the Lieutenant Governor, the immunity granted under this subsection shall not apply after the time the Committee modifies or overturns the advisory opinion of the Commission in accordance with G.S. 120-104.

...."

SECTION 6. Chapter 120C of the General Statutes reads as rewritten:

"**Chapter 120C.**

"**Lobbying.**

…

"**§ 120C-101. Rules and forms.**

(a) The ~~Commission~~ State Board shall adopt any rules or definitions necessary to interpret the provisions of this ~~Chapter~~ Article and adopt any rules necessary to administer the provisions of this ~~Chapter, except for Articles 2, 4 and 8 of this Chapter. The Secretary of State shall adopt any rules, orders, and forms as are necessary to administer the provisions of Articles 2, 4 and 8 of this Chapter. The Secretary of State may appoint a council to advise the Secretary in adopting rules under this section.~~Article.

(b) With respect to the forms adopted under subsection (a) of this section, the ~~Secretary of State~~ State Board shall adopt rules to protect from disclosure all confidential information under Chapter 132 of the General Statutes related to economic development initiatives or to industrial or business recruitment activities. The information shall remain confidential until the State, a unit of local government, or the business has announced a commitment by the business to expand or locate a specific project in this State or a final decision not to do so, and the business has communicated that commitment or decision to the State or local government agency involved with the project.

(c) In adopting rules under this ~~Chapter,~~ Article, the ~~Commission~~ State Board is exempt from the requirements of Article 2A of Chapter 150B of the General Statutes, except that the ~~Commission~~ State Board shall comply with G.S. 150B-21.2(d). At least 30 business days prior to adopting a rule, the ~~Commission~~ State Board shall:

(1) Publish the proposed rules in the North Carolina Register.

(2) Submit the rule and a notice of public hearing to the Codifier of Rules, and the Codifier of Rules shall publish the proposed rule and the notice of public hearing on the Internet to be posted within five business days.

(3) Notify those on the mailing list maintained in accordance with G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a rule and of the public hearing.

(4) Accept written comments on the proposed rule for at least 15 business days prior to adoption of the rule.

(5) Hold at least one public hearing on the proposed rule no less than five days after the rule and notice have been published.

A rule adopted under this subsection becomes effective the first day of the month following the month the final rule is submitted to the Codifier of Rules for entry into the North Carolina Administrative Code, and applies prospectively. A rule adopted by the Commission that does not comply with the procedural requirements of this subsection shall be null, void, and without effect. For purposes of this subsection, a rule is any ~~Commission~~ State Board regulation,

standard, or statement of general applicability that interprets an enactment by the General Assembly or Congress, or a regulation adopted by a federal agency, or that describes the procedure or practice requirements of the ~~Commission.~~State Board.

~~(d) For purposes of G.S. 150B-21.3(b2), a written objection filed by the Commission to a rule adopted by the Secretary of State pursuant to this Chapter shall be deemed written objections from 10 or more persons under that statute. Notwithstanding G.S. 150B-21.3(b2), a rule adopted by the Secretary of State pursuant to this Chapter objected to by the Commission under this subsection shall not become effective until an act of the General Assembly approving the rule has become law. If the General Assembly does not approve a rule under this subsection by the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the Rules Review Commission approves the rule, the permanent rule shall not become effective and any temporary rule associated with the permanent rule expires. If the General Assembly fails to approve a rule by the day of adjournment, the Secretary of State may initiate rulemaking for a new permanent rule, including by the adoption of a temporary rule.~~

"**§ 120C-102. Request for advice.**

(a) At the request of any person, State agency, or governmental unit affected by this ~~Chapter,~~ Article, the ~~Commission~~ State Board shall render advice on specific questions involving the meaning and application of this ~~Chapter~~ Article and that person's, State agency's, or any governmental unit's compliance therewith. Requests for advice and advice rendered in response to those requests shall relate to real or reasonably anticipated fact settings or circumstances.

(a1) A request for a formal opinion under subsection (a) of this section shall be in writing, electronic or otherwise. The ~~Commission~~ State Board shall issue formal advisory opinions having prospective application only. An individual, State agency, or governmental unit who relies upon the advice provided to that individual, State agency, or governmental unit on a specific matter addressed by a requested formal advisory opinion shall be immune from all of the following:

(1) Investigation by the ~~Commission.~~State Board.

(2) Any adverse action by the employing entity.

~~(3) Investigation by the Secretary of State.~~

(b) Staff to the ~~Commission~~ State Board may issue advice, but not formal advisory opinions, under procedures adopted by the ~~Commission.~~State Board.

(c) The ~~Commission~~ State Board shall publish its formal advisory opinions within 30 days of issuance, edited as necessary to protect the identities of the individuals requesting opinions.

(d) Except as provided under subsections (c) and (d1) of this section, a request for advice, any advice provided by ~~Commission~~ State Board staff, any formal advisory opinions, any supporting documents submitted or caused to be submitted to the ~~Commission~~ State Board or ~~Commission~~ State Board staff, and any documents prepared or collected by the ~~Commission~~ State Board or the ~~Commission~~ State Board staff in connection with a request for advice are confidential. The identity of the individual, State agency, or governmental unit making the request for advice, the existence of the request, and any information related to the request may not be revealed without the consent of the requestor. An individual, State agency, or governmental unit who requests advice or receives advice, including a formal advisory opinion, may authorize the release to any other person, the State, or any governmental unit of the request, the advice, or any supporting documents.

For purposes of this section, "document" is as defined in G.S. 120-129. Requests for advice, any advice, and any documents related to requests for advice are not "public records" as defined in G.S. 132-1.

~~(d1) Staff to the Commission may share all information and documents related to requests under subsection (a) and (a1) of this section with staff of the Office of the Secretary of State. The information and documents in the possession of the staff of the Office of the~~

~~Secretary of State shall remain confidential and not public records. The Commission shall forward an unedited copy of each formal advisory opinion under this section to the Secretary of State at the time the formal advisory opinion is issued to the requestor, and the Secretary of State shall treat that unedited advisory opinion as confidential and not a public record.~~

(e) Requests for advisory opinions may be withdrawn by the requestor at any time prior to the issuance of a formal advisory opinion.

...

"**§ 120C-601. Powers and duties of the ~~Commission.~~State Board.**

(a) The ~~Commission~~ State Board may investigate complaints of violations of this ~~Chapter and shall refer complaints related solely to Articles 2, 4, or 8 of this Chapter to the Secretary of State.~~Article.

~~(b) The Commission may petition the Superior Court of Wake County for the approval to issue subpoenas and subpoenas duces tecum as necessary to conduct investigations of violations of this Chapter. The court shall authorize subpoenas under this subsection when the court determines they are necessary for the enforcement of this Chapter. Subpoenas issued under this subsection shall be enforceable by the court through contempt powers. Venue shall be with the Superior Court of Wake County for any nonresident person, or that person's agent, who makes a reportable expenditure under this Chapter, and personal jurisdiction may be asserted under G.S. 1-75.4.~~

(c) Complaints of violations of this ~~Chapter~~ Article and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction. Any information obtained by the ~~Commission~~ State Board from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of an investigation shall be confidential and exempt from G.S. 132-6 to the same extent that it is confidential in the possession of the providing agency or organization.

(d) The ~~Commission~~ State Board shall publish annual statistics on complaints, including the number of complaints, the number of apparent violations of this ~~Chapter~~ Article referred to a district attorney, the number of dismissals, and the number and age of complaints pending.

"**§ 120C-602. Punishment for violation.**

(a) Whoever willfully violates any provision of ~~Article 2 or Article 3 of this Chapter~~ Part 2 or Part 3 of this Article shall be guilty of a Class 1 misdemeanor, except as provided in those Articles. In addition, no lobbyist who is convicted of a violation of the provisions of this ~~Chapter~~ Article shall in any way act as a lobbyist for a period of two years from the date of conviction.

(b) ~~In addition to the criminal penalties set forth in this section, the Secretary of State may levy civil fines for a violation of any provision of Articles 2, 4, or 8 of this Chapter up to five thousand dollars ($5,000) per violation.~~ In addition to the criminal penalties set forth in this section, the ~~Commission~~ State Board may levy civil fines for a violation of any provision of this ~~Chapter except Article 2, 4, or 8 of this Chapter~~ Article up to five thousand dollars ($5,000) per violation.

"**§ 120C-603. Enforcement by district attorney and Attorney General.**

(a) The ~~Commission or the Secretary of State, as appropriate,~~ State Board may investigate complaints of violations of this ~~Chapter~~ Article and shall report apparent violations of this ~~Chapter~~ Article to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of which Wake County is a part, who shall prosecute any person or governmental unit who violates any provisions of this ~~Chapter.~~Article.

(b) Complaints of violations of this ~~Chapter~~ Article involving the ~~Commission~~ State Board or any member employee of the ~~Commission~~ State Board shall be referred to the Attorney General for investigation. The Attorney General shall, upon receipt of a complaint, make an appropriate investigation thereof, and the Attorney General shall forward a copy of the investigation to the district attorney of the prosecutorial district as defined in G.S. 7A-60 of

which Wake County is a part, who shall prosecute any person or governmental unit who violates any provisions of this ~~Chapter.~~Article.
...."

SECTION 7.(a) G.S. 163-19 is repealed.

SECTION 7.(b) G.S. 163-20 reads as rewritten:

"**§ 163-20. Meetings of Board; quorum; minutes.**

~~(a) Call of Meeting. – The State Board of Elections shall meet at the call of the chairman whenever necessary to discharge the duties and functions imposed upon it by this Chapter. The chairman shall call a meeting of the Board upon the written application or applications of any two members thereof. If there is no chairman, or if the chairman does not call a meeting within three days after receiving a written request or requests from two members, any three members of the Board shall have power to call a meeting of the Board, and any duties imposed or powers conferred on the Board by this Chapter may be performed or exercised at that meeting, although the time for performing or exercising the same prescribed by this Chapter may have expired.~~

(b) Place of Meeting. – Except as provided in subsection (c), below, the State Board ~~of Elections~~ shall meet in its offices in the City of Raleigh, or at another place in Raleigh to be designated by the chairman. However, subject to the limitation imposed by subsection (c), below, upon the prior written request of ~~any four~~ a majority of its members, the State Board ~~of Elections~~ shall meet at any other place in the State designated by ~~the four~~ a majority of its members.

(c) Meetings to Investigate Alleged Violations of This Chapter. – When called upon to investigate or hear sworn alleged violations of this Chapter, the State Board ~~of Elections~~ shall meet and hear the matter in the county in which the violations are alleged to have occurred.

~~(d) Quorum. – A majority of the members constitutes a quorum for the transaction of business by the State Board of Elections. If any member of the Board fails to attend a meeting, and by reason thereof there is no quorum, the members present shall adjourn from day to day for not more than three days, by the end of which time, if there is no quorum, the Governor may summarily remove any member failing to attend and appoint his successor.~~

(e) Minutes. – The State Board ~~of Elections~~ shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the office of the Board in Raleigh."

SECTION 7.(c) G.S. 163-21 is repealed.

SECTION 7.(d) G.S. 163-23 is repealed.

SECTION 7.(e) G.S. 163-26 is repealed.

SECTION 7.(f) G.S. 163-27 is repealed.

SECTION 7.(g) G.S. 163-28 is repealed.

SECTION 7.(h) G.S. 163-30 reads as rewritten:

"**§ 163-30. County boards of elections; appointments; terms of office; qualifications; vacancies; oath of office; instructional meetings.**

In every county of the State there shall be a county board of elections, to consist of ~~three~~ four persons of good moral character who are registered voters in the county in which they are to act. ~~Members~~ Two of the members of the county board of elections shall be of the political party with the highest number of registered affiliates, and two shall be of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board. In 2017, members of county boards of elections shall be appointed by the State Board on the second Tuesday in July. In 2019, members of county boards of elections shall be appointed by the State Board ~~of Elections~~ on the last Tuesday in June ~~1985,~~ and every two years thereafter, and their terms of office shall continue for two years from the specified date of appointment and until their successors are appointed and qualified. ~~Not more than two members of the county board of elections shall belong to the same political party.~~

No person shall be eligible to serve as a member of a county board of elections who holds any elective office under the government of the United States, or of the State of North Carolina or any political subdivision thereof.

No person who holds any office in a state, congressional district, county or precinct political party or organization, or who is a campaign manager or treasurer of any candidate or political party in a primary or election, shall be eligible to serve as a member of a county board of elections, provided however that the position of delegate to a political party convention shall not be considered an office for the purpose of this section.

No person shall be eligible to serve as a member of a county board of elections who is a candidate for nomination or election.

No person shall be eligible to serve as a member of a county board of elections who is the wife, husband, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, sister, sister-in-law, brother, brother-in-law, aunt, uncle, niece, or nephew of any candidate for nomination or election. Upon any member of the board of elections becoming ineligible, that member's seat shall be declared vacant. This paragraph only applies if the county board of elections is conducting the election for which the relative is a candidate.

The State ~~chairman~~ chair of each political party shall have the right to recommend to the State Board ~~of Elections~~ three registered voters in each county for appointment to the board of elections for that county. If such recommendations are received by the Board 15 or more days before the last Tuesday in June ~~1985,~~2017, and each two years thereafter, it shall be the duty of the State Board ~~of Elections~~ to appoint the county boards from the names thus recommended.

Whenever a vacancy occurs in the membership of a county board of elections for any cause the State ~~chairman~~ chair of the political party of the vacating member shall have the right to recommend two registered voters of the affected county for such office, and it shall be the duty of the State Board ~~of Elections~~ to fill the vacancy from the names thus recommended.

At the meeting of the county board of elections required by G.S. 163-31 to be held on Tuesday following the third Monday in July in the year of their appointment the members shall take the following oath of office:

> "I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States; and that I will well and truly execute the duties of the office of member of the _____ County Board of Elections to the best of my knowledge and ability, according to law; so help me God."

At the first meeting in July annually, the county boards shall organize by electing one of its members chair and one of its members vice-chair, each to serve a one-year term as such. In the odd-numbered year, the chair shall be a member of the political party with the highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the second highest number of registered affiliates. In the even-numbered year, the chair shall be a member of the political party with the second highest number of registered affiliates, as reflected by the latest registration statistics published by the State Board, and the vice-chair a member of the political party with the highest number of registered affiliates.

Each member of the county board of elections shall attend each instructional meeting held pursuant to G.S. 163-46, unless excused for good cause by the ~~chairman~~ chair of the board, and shall be paid the sum of twenty-five dollars ($25.00) per day for attending each of those meetings."

SECTION 7.(i) G.S. 163-31 reads as rewritten:

"**§ 163-31. Meetings of county boards of elections; quorum; majority; minutes.**

In each county of the State the members of the county board of elections shall meet at the courthouse or board office at noon on the Tuesday following the third Monday in July in the

year of their appointment by the State Board ~~of Elections~~ and, after taking the oath of office provided in G.S. 163-30, they shall organize by electing one member ~~chairman~~ chair and another member secretary of the county board of elections. On the Tuesday following the third Monday in August of the year in which they are appointed the county board of elections shall meet and appoint precinct chief judges and judges of elections. The board may hold other meetings at such times as the ~~chairman~~ chair of the board, or any ~~two~~ three members thereof, may direct, for the performance of duties prescribed by law. ~~A majority of the~~ Three members shall constitute a quorum for the transaction of board business. Except where required by law to act unanimously, a majority vote for action of the board shall require three of the four members. The ~~chairman~~ chair shall notify, or cause to be notified, all members regarding every meeting to be held by the board.

The county board of elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the board office and it shall be the responsibility of the secretary, elected by the board, to keep the required minute book current and accurate. The secretary of the board may designate the director of elections to record and maintain the minutes under his or her supervision."

SECTION 7.(j) G.S. 163-182.13 reads as rewritten:

"**§ 163-182.13. New elections.**

(a) When State Board May Order New Election. – The State Board ~~of Elections~~ may order a new election, upon agreement of at least ~~four~~ five of its members, in the case of any one or more of the following:

(1) Ineligible voters sufficient in number to change the outcome of the election were allowed to vote in the election, and it is not possible from examination of the official ballots to determine how those ineligible voters voted and to correct the totals.

(2) Eligible voters sufficient in number to change the outcome of the election were improperly prevented from voting.

(3) Other irregularities affected a sufficient number of votes to change the outcome of the election.

(4) Irregularities or improprieties occurred to such an extent that they taint the results of the entire election and cast doubt on its fairness.

(b) State Board to Set Procedures. – The State Board ~~of Elections~~ shall determine when a new election shall be held and shall set the schedule for publication of the notice, preparation of absentee official ballots, and the other actions necessary to conduct the election.

(c) Eligibility to Vote in New Election. – Eligibility to vote in the new election shall be determined by the voter's eligibility at the time of the new election, except that in a primary, no person who voted in the initial primary of one party shall vote in the new election in the primary of another party. The State Board ~~of Elections~~ shall ~~promulgate~~ adopt rules to effect the provisions of this subsection.

(d) Jurisdiction in Which New Election Held. – The new election shall be held in the entire jurisdiction in which the original election was held.

(e) Which Candidates to Be on Official Ballot. – All the candidates who were listed on the official ballot in the original election shall be listed in the same order on the official ballot for the new election, except in either of the following:

(1) If a candidate dies or otherwise becomes ineligible between the time of the original election and the new election, that candidate may be replaced in the same manner as if the vacancy occurred before the original election.

(2) If the election is for a multiseat office, and the irregularities could not have affected the election of one or more of the candidates, the new election, upon agreement of at least ~~four~~ five members of the State Board, may be held among only those candidates whose election could have been affected by the irregularities.

(f) Tie Votes. – If ineligible voters voted in an election and it is possible to determine from the official ballots the way in which those votes were cast and to correct the results, and consequently the election ends in a tie, the provisions of G.S. 163-182.8 concerning tie votes shall apply."

SECTION 7.(k) G.S. 163-278.22(7) reads as rewritten:

"(7) To make investigations to the extent the State Board deems necessary with respect to statements filed under the provisions of this Article and with respect to alleged failures to file any statement required under the provisions of this Article or Article 22M of the General Statutes and, upon complaint under oath by any registered voter, with respect to alleged violations of any part of this Article or Article 22M of the General Statutes. The State Board shall conclude all investigations no later than one year from the date of the start of the investigation, unless the State Board has reported an apparent violation to the proper district attorney and additional investigation of the apparent violation is deemed necessary by the State Board."

SECTION 8. G.S. 120-70.141 reads as rewritten:

"**§ 120-70.141. Purpose and powers of Committee.**

(a) The Joint Legislative Elections Oversight Committee shall examine, on a continuing basis, election administration and campaign finance regulation in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve elections administration and campaign finance regulation. In this examination, the Committee shall do the following:

(1) Study the budgets, programs, and policies of the Bipartisan State Board of Elections and Ethics Enforcement and the county boards of elections to determine ways in which the General Assembly may improve election ~~administration and campaign finance regulation.~~administration.

(1a) Study the budgets, programs, and policies of the Bipartisan State Board of Elections and Ethics Enforcement and the county boards of elections to determine ways in which the General Assembly may improve campaign finance regulation.

(2) Examine election statutes and court decisions to determine any legislative changes that are needed to improve election administration and campaign finance regulation.

(3) Study other states' initiatives in election administration and campaign finance regulation to provide an ongoing commentary to the General Assembly on these initiatives and to make recommendations for implementing similar initiatives in North Carolina; and

(4) Study any other election matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee."

SECTION 9. Notwithstanding G.S. 163A-2, as enacted by Section 4 of this act, the chairs of the two political parties shall submit a list of names to the Governor on or before April 20, 2017, and the Governor shall make appointments from those lists no later than May 1, 2017. The State chairs of the two political parties shall not nominate, and the Governor shall not appoint, any individual who has served two or more full consecutive terms on the State Board of Elections or State Ethics Commission, as of April 30, 2017.

SECTION 10. Notwithstanding G.S. 163A-2(f) and (g), as enacted by Section 4 of this act, the Governor shall appoint a member of the State Board to serve as chair, a member to serve as vice-chair, and a member to serve as secretary of the State Board until its first meeting

in May 2019, at which time the State Board shall select it a chair and vice-chair in accordance with G.S. 163A-2(f) and select a secretary in accordance with G.S. 163A-2(g).

SECTION 11. Any previous assignment of duties of a quasi-legislative or quasi-judicial nature by the Governor or General Assembly to the agencies or functions transferred by this act shall have continued validity with the transfer under this act. Except as otherwise specifically provided in this act, each enumerated commission, board, or other function of State government transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act, is a continuation of the former entity for purposes of succession to all the rights, powers, duties, and obligations of the former. Where the former entities are referred to by law, contract, or other document in their former name, the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act, is charged with exercising the functions of the former named entity.

SECTION 12. No action or proceeding pending on May 1, 2017, brought by or against the State Board of Elections, the State Ethics Commission, or the Secretary of State regarding the lobbyist registration and lobbying enforcement of the Secretary of State shall be affected by any provision of this act, but the same may be prosecuted or defended in the name of the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. In these actions and proceedings, the Bipartisan State Board of Elections and Ethics Enforcement or its Executive Director, as appropriate, shall be substituted as a party upon proper application to the courts or other administrative or quasi-judicial bodies.

Any business or other matter undertaken or commanded by any State program or office or contract transferred by this act to the Bipartisan State Board of Elections and Ethics Enforcement pertaining to or connected with the functions, powers, obligations, and duties set forth herein, which is pending on May 1, 2017, may be conducted and completed by the Bipartisan State Board of Elections and Ethics Enforcement in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the original program, office, or commissioners or directors thereof.

SECTION 13. The consolidation provided for under this act shall not affect any ongoing investigation or audit. Any ongoing hearing or other proceeding before the State Ethics Commission or State Board of Elections on May 1, 2017, shall be transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created by this act, on May 1, 2017. Prosecutions for offenses or violations committed before May 1, 2017, are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

SECTION 14. Rules and forms adopted by the State Ethics Commission, Secretary of State related to lobbying, and the State Board of Elections shall remain in effect as provided in G.S. 150B-21.7. Policies, procedures, and guidance shall remain in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement. The list of covered boards adopted by the State Ethics Commission under G.S. 138A-11 as of April 30, 2017, shall continue in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement.

SECTION 15. Any evaluation of a statement of economic interest issued by the State Ethics Commission pursuant to Article 3 of Chapter 138A of the General Statutes in 2016 shall remain in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement.

SECTION 16. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the State Ethics Commission are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the State Board of Elections are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. The authority, powers, duties and

functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the lobbying registration and lobbying enforcement functions of the Secretary of State are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, as created in this act. The Director of the Budget shall resolve any disputes arising out of this transfer.

SECTION 17. Notwithstanding G.S. 163A-6, the Bipartisan State Board of Elections and Ethics Enforcement shall not appoint an Executive Director until May 2019. Until such time as the Bipartisan State Board of Elections and Ethics Enforcement appoints an Executive Director in accordance with G.S. 163A-6, as enacted by this act, the Executive Director of the State Board of Elections under G.S. 163-26, as of December 31, 2016, shall be the Executive Director.

SECTION 18. The appropriations and resources of the State Ethics Commission is transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfer shall have all the elements of a Type I transfer under G.S. 143A-6.

SECTION 19. The appropriations and resources of the State Board of Elections, including any office space of the State Board of Elections, is transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfer shall have all the elements of a Type I transfer under G.S. 143A-6, with the Budget Code for the newly established State Board being the previous State Board of Elections Budget Code of 18025.

SECTION 20. The appropriations and resources of the lobbying registration and lobbying enforcement functions of the Secretary of State are transferred to the Bipartisan State Board of Elections and Ethics Enforcement, and the transfers shall have all the elements of a Type I transfer under G.S. 143A-6. Specifically, the following positions shall be transferred: Lobbying Compliance Director (Position 60008800), Law Enforcement Agent (Position 60008806), Administrative Assistant II (Position 60008801), Administrative Assistant II (Position 60008802), and Administrative Assistant II (Position 60008803).

SECTION 21. The Bipartisan State Board of Elections and Ethics Enforcement shall report to the Joint Legislative Commission on Governmental Operations, Joint Legislative Elections Oversight Committee, and the Legislative Ethics Committee on or before April 1, 2018, and again on or before March 1, 2019, as to recommendations for statutory changes necessary to further implement this consolidation.

SECTION 22. Notwithstanding the recodification in Section 3 of this act, the Bipartisan State Board of Elections and Ethics Enforcement shall not administer or enforce Part 1, Part 3, or Part 6 of Article 8 of Chapter 163A of the General Statutes, and the Secretary of State shall maintain the authority to administer and enforce Articles 2, 4, and 8 of Chapter 120C of the General Statutes, as those Articles existed on May 1, 2017, until October 1, 2017. Section 20 of this act becomes effective October 1, 2017. Sections 9 and 10 of this act become effective when it becomes law. G.S. 163-30, as amended by Section 7(h) of this act, and G.S. 163-31, as amended by Section 7(i) of this act, become effective July 1, 2017. G.S. 163-278.22(7), as amended by Section 7(k) of this act, becomes effective May 1, 2017, and applies to investigations initiated on or after that date. Except as otherwise provided, this act becomes effective May 1, 2017.

In the General Assembly read three times and ratified this the 11th day of April, 2017.

Session Law 2017-7 **H.B. 239**

AN ACT TO REDUCE THE NUMBER OF JUDGES ON THE COURT OF APPEALS TO TWELVE; TO PROVIDE AN APPEAL OF RIGHT FOR TRIAL COURT DECISIONS REGARDING CLASS ACTION CERTIFICATION AND TERMINATION OF PARENTAL RIGHTS; AND TO PROVIDE FOR DISCRETIONARY REVIEW BY THE SUPREME COURT IN CASES WHERE THE SUBJECT MATTER INVOLVES THE JURISDICTION AND INTEGRITY OF THE COURT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-16, as amended by Section 22(a) of S.L. 2016-125, reads as rewritten:

"**§ 7A-16. Creation and organization.**

The Court of Appeals is created effective January 1, 1967. It shall consist initially of six judges, elected by the qualified voters of the State for terms of eight years. The Chief Justice of the Supreme Court shall designate one of the judges as Chief Judge, to serve in such capacity at the pleasure of the Chief Justice. Before entering upon the duties of his office, a judge of the Court of Appeals shall take the oath of office prescribed for a judge of the General Court of Justice.

The Governor on or after July 1, 1967, shall make temporary appointments to the six initial judgeships. The appointees shall serve until January 1, 1969. Their successors shall be elected at the general election for members of the General Assembly in November, 1968, and shall take office on January 1, 1969, to serve for the remainder of the unexpired term which began on January 1, 1967.

Upon the appointment of at least five judges, and the designation of a Chief Judge, the court is authorized to convene, organize, and promulgate, subject to the approval of the Supreme Court, such supplementary rules as it deems necessary and appropriate for the discharge of the judicial business lawfully assigned to it.

Effective January 1, 1969, the number of judges is increased to nine, and the Governor, on or after March 1, 1969, shall make temporary appointments to the additional judgeships thus created. The appointees shall serve until January 1, 1971. Their successors shall be elected at the general election for members of the General Assembly in November, 1970, and shall take office on January 1, 1971, to serve for the remainder of the unexpired term which began on January 1, 1969.

Effective January 1, 1977, the number of judges is increased to 12; and the Governor, on or after July 1, 1977, shall make temporary appointments to the additional judgeships thus created. The appointees shall serve until January 1, 1979. Their successors shall be elected at the general election for members of the General Assembly in November, 1978, and shall take office on January 1, 1979, to serve the remainder of the unexpired term which began on January 1, 1977.

On or after December 15, 2000, the Governor shall appoint three additional judges to increase the number of judges to 15.

On or after January 1, 2017, whenever the seat of an incumbent judge becomes vacant prior to the expiration of the judge's term due to the death, resignation, retirement, impeachment, or removal pursuant to G.S. 7A-374.2(8) of the incumbent judge, that seat is abolished until the total number of Court of Appeals seats is decreased to 12.

The Court of Appeals shall sit in panels of three judges each and may also sit en banc to hear or rehear any cause upon a vote of the majority of the judges of the court. The Chief Judge insofar as practicable shall assign the members to panels in such fashion that each member sits a substantially equal number of times with each other member, shall preside when a member of a panel, and shall designate the presiding judge of the other panel or panels.

Except as may be provided in G.S. 7A-32, three judges shall constitute a quorum for the transaction of the business of the court when sitting in panels of three judges, and a majority of the then sitting judges on the Court of Appeals shall constitute a quorum for the transaction of the business of the court when sitting en banc.

In the event the Chief Judge is unable, on account of absence or temporary incapacity, to perform the duties placed upon him as Chief Judge, the Chief Justice shall appoint an acting Chief Judge from the other judges of the Court, to temporarily discharge the duties of Chief Judge."

SECTION 2. G.S. 7A-27, as amended by Section 22(b) of S.L. 2016-125, reads as rewritten:

"**§ 7A-27. Appeals of right from the courts of the trial divisions.**

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.

(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(3) From any interlocutory order of a Business Court Judge that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

(4) Any trial court's decision regarding class action certification under G.S. 1A-1, Rule 23.

(5) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.

(b) Except as provided in subsection (a) of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

e. Determines a claim prosecuted under G.S. 50-19.1.

f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly. This sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

SECTION 3. G.S. 7A-31, as amended by Section 22(d) of S.L. 2016-125, reads as rewritten:

"**§ 7A-31. Discretionary review by the Supreme Court.**

...

(b) In causes subject to certification under subsection (a) of this section, certification may be made by the Supreme Court before determination of the cause by the Court of Appeals when in the opinion of the Supreme ~~Court:~~Court any of the following apply:

(1) The subject matter of the appeal has significant public ~~interest, or~~interest.

(2) The cause involves legal principles of major significance to the jurisprudence of the ~~State, or~~State.

(3) Delay in final adjudication is likely to result from failure to certify and thereby cause substantial ~~harm, or~~harm.

(4) The work load of the courts of the appellate division is such that the expeditious administration of justice requires certification.

(5) The subject matter of the appeal is important in overseeing the jurisdiction and integrity of the court system.

(c) In causes subject to certification under subsection (a) of this section, certification may be made by the Supreme Court after determination of the cause by the Court of Appeals when in the opinion of the Supreme ~~Court:~~Court any of the following apply:

(1) The subject matter of the appeal has significant public ~~interest, or~~interest.

(2) The cause involves legal principles of major significance to the jurisprudence of the ~~State, or~~State.

(3) The decision of the Court of Appeals appears likely to be in conflict with a decision of the Supreme Court.

Interlocutory determinations by the Court of Appeals, including orders remanding the cause for a new trial or for other proceedings, shall be certified for review by the Supreme Court only upon a determination by the Supreme Court that failure to certify would cause a delay in final adjudication which would probably result in substantial harm.

...."

SECTION 4. G.S. 7B-1001(a) reads as rewritten:

"**§ 7B-1001. Right to appeal.**

(a) In a juvenile matter under this Subchapter, appeal of a final order of the court in a juvenile matter shall be made directly to the Court of ~~Appeals.~~Appeals unless otherwise specified. Only the following juvenile matters may be appealed:

…

(5) An order entered under G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:

a. The Court of Appeals shall review the order eliminating reunification as a permanent plan ~~together with an appeal of the termination of parental rights order~~ if all of the following apply:

1. A motion or petition to terminate the parent's rights is heard and granted.

2. The order terminating parental rights is appealed in a proper and timely manner.

3. The order eliminating reunification as a permanent plan is identified as an issue in the record on appeal of the termination of parental rights.

b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order.

c. A party who is a custodian or guardian shall have the right to immediately appeal the order.

(6) Any order that terminates parental rights or denies a petition or motion to terminate parental ~~rights.~~rights shall be made directly to the Supreme Court."

SECTION 5. G.S. 7A-27(a)(5), as enacted by Section 2 of this act, and Section 4 of this act become effective January 1, 2019, and apply to appeals filed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of April, 2017.

Session Law 2017-8 **H.B. 5**

AN ACT TO MAKE TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS.

The General Assembly of North Carolina enacts:

PART I. DISASTER UNEMPLOYMENT INSURANCE

SECTION 1.(a) G.S. 96-1(b) is amended by adding a new subdivision to read:

"**§ 96-1. Title and definitions.**

...

(b) Definitions. – The following definitions apply in this Chapter:

...

(14a) Federal disaster declaration. – Declaration of a major natural disaster by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the declaration allows disaster unemployment assistance under the federal act.

...."

SECTION 1.(b) G.S. 96-11.3(b)(2) reads as rewritten:

"**§ 96-11.3. Noncharging of benefits.**

...

(b) To Any Base Period Employer. – Benefits paid to an individual may not be charged to the account of an employer of the individual if the benefits paid meet any of the following descriptions:

...

(2) They were paid to an individual for unemployment due directly to a ~~major~~ natural disaster ~~declared by the President pursuant to the Disaster Relief Act of 1970, and the individual receiving the benefits would have been eligible for disaster unemployment assistance under this federal act if the individual had not received benefits under this Chapter.~~covered by a federal disaster declaration."

SECTION 1.(c) G.S. 96-14.1(b) reads as rewritten:

"**§ 96-14.1. Unemployment benefits.**

...

(b) Valid Claim. – To obtain benefits, an individual must file a valid claim for unemployment benefits, register for work, and have a weekly benefit amount calculated pursuant to G.S. 96-14.2(a) that equals or exceeds fifteen dollars ($15.00). An individual must serve a one-week waiting period for each claim ~~filed.~~ filed, except no waiting period applies under this subsection to a claim for unemployment due directly to a disaster covered by a federal disaster declaration. A valid claim is one that meets the employment and wage standards in this subsection for the individual's base period. A valid claim for a second benefit year is one that meets the employment and wage standards in this subsection since the beginning date of the prior benefit year and before the date the new benefit claim is filed:

...."

SECTION 1.(d) G.S. 96-14.9 is amended by adding a new subsection to read:

"**§ 96-14.9. Weekly certification.**

(a) Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. An individual must meet all of the requirements of this section for each weekly benefit period. An individual who fails to meet one or more of the requirements is ineligible to receive benefits until the condition causing the ineligibility ceases to exist:

(1) File a claim for benefits.

(2) Report as requested by the Division and present valid photo identification meeting the requirements of subsection (k) of this section.

(3) Meet the work search requirements of subsection (b) of this section.

(b) Work Search Requirements. – The Division must find that the individual meets all of the following work search requirements:

(1) The individual is able to work.

(2) The individual is available to work.

(3) The individual is actively seeking work.

(4) The individual accepts suitable work when offered.

...

(l) Federal Disaster Declaration. – An individual who is unemployed due directly to a disaster covered by a federal disaster declaration has satisfied the work search requirements for any given week in the benefit period unless the Division requires the individual to conduct a work search."

SECTION 1.(e) This section becomes effective October 1, 2016.

PART II. PAID TIME OFF EXCLUDED FROM SEVERANCE PAY

SECTION 2.(a) G.S. 96-15.01(c) reads as rewritten:

"(c) Separation Payments. – An individual is not unemployed if, with respect to the entire calendar week, the individual receives or will receive as a result of the individual's separation from work remuneration ~~in one or more of the forms listed in this subsection.~~ in any form. Amounts paid to an individual for paid time off that was available, but unused, before the individual's separation under a written policy in effect before the individual's separation are not remuneration as a result of separation. If the remuneration is given in a lump sum, the amount must be allocated on a weekly basis as if it had been earned by the individual during a week of employment. An individual may be unemployed, as provided in subsection (b) of this section, if the individual is receiving payment applicable to less than the entire ~~week:~~week.

~~(1) Wages in lieu of notice.~~

~~(2) Accrued vacation pay.~~

~~(3) Terminal leave pay.~~

~~(4) Severance pay.~~

~~(5) Separation pay.~~

~~(6) Dismissal payments or wages by whatever name.~~"

SECTION 2.(b) This section becomes effective July 1, 2017, and applies to claims for benefits filed on or after that date.

PART III. MISCELLANEOUS CHANGES

SECTION 3.1.(a) G.S. 96-9.7 reads as rewritten:

"**§ 96-9.7. Surtax for the Unemployment Insurance Reserve Fund.**

(a) Surtax Imposed. – A surtax is imposed on an employer who is required to make a contribution to the Unemployment Insurance Fund equal to twenty percent (20%) of the contribution due under G.S. 96-9.2. Except as provided in this section, the surtax is collected and administered in the same manner as contributions. Surtaxes collected under this section must be credited to the Unemployment Insurance Reserve Fund established under G.S. 96-6.2. Interest and penalties collected on unpaid surtaxes imposed by this section must be credited to the Supplemental Employment Security Administration Fund. Penalties collected on unpaid surtaxes imposed by this section must be transferred to the Civil Penalty and Forfeiture Fund established in G.S. 115C-457.1.

(b) Suspension of Tax. – The tax does not apply in a calendar year if, as of ~~the preceding August 1 computation date,~~ September 1 of the preceding calendar year, the amount in the State's account in the Unemployment Trust Fund equals or exceeds one billion dollars ($1,000,000,000)."

SECTION 3.1.(b) This section becomes effective July 1, 2017, applies to claims for benefits filed on or after that date, and applies to tax calculations on or after that date.

SECTION 3.2.(a) G.S. 96-15(b)(2) reads as rewritten:

"(2) Adjudication. – When a protest is made by the claimant to the initial or monetary determination, or a question or issue is raised or presented as to the eligibility of a claimant, or whether any disqualification should be imposed, or benefits denied or adjusted pursuant to G.S. 96-18, the matter shall be referred to an adjudicator. The adjudicator may consider any matter,

document or statement deemed to be pertinent to the issues, including telephone conversations, and after such consideration shall render a conclusion as to the claimant's benefit entitlements. The adjudicator shall notify the claimant and all other interested parties of the conclusion reached. The conclusion of the adjudicator shall be deemed the final decision of the Division unless within 30 days after the date of notification or mailing of the conclusion, whichever is earlier, a written appeal is filed pursuant to rules adopted by the Division. The Division shall be deemed an interested party for such purposes and may remove to itself or transfer to an appeals referee the proceedings involving any claim pending before an adjudicator.

Provided, any interested employer shall be allowed ~~14 days~~ 10 days from the mailing or delivery of the notice of the filing of a claim against the employer's account, whichever first occurs, to file with the Division its protest of the claim in order to have the claim referred to an adjudicator for a decision on the question or issue raised. Any protest filed must contain a basis for the protest and supporting statement of facts, and the protest may not be amended after the ~~14-day~~ 10-day period from the mailing or delivery of the notice of filing of a claim has expired. No payment of benefits shall be made by the Division to a claimant until one of the following occurs:

a. The employer has filed a timely protest to the claim.
b. The ~~14-day~~ 10-day period for the filing of a protest by the employer has expired.
c. A determination under this subdivision has been made.

Provided further, no question or issue may be raised or presented by the Division as to the eligibility of a claimant, or whether any disqualification should be imposed, after 45 days from the first day of the first week after the question or issue occurs with respect to which week an individual filed a claim for benefits. None of the provisions of this subsection shall have the force and effect nor shall the same be construed or interested as repealing any other provisions of G.S. 96-18.

An employer shall receive written notice of the employer's appeal rights and any forms that are required to allow the employer to protest the claim. The forms shall include a section referencing the appropriate rules pertaining to appeals and the instructions on how to appeal."

SECTION 3.2.(b) This section becomes effective October 1, 2017, applies to claims for benefits filed on or after that date, and applies to tax calculations on or after that date.

SECTION 3.3.(a) G.S. 96-9.6 reads as rewritten:

"**§ 96-9.6. Election to reimburse Unemployment Insurance Fund in lieu of contributions.**

(a) Applicability. – This section applies to a governmental entity, a nonprofit organization, and an Indian tribe that is required by section 3309 of the Code to have a reimbursement option. Each of these employers must finance benefits under the contributions method imposed under G.S. 96-9.2 unless the employer elects to finance benefits by making reimbursable payments to the Division for the Unemployment Insurance Fund.

(b) Election. – An employer may make an election under this section by filing a written notice of its election with the Division at least 30 days before the January 1 effective date of the election. An Indian tribe may make separate elections for itself and each subdivision, subsidiary, or business enterprise wholly owned by the tribe. A new employer may make an election under this section by filing a written notice of its election within 30 days after the employer receives notification from the Division that it is eligible to make an election under this section.

An election is valid for a minimum of four years and is binding until the employer files a notice terminating its election. An employer must file a written notice of termination with the

Division at least 30 days before the January 1 effective date of the termination. The Division must notify an employer of a determination of the effective date of an election the employer makes and of any termination of the election. These determinations are subject to reconsideration, appeal, and review. An employer that makes the election allowed by this section may not deduct any amount due under this section from the remuneration of the individuals it employs.

(c) Reimbursable Amount. – An employer must reimburse the Unemployment Insurance Fund for the amount of benefits that are paid to an individual for weeks of unemployment that begin within a benefit year established during the effective period of the employer's election and are attributable to service that is covered by section 3309 of the Code and was performed in the employ of the employer. For regular benefits, the reimbursable amount is the amount of regular benefits paid. For extended benefits, the reimbursable amount is the amount not reimbursed by the federal government.

(d) Account. – The Division must establish a separate account for each reimbursing employer. The Division must credit payments made by the employer to the account. The Division must charge to the account benefits that are paid by the Unemployment Insurance Fund to individuals for weeks of unemployment that begin within a benefit year established during the effective period of the election and are attributable to service in the employ of the employer. All benefits paid must be charged to the employer's account except benefits paid through error.

The Division must furnish an employer with a statement of all credits and charges made to its account as of the computation date prior to January 1 of the succeeding year. The Division may, in its sole discretion, provide a reimbursing employer with informational bills or lists of charges on a basis more frequent than yearly if the Division finds it is in the best interest of the Division and the affected employer to do so.

(e) Annual Reconciliation. – A reimbursing employer must maintain an account balance equal to one percent (1%) of its taxable wages. The Division must determine the balance of each employer's account on the computation date. If there is a deficit in the account, the Division must bill the employer for the amount necessary to bring its account to one percent (1%) of its taxable wages for the immediate four quarters preceding July 1. ~~Any~~ Except as provided in subsection (j) of this section, any amount in the account in excess of the one percent (1%) of taxable wages will be retained in the employer's account as a credit and will not be refunded to the employer. The Division must send a bill as soon as practical. Payment is due within 30 days from the date a bill is mailed. Amounts unpaid by the due date accrue interest and penalties in the same manner as past-due contributions and are subject to the same collection remedies provided under G.S. 96-10 for past-due contributions.

(f) Quarterly Wage Reports. – A reimbursing employer must submit quarterly wage reports to the Division on or before the last day of the month following the close of the calendar quarter in which the wages are paid. During the first four quarters following an election to be a reimbursing employer, the employer must submit an advance payment with its quarterly report. The amount of the advance payment is equal to one percent (1%) of the taxable wages reported on the quarterly wage report. The Division must remit the payments to the Unemployment Insurance Fund and credit the payments to the employer's account.

(g) Change in Election. – The Division must close the account of an employer that has been paying contributions under G.S. 96-9.2 and that elects to change to a reimbursement basis under this section. A closed account may not be used in any future computation of a contribution rate. The Division must close the account of an employer that terminates its election to reimburse the Unemployment Insurance Fund in lieu of making contributions. An employer that terminates its election under this section is subject to the standard beginning rate.

(h) Noncompliance by Indian Tribes. – An Indian tribe that makes an election under this section and then fails to comply with this section is subject to the following consequences:

(1) An employer that fails to pay an amount due within 90 days after receiving a bill and has not paid this liability as of the computation date loses the option

to make reimbursable payments in lieu of contributions for the following calendar year. An employer that loses the option to make reimbursable payments in lieu of contributions for a calendar year regains that option for the following calendar year if it pays its outstanding liability and makes all contributions during the year for which the option was lost.

(2) Services performed for an employer that fails to make payments, including interest and penalties, required under this section after all collection activities considered necessary by the Division have been exhausted, are no longer treated as "employment" for the purpose of coverage under this Chapter. An employer that has lost coverage regains coverage under this Chapter for services performed if the Division determines that all contributions, payments in lieu of contributions, penalties, and interest have been paid. The Division must notify the Internal Revenue Service and the United States Department of Labor of any termination or reinstatement of coverage pursuant to this subsection.

(i) Expired January 1, 2016.

(j) Refund. – If a reimbursing employer erroneously remits an amount in excess of the amount due, the employer may apply to the Division for a refund of the excess amount remitted within the time limits in this subsection. The Division must determine that the requested refund was in excess of the amount due and was erroneously paid. The Division must refund, without interest, the excess amount but in no event will the refund result in an account balance less than one percent (1%) of the reimbursing employer's taxable wages. The refund application must be filed by the later of the following:

(1) Five years from the last day of the calendar year with respect to which a payment was made.

(2) One year from the date on which such payment was made."

PART IV. FEDERAL CONFORMING CHANGES

SECTION 4.(a) G.S. 96-11.7 reads as rewritten:

"**§ 96-11.7. ~~Acquisition of employer and transfer~~ Transfer of account to another employer.**

(a) ~~Mandatory Transfer.~~ Acquisition of a Business. – When an employer acquires all of the ~~organization, trade, or~~ business of another employer, the account of the predecessor must be transferred as of the date of the acquisition to the successor ~~employer~~ for use in the determination of the successor's contribution rate. This ~~mandatory transfer~~ subsection does not apply when there is no common ownership between the predecessor and the successor and the successor acquired the assets of the predecessor in a sale in bankruptcy. ~~In this circumstance, the successor's contribution rate is determined without regard to the predecessor's contribution rate.~~

(b) ~~Consent.~~ Acquisition of Portion of a Business. – When a distinct and severable portion of an employer's ~~organization, trade, or~~ business is transferred to a successor employer and the successor employer continues to operate the acquired ~~organization, trade, or~~ business, the portion of the account ~~of the transferring employer that related~~ attributable to the transferred business may, with the approval of the Division, be transferred by mutual consent ~~from the transferring employer~~ to the successor ~~employer.~~ employer as of the date of the transfer. A successor employer that is a related entity of the transferring employer is eligible for a transfer from the transferring employer's account only to the extent permitted by rules adopted by the Division. No transfer may be made to the account of an employer that has ceased to be an employer under G.S. 96-11.9.

If a transfer of part or all of an account is allowed ~~but is not mandatory,~~ under this subsection, the successor employer requesting the transfer may make a request for transfer by filing an application for transfer with the Division within two years after the date the business was ~~transferred or the date of notification by the Division of the right to request an account~~

~~transfer, whichever is later. If the application is approved and the application was filed within 60 days after notification from the Division of the right to request a transfer, the transfer is effective as of the date the business was transferred. If the application is approved and the application was filed later than 60 days after notification from the Division, the effective date of the transfer is the first day of the calendar quarter in which the application was filed.~~transferred.

~~If the effective date of a transfer of an account under this subsection is after the computation date in a calendar year, the Division must recalculate the contribution rate for the transferring employer and the successor employer based on their account balances on the effective date of the account transfer. The recalculated contribution rate applies for the calendar year beginning after the computation date.~~

(c) ~~Continuity of Control. – Any new employer that has continuity of control with an existing business enterprise shall continue to be the same employer as the existing business enterprise for the purposes of this Chapter as before the existence of the new employer. The Division shall assign any new employer with continuity of control to the account of the existing business enterprise. Any new employer with continuity of control shall not request or maintain an account with the Division other than the account of the existing business enterprise. If a new employer receives a new account and the Division subsequently finds that such new employer has continuity of control with an existing business enterprise, the Division shall recalculate the annual tax rates based on the combined annual account balances of the new employer and the existing business enterprise.~~Acquisition by Related Party. – If an employer transfers its business, or a portion thereof, to another person and, at the time of the transfer, there is substantially common ownership, management, or control of the predecessor employer and the transferee, then the portion of the account attributable to the transferred business must be transferred to the transferee as of the date of the transfer for use in the determination of the transferee's contribution rate.

~~Continuity of control~~ Substantially common ownership, management, or control exists if one or more persons, entities, or other organizations owning, managing, or controlling the business ~~enterprise remain in~~ maintain substantial ownership, management, or control of the ~~new employer.~~ transferee. Control may occur by means of ownership of the organization conducting the ~~business enterprise,~~ business, ownership of assets necessary to conduct the ~~business enterprise,~~ business, security arrangements or lease arrangements covering assets necessary to conduct the ~~business enterprise,~~ business, or a contract when the ownership, stated arrangements, or contract provide for or allow direction of the internal affairs or conduct of the ~~business enterprise.~~ business. Control is not affected by changes in the form of a ~~business enterprise,~~ business, reorganization of a ~~business enterprise,~~ business, or expansion of a ~~business enterprise.~~business.

(c1) Acquisition to Obtain Lower Contribution Rate. – The account of the predecessor employer will not be transferred if the Division finds that a person formed or acquired the business solely or primarily for the purpose of obtaining a lower contribution rate.

(d) Contribution Rate. – ~~Notwithstanding the other provisions in this section, when an account is transferred in its entirety to a successor employer, the transferring employer's contribution rate is the standard beginning rate.~~If the effective date of a transfer of an account under this section is after the computation date in a calendar year, the Division must recalculate the contribution rate for the predecessor employer and the successor employer based on their account balances on the effective date of the account transfer.

~~Notwithstanding the other provisions in this section, if a successor employer to whom an account is transferred was an employer as of the date of the business transfer, the account transfer does not affect the successor employer's contribution rate for the calendar year in which the business was transferred. If the successor employer was not an employer as of the date of the business transfer, the successor employer's contribution rate for the year in which the business transfer occurs is the standard beginning rate unless one of the following applies:~~

~~(1) The account transfer is a mandatory transfer, in which case the contribution rate of the successor employer is the contribution rate of the transferring employer.~~

~~(2) The account transfer is by consent and the successor employer filed an application within 60 days of the business transfer, in which case the contribution rate of the successor employer is the contribution rate of the transferring employer. If the business was transferred from more than one employer and the transferring employers had different contribution rates, the contribution rate of the successor employer is the rate calculated as of the effective date of the account transfers.~~

(e) Liability for Contributions. – An employer that, by operation of law, purchase, or otherwise is the successor to an employer liable for contributions becomes liable for contributions on the day of the succession. This ~~provision~~ subsection does not affect the successor's liability as otherwise prescribed by law for unpaid contributions due from the predecessor.

(f) Deceased or Insolvent Employer. – When the ~~organization, trade, or~~ business of a deceased person or of an insolvent debtor is taken over and operated by an administrator, executor, receiver, or trustee in bankruptcy, the new employer automatically succeeds to the account and contribution rate of the deceased person or insolvent debtor without the necessity of filing an application for the transfer of the account.

(g) Continuation of Existing Account. – Any transferee subject to a complete transfer of account under this section must not request or maintain an account with the Division other than the account of the existing business. If a transferee receives a new account and the Division subsequently finds that the transferee is subject to a complete transfer of account under this section, the Division must recalculate the annual tax rates based on the combined annual account balances of the new employer and the existing business."

SECTION 4.(b) This section becomes effective July 1, 2017.

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of April, 2017.

Session Law 2017-9 **H.B. 13**

AN ACT TO PHASE IN CLASS SIZE REQUIREMENTS OVER TWO YEARS; REQUIRE TIMELY AND ACCURATE REPORTING OF STUDENT ASSIGNMENTS; AND ENSURE COMPLIANCE WITH CLASS SIZE REQUIREMENTS.

The General Assembly of North Carolina enacts:

PART I. CLASS SIZE REQUIREMENT PHASE IN

SECTION 1.(a) Section 8.33(b) of S.L. 2016-94 is repealed.

SECTION 1.(b) Notwithstanding G.S. 115C-301, as amended by this act and any other provision of law, for the 2017-2018 school year, the average class size for kindergarten through third grade in a local school administrative unit shall not exceed 20 students. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade shall not exceed 23 students. The class size requirements set forth in G.S. 115C-301, as amended by this act, shall apply beginning with the 2018-2019 school year.

PART II. REPORTING REQUIREMENTS AND ACCOUNTABILITY MEASURES

SECTION 2.(a) G.S. 115C-47(10) reads as rewritten:

"(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the class size requirements set forth in G.S. 115C-301 for kindergarten through third grade are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he or she shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).

Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the ~~exception.~~exception, as required in G.S. 115C-301(g).

At the end of ~~the second month of~~September and end of February of each school year, the local board of education, through the superintendent, shall file a report with the ~~State Board of Education,~~Superintendent of Public Instruction, in a format prescribed by the ~~State Board of Education,~~ Superintendent of Public Instruction, describing the organization ~~of each school, the duties of each teacher, and the size of each class.~~for each school in the local school administrative unit, as required by G.S. 115C-301(f). ~~As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size maximums that exist at that time.~~

In addition to assuring that the requirements of G.S. 115C-301 are met, each local board of education shall also have the duty to provide an adequate number of classrooms to meet the requirements of that statute."

SECTION 2.(b) G.S. 115C-301 reads as rewritten:

"**§ 115C-301. Allocation of teachers; class size.**

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) Maximum Class Size for Kindergarten Through Third Grade. – The average class size for kindergarten through third grade in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students in kindergarten through third grade. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade shall not exceed the allotment ratio by more than three students. The funded class size allotment ratio for kindergarten through third grade shall be as follows:

(1) For kindergarten, one teacher per 18 students.
(2) For first grade, one teacher per 16 students.
(3) For second grade, one teacher per 17 students.
(4) For third grade, one teacher per 17 students.

In grades four through 12, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement.

(d), (e) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(f) ~~Second Month~~Biannual Reports. – At the end of ~~the second month~~September and end of February of each school year, each local board of education, through the superintendent, shall file a ~~report~~ report, based on information provided by the principal, for each school within the local school administrative unit with the ~~State Board of Education.~~Superintendent of Public Instruction. The report shall be filed in a format prescribed by the ~~State Board of Education~~Superintendent of Public Instruction and shall include the organization for each ~~school,~~ school in the local school administrative unit, including the following information:

(1) For each class in each grade level at each school, the following:

a. The duties of the teacher.

b. The source of funds used to pay for the teacher.

c. The number of students assigned to the class, including all exceptions to individual class size maximums in kindergarten through third grade that exist at that time.

(2) For each school, the following:

a. The number of program enhancement teachers. For the purposes of this subdivision, program enhancement teachers are teachers who teach any of the following:

1. Arts disciplines, including dance, music, theater, and the visual arts.

2. Physical education and health programs.

3. World languages.

b. The source of funds used to pay each program enhancement teacher.

(3) The average class size for each grade from kindergarten through third grade in the local school administrative unit.

(4) Any other information the Superintendent of Public Instruction may require.

~~the duties of each teacher, the size of each class, and such other information as the State Board may require. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size maximums in kindergarten through third grade that occur at that time.~~ The Superintendent of Public Instruction shall conduct periodic audits of the information reported by the local superintendent under this subsection to confirm the accuracy of reporting at the local school administrative unit and school level of the average and individual class size for students in kindergarten through third grade. If the Superintendent of Public Instruction finds that a local board of education is exceeding class size requirements without application to the State Board for an allotment adjustment or a waiver of those class size requirements, the State Board may impose the penalty set forth in subsection (j) of this section until such time the local board of education receives a waiver or the schools in the unit meet the class size requirements for kindergarten through third grade.

(g) Waivers and Allotment Adjustments. – Local boards of education shall report exceptions to the class size requirements set out for kindergarten through third grade and significant increases in class size at other grade levels to the State Board and shall request allotment adjustments at any grade level, waivers from the requirements for kindergarten through third grade, or both. Within 45 days of receipt of reports, the State Board of Education, within funds available, may allot additional positions at any grade level. The State Board shall not grant waivers for excess class size in kindergarten through third grade, except under the following circumstances:

(1)~~(i)~~ ~~emergencies~~ Emergencies or acts of God that impact the availability of classroom space or ~~facilities;~~facilities.

(2)~~(ii)~~ ~~an~~ An unanticipated increase in student population of an individual school in excess of two percent (2%) of the average daily membership of that ~~school;~~school.

(3)~~(iii)~~ ~~organizational~~ Organizational problems in geographically isolated local school administrative units in which the average daily membership is less than one and one-half per square ~~mile;~~mile.

(4)~~(iv)~~ ~~classes~~ Classes organized for a solitary curricular ~~area; or~~area.

(5)~~(v)~~ ~~a~~ A charter school closure.

The State Board shall report on all waivers to the Joint Legislative Commission on Governmental Operations within 30 days of the grant of the waiver. The report shall include the local school administrative unit, school, and class or classes for which the waiver was granted, the statutory grounds for the waiver, and the terms of the waiver. A waiver for excess class size in kindergarten through third grade shall not become effective until the State Board submits the report to the Joint Legislative Commission on Governmental Operations.

Upon notification from the State Board that the reported exception does not qualify for an allotment adjustment or a waiver, the local board of education shall take action to correct the exception within 30 days. Within 60 days of notification by the State Board, the Superintendent of Public Instruction shall request an updated report from the local board of education on the size of each class in kindergarten through third grade for each school within the local school administrative unit. If the Superintendent of Public Instruction finds that a local board of education is continuing to exceed class size requirements, the State Board may impose the penalty set forth in subsection (j) of this section until such time the schools in the unit meet the class size requirements for kindergarten through third grade.

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of this section.

(i) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(j) Penalty for Noncompliance. – A local superintendent shall complete a sworn affidavit attesting that the superintendent has complied with the requirements of subsections (c) through (g) of this section and include that affidavit with the biannual reports on individual class size required by subsection (f) of this section. If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance. The local board of education shall continue to be responsible for complying with the terms of the superintendent's employment contract."

PART III. EFFECTIVE DATE

SECTION 3. Except as otherwise provided, this act is effective when it becomes law and applies beginning with the 2017-2018 school year.

In the General Assembly read three times and ratified this the 27th day of April, 2017.

Session Law 2017-10 **S.B. 131**

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. BUSINESS REGULATION

EMPLOYMENT STATUS OF FRANCHISES

SECTION 1.1. Article 2A of Chapter 95 of the General Statutes is amended by adding a new section to read:

"**§ 95-25.24A. Franchisee status.**

Neither a franchisee nor a franchisee's employee shall be deemed to be an employee of the franchisor for any purposes, including, but not limited to, this Article and Chapters 96, 97, and 105 of the General Statutes. For purposes of this section, "franchisee" and "franchisor" have the same definitions as set out in 16 C.F.R. § 436.1."

STREAMLINE MORTGAGE NOTICE REQUIREMENTS

SECTION 1.2. G.S. 45-91 reads as rewritten:

"**§ 45-91. Assessment of fees; processing of payments; publication of statements.**

A servicer must comply as to every home loan, regardless of whether the loan is considered in default or the borrower is in bankruptcy or the borrower has been in bankruptcy, with the following requirements:

(1) Any fee that is incurred by a servicer shall be both:

a. Assessed within 45 days of the date on which the fee was incurred. Provided, however, that attorney or trustee fees and costs incurred as a result of a foreclosure action shall be assessed within 45 days of the date they are charged by either the attorney or trustee to the servicer.

b. Explained clearly and conspicuously in a statement mailed to the borrower at the borrower's last known address within 30 days after assessing the fee, provided the servicer shall not be required to take any action in violation of the provisions of the federal bankruptcy code. The servicer shall not be required to send such a statement for a fee ~~that: (i) results~~ that either:

1. Is otherwise included in a periodic statement sent to the borrower that meets the requirements of paragraphs (b), (c), and (d) of 12 C.F.R. § 1026.41.

2. Results from a service that is affirmatively requested by the borrower, ~~(ii)~~ is paid for by the borrower at the time the service is provided, and ~~(iii)~~ is not charged to the borrower's loan account.

(2) All amounts received by a servicer on a home loan at the address where the borrower has been instructed to make payments shall be accepted and credited, or treated as credited, within one business day of the date received, provided that the borrower has made the full contractual payment and has provided sufficient information to credit the account. If a servicer uses the scheduled method of accounting, any regularly scheduled payment made prior to the scheduled due date shall be credited no later than the due date. Provided, however, that if any payment is received and not credited, or treated as credited, the borrower shall be notified within 10 business days by mail at the borrower's last known address of the disposition of the payment, the reason the payment was not credited, or treated as credited to the account, and any actions necessary by the borrower to make the loan current.

(2a) The notification required by subdivision (2) of this section is not necessary if (i) the servicer complies with the terms of any agreement or plan made with the borrower and has applied and credited payments received in the manner required, and (ii) the servicer is applying and crediting payments to the borrower's account in compliance with all applicable State and federal laws, including bankruptcy laws, and if at least one of the following occurs:

a. The borrower has entered into a written loss mitigation, loan modification, or forebearance agreement with the servicer that itemizes all amounts due and specifies how payments will be applied and credited;

b. The borrower has elected to participate in an alternative payment plan, such as a biweekly payment plan, that specifies as part of a written agreement how payments will be applied and credited; or

c. The borrower is making payments pursuant to a bankruptcy plan.

(3) Failure to charge the fee or provide the information within the allowable time and in the manner required under subdivision (1) of subsection (a) of this section constitutes a waiver of such fee.

(4) All fees charged by a servicer must be otherwise permitted under applicable law and the contracts between the parties. Nothing herein is intended to

permit the application of payments or method of charging interest which is less protective of the borrower than the contracts between the parties and other applicable law.

(5) The obligations of mortgage servicers set forth in G.S. 53-244.110."

CLARIFY PRIVATE DRINKING WATER WELL PERMITTING REQUIREMENTS

SECTION 1.3.(a) G.S. 87-97 reads as rewritten:

"**§ 87-97. Permitting, inspection, and testing of private drinking water wells.**

(a) Mandatory Local Well Programs. – Each county, through the local health department that serves the county, shall implement a private drinking water well permitting, inspection, and testing program. The local health department shall be the exclusive authority for the permitting of wells and well systems as described in G.S. 143-138(b17)(2). Local health departments shall administer the program and enforce the minimum well construction, permitting, inspection, repair, and testing requirements set out in this Article and rules adopted pursuant to this Article. No person shall unduly delay or refuse to permit a well that can be constructed or repaired and operated in compliance with the requirements set out in this Article and rules adopted pursuant to this Article.

(a1) Use of Standard Forms. – Local well programs shall use the standard forms created by the Department for all required submittals and shall not create their own forms.

(b) Permit Required. – Except for those wells required to be permitted by the Environmental Management Commission pursuant to G.S. 87-88, no person shall:

(1) Construct or assist in the construction of a private drinking water well unless a construction permit has been obtained from the local health department.

(2) Repair or assist in the repair of a private drinking water well unless a repair permit has been obtained from the local health department, except that a permit shall not be required for the repair or replacement of a pump or tank.

(b1) ~~Permit to Include Authorization for Piping and Electrical.~~Inspections. – When a permit is issued under this section, the local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit. The appropriate building inspector may request from the local health department the opportunity to inspect the activities authorized by the permit. The inspection must be performed prior to the final inspection performed by the local health department, and the well contractor shall not be required to be onsite for the inspection by the building inspector. If an inspection by a building inspector after the final inspection has been performed by the local health department is determined to be necessary for the protection of public health, safety, or welfare, the local building inspections department shall be responsible for (i) the additional costs for the inspection and related activities necessary for the inspection and (ii) any damages to the well system caused during the inspection.

(b2) Permit to Include Authorization for Piping and Electrical. – A permit issued under this section shall also be deemed to include authorization for all of the following:

(1) The installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch.

(2) The installation, construction, maintenance, or repair of water pipes by a person certified as a well contractor under Article 7A of this Chapter when running water pipes from the well to the water tank.

(3) The installation of both water pipes and electrical wiring in a single ditch by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch and water pipes from the well to the water tank. The ditch shall be as deep as the minimum cover requirements for either electrical wiring or water pipes, whichever is greater.

This subsection shall not be interpreted to prohibit any person licensed by an independent occupational licensing board from performing any authorized services within the scope of practice of the person's license.

…."

SECTION 1.3.(b) G.S. 143-138 is amended by adding a new subsection to read:

"**§ 143-138. North Carolina State Building Code.**

…

(b17) Exclusion for Private Drinking Water Well Installation, Construction, Maintenance, and Repair. – No permit shall be required under the Code or any local variant approved under subsection (e) of this section for the electrical and plumbing activities associated with the installation, construction, maintenance, or repair of a private drinking water well when all of the following apply:

(1) The work is performed by a contractor certified under Article 7A of Chapter 87 of the General Statutes under the terms of a permit issued by the local health department pursuant to G.S. 87-97.

(2) The scope of work includes only the connection or disconnection of a well system to either the plumbing served by the well system or the electrical service that serves the well system. For purposes of this subsection, a well system includes the well, the pressure tank, the pressure switch, and all plumbing and electrical equipment in the well and between the well, pressure tank, and pressure switch.

…."

EXEMPT CERTAIN BUILDING CODE CLASSIFICATIONS FROM ENERGY EFFICIENCY STANDARDS

SECTION 1.4. G.S. 143-138 is amended by adding a new subsection to read:

"(b18) Exclusion From Energy Efficiency Code Requirements for Certain Use and Occupancy Classifications. – The Council shall provide for an exemption from any requirements in the energy efficiency standards pursuant to Chapter 13 of the 2012 North Carolina Building Code and the 2012 Energy Conservation Code, and any subsequent amendments to the Building Code and Energy Conservation Code, for the following use and occupancy classifications pursuant to Chapter 3 of the 2012 North Carolina Building Code: Section 306, Factory Group F; Section 311, Storage Group S; and Section 312, Utility and Miscellaneous Group U. This exclusion shall apply to the entire floor area of any structure for which the primary use or occupancy is listed herein."

PART II. STATE AND LOCAL GOVERNMENT REGULATION

WILDLIFE RESOURCES COMMISSION, DIVISION OF MARINE FISHERIES, AND UTILITIES COMMISSION PRIVATE IDENTIFYING INFORMATION

SECTION 2.1.(a) G.S. 143-254.5 reads as rewritten:

"**§ 143-254.5. Disclosure of personal identifying information.**

Social security numbers and identifying information obtained by the Commission shall be treated as provided in G.S. 132-1.10. For purposes of this section, "identifying information" also includes a person's mailing address, residence address, e-mail address, Commission-issued customer identification number, date of birth, and telephone number."

SECTION 2.1.(b) G.S. 143B-289.52(h) reads as rewritten:

"**§ 143B-289.52. Marine Fisheries Commission – powers and duties.**

…

(h) Social security numbers and identifying information obtained by the Commission or the Division of Marine Fisheries shall be treated as provided in G.S. 132-1.10. For purposes of this subsection, "identifying information" also includes a person's mailing address, residence

address, e-mail address, Commission-issued customer identification number, date of birth, and telephone number."

SECTION 2.1.(c) Chapter 132 of the General Statutes is amended by adding a new section to read:

"**§ 132-1.14. Personally identifiable information of public utility customers.**

(a) Except as otherwise provided in this section, a public record, as defined by G.S. 132-1, does not include personally identifiable information obtained by the Public Staff of the Utilities Commission from customers requesting assistance from the Public Staff regarding rate or service disputes with a public utility, as defined by G.S. 62-3(23).

(b) The Public Staff may disclose personally identifiable information of a customer to the public utility involved in the matter for the purpose of investigating such disputes.

(c) Such personally identifiable information is a public record to the extent disclosed by the customer in a complaint filed with the Commission pursuant to G.S. 62-73.

(d) For purposes of this section, "personally identifiable information" means the customer's name, physical address, e-mail address, telephone number, and public utility account number."

SECTION 2.1.(d) This section becomes effective October 1, 2017.

WATER AND SEWER BILLING BY LESSORS

SECTION 2.2.(a) G.S. 42-42.1 reads as rewritten:

"**§ 42-42.1. Water and electricity conservation.**

(a) For the purpose of encouraging water and electricity conservation, pursuant to a written rental agreement, a landlord may charge for the cost of providing water or sewer service to tenants ~~who occupy the same contiguous premises~~ pursuant to G.S. 62-110(g) or electric service pursuant to G.S. 62-110(h).

(b) The landlord may not disconnect or terminate the tenant's electric service or water or sewer services due to the tenant's nonpayment of the amount due for electric service or water or sewer services."

SECTION 2.2.(b) G.S. 62-110(g) reads as rewritten:

"(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow a lessor to charge for the costs of providing water or sewer service to persons who occupy the ~~same contiguous~~ leased premises. The following provisions shall apply:

(1) All charges for water or sewer service shall be based on the user's metered consumption of water, which shall be determined by metered measurement of all water consumed. The rate charged by the lessor shall not exceed the unit consumption rate charged by the supplier of the service.

(1a) If the ~~contiguous~~ leased premises ~~were~~ are contiguous dwelling units built prior to ~~1989~~ 1989, and the lessor determines that the measurement of the tenant's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the tenant using equipment that measures the tenant's hot water usage. In that case, each tenant shall be billed a percentage of the landlord's water and sewer costs for water usage in the dwelling units based upon the hot water used in the tenant's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:

a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually

submetered hot water usage to determine the allocation of water and sewer costs.

b. The lessor shall not include in a tenant's bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other condition that is not known to the tenant or that has been reported to the lessor.

c. All equipment used to measure water usage shall comply with guidelines promulgated by the American Water Works Association.

d. The lessor shall maintain records for a minimum of 12 months that demonstrate how each tenant's allocated costs were calculated for water and sewer service. Upon advanced written notice to the lessor, a tenant may inspect the records during reasonable business hours.

e. Bills for water and sewer service sent by the lessor to the tenant shall contain all the following information:

1. The amount of water and sewer services allocated to the tenant during the billing period.
2. The method used to determine the amount of water and sewer services allocated to the tenant.
3. Beginning and ending dates for the billing period.
4. The past-due date, which shall not be less than 25 days after the bill is mailed.
5. A local or toll-free telephone number and address that the tenant can use to obtain more information about the bill.

(2) The lessor may charge a reasonable administrative fee for providing water or sewer service not to exceed the maximum administrative fee authorized by the Commission.

(3) The Commission shall ~~issue~~ adopt rules to ~~define contiguous premises and to~~ implement this subsection. ~~In issuing the rule to define contiguous premises, the Commission shall consider contiguous premises where manufactured homes, as defined in G.S. 143-145(7), or spaces for manufactured homes are rented.~~

(4) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service. The form shall include all of the following:

a. A description of the applicant and the property to be served.
b. A description of the proposed billing method and billing statements.
c. The schedule of rates charged to the applicant by the supplier.
d. The schedule of rates the applicant proposes to charge the applicant's customers.
e. The administrative fee proposed to be charged by the applicant.
f. The name of and contact information for the applicant and its agents.
g. The name of and contact information for the supplying water or sewer system.
h. Any additional information that the Commission may require.

(4a) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service at single-family homes that allows the applicant to serve multiple homes in the State subject to single Commission approval. The form shall include all of the following:

a. A description of the applicant and a listing of the address of all the properties to be served, which shall be updated annually with the Commission.

b. A description of the proposed billing method and billing statements.
c. The administrative fee proposed to be charged by the applicant.
d. The name and contact information for the applicant and its agents.
e. Any additional information the Commission may require.

(5) The Commission shall approve or disapprove an application within 30 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 30 days, the application shall be deemed approved.

(6) A provider of water or sewer service under this subsection may increase the rate for service so long as the rate does not exceed the unit consumption rate charged by the supplier of the service. A provider of water or sewer service under this subsection may change the administrative fee so long as the administrative fee does not exceed the maximum administrative fee authorized by the Commission. In order to change the rate or administrative fee, the provider shall file a notice of revised schedule of rates and fees with the Commission. The Commission may prescribe the form by which the provider files a notice of a revised schedule of rates and fees under this subsection. The form shall include all of the following:
a. The current schedule of the unit consumption rates charged by the provider.
b. The schedule of rates charged by the supplier to the provider that the provider proposes to pass through to the provider's customers.
c. The schedule of the unit consumption rates proposed to be charged by the provider.
d. The current administrative fee charged by the provider, if applicable.
e. The administrative fee proposed to be charged by the provider.

(7) A notification of revised schedule of rates and fees shall be presumed valid and shall be allowed to become effective upon 14 days notice to the Commission, unless otherwise suspended or disapproved by order issued within 14 days after filing.

(8) Notwithstanding any other provision of this Chapter, the Commission shall determine the extent to which the services shall be regulated and, to the extent necessary to protect the public interest, regulate the terms, conditions, and rates that may be charged for the services. Nothing in this subsection shall be construed to alter the rights, obligations, or remedies of persons providing water or sewer services and their customers under any other provision of law.

(9) A provider of water or sewer service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36 or to furnish a bond pursuant to G.S. 62-110.3."

CLARIFY THAT RECYCLING PROGRAMS BY LOCAL SCHOOL BOARDS MUST COMPLY WITH G.S. 160A-327

SECTION 2.3. G.S. 115C-47(41) reads as rewritten:

"(41) To Encourage Recycling in Public Schools. – Local boards of education shall encourage recycling in public schools and may develop and implement recycling programs at public schools. Local boards of education shall comply with G.S. 160A-327."

REZONING/SIMULTANEOUS COMPREHENSIVE PLAN AMENDMENT

SECTION 2.4.(a) G.S. 153A-341 reads as rewritten:

"**§ 153A-341. Purposes in view.**

(a) Zoning regulations shall be made in accordance with a comprehensive plan.

(b) Prior to adopting or rejecting any zoning amendment, the governing board shall adopt ~~a statement~~ one of the following statements which shall not be subject to judicial review:

(1) A statement approving the zoning amendment and describing ~~whether its action is consistent~~ its consistency with an adopted comprehensive plan and explaining why ~~the board considers~~ the action taken ~~to be~~ is reasonable and in the public interest. ~~That statement is not subject to judicial review. The~~

(2) A statement rejecting the zoning amendment and describing its inconsistency with an adopted comprehensive plan and explaining why the action taken is reasonable and in the public interest.

(3) A statement approving the zoning amendment and containing at least all of the following:

a. A declaration that the approval is also deemed an amendment to the comprehensive plan. The governing board shall not require any additional request or application for amendment to the comprehensive plan.

b. An explanation of the change in conditions the governing board took into account in amending the zoning ordinance to meet the development needs of the community.

c. Why the action was reasonable and in the public interest.

(c) Prior to consideration by the governing board of the proposed zoning amendment, the planning board shall advise and comment on whether the proposed amendment is consistent with any comprehensive ~~plan that has been adopted and any other officially adopted plan that is applicable.~~ plan. The planning board shall provide a written recommendation to the governing board ~~of county commissioners~~ that addresses plan consistency and other matters as deemed appropriate by the planning board, but a comment by the planning board that a proposed amendment is inconsistent with the comprehensive plan shall not preclude consideration or approval of the proposed amendment by the governing board.

(d) Zoning regulations shall be designed to promote the public health, safety, and general welfare. To that end, the regulations may address, among other things, the following public purposes: to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen congestion in the streets; to secure safety from fire, panic, and dangers; and to facilitate the efficient and adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. The regulations shall be made with reasonable consideration as to, among other things, the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the county. In addition, the regulations shall be made with reasonable consideration to expansion and development of any cities within the county, so as to provide for their orderly growth and development.

(e) As used in this section, "comprehensive plan" includes a unified development ordinance and any other officially adopted plan that is applicable."

SECTION 2.4.(b) G.S. 153A-349.13 reads as rewritten:

"**§ 153A-349.13. Relationship of agreement to building or housing ~~code.~~code; comprehensive plan amendment.**

(a) A development agreement adopted pursuant to this Chapter shall not exempt the property owner or developer from compliance with the State Building Code or State or local housing codes that are not part of the local government's planning, zoning, or subdivision regulations.

(b) When the governing board approves the rezoning of any property associated with a development agreement adopted pursuant to this Chapter, the provisions of G.S. 153A-341 apply."

SECTION 2.4.(c) G.S. 160A-383 reads as rewritten:

"**§ 160A-383. Purposes in view.**

(a) Zoning regulations shall be made in accordance with a comprehensive plan. ~~When~~

(b) Prior to adopting or rejecting any zoning amendment, the governing board shall ~~also approve a statement~~ adopt one of the following statements which shall not be subject to judicial review:

(1) A statement approving the zoning amendment and describing ~~whether its action is consistent~~ its consistency with an adopted comprehensive plan and ~~any other officially adopted plan that is applicable, and briefly~~ explaining why ~~the board considers~~ the action taken ~~to be~~ is reasonable and in the public interest. ~~That statement is not subject to judicial review. The~~

(2) A statement rejecting the zoning amendment and describing its inconsistency with an adopted comprehensive plan and explaining why the action taken is reasonable and in the public interest.

(3) A statement approving the zoning amendment and containing at least all of the following:

a. A declaration that the approval is also deemed an amendment to the comprehensive plan. The governing board shall not require any additional request or application for amendment to the comprehensive plan.

b. An explanation of the change in conditions the governing board took into account in amending the zoning ordinance to meet the development needs of the community.

c. Why the action was reasonable and in the public interest.

(c) Prior to consideration by the governing board of the proposed zoning amendment, the planning board shall advise and comment on whether the proposed amendment is consistent with any comprehensive ~~plan that has been adopted and any other officially adopted plan that is applicable.~~ plan. The planning board shall provide a written recommendation to the governing board that addresses plan consistency and other matters as deemed appropriate by the planning board, but a comment by the planning board that a proposed amendment is inconsistent with the comprehensive plan shall not preclude consideration or approval of the proposed amendment by the governing board.

(d) Zoning regulations shall be designed to promote the public health, safety, and general welfare. To that end, the regulations may address, among other things, the following public purposes: to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen congestion in the streets; to secure safety from fire, panic, and dangers; and to facilitate the efficient and adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. The regulations shall be made with reasonable consideration, among other things, as to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such city.

(e) As used in this section, "comprehensive plan" includes a unified development ordinance and any other officially adopted plan that is applicable."

SECTION 2.4.(d) G.S. 160A-400.32 reads as rewritten:

"**§ 160A-400.32. Relationship of agreement to building or housing ~~code.~~code; comprehensive plan amendment.**

(a) A development agreement adopted pursuant to this Chapter shall not exempt the property owner or developer from compliance with the State Building Code or State or local housing codes that are not part of the local government's planning, zoning, or subdivision regulations.

(b) When the governing board approves the rezoning of any property associated with a development agreement adopted pursuant to this Chapter, the provisions of G.S. 160A-383 apply."

SECTION 2.4.(e) Nothing in this section shall repeal, modify, or amend any prior or subsequent local act giving authority to a governing board to delegate zoning decisions to a planning board, planning agency, or planning commission.

SECTION 2.4.(f) This section becomes effective October 1, 2017, and applies to proposed zoning amendment applications filed on or after that date.

PARENT PARCEL/SUBDIVISION CLARIFICATION

SECTION 2.5.(a) G.S. 153A-335 reads as rewritten:

"**§ 153A-335. "Subdivision" defined.**

(a) For purposes of this Part, "subdivision" means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions when any one or more of those divisions are created for the purpose of sale or building development (whether immediate or future) and includes all division of land involving the dedication of a new street or a change in existing streets; however, the following is not included within this definition and is not subject to any regulations enacted pursuant to this Part:

(1) The combination or recombination of portions of previously subdivided and recorded lots if the total number of lots is not increased and the resultant lots are equal to or exceed the standards of the county as shown in its subdivision regulations.

(2) The division of land into parcels greater than 10 acres if no street right-of-way dedication is involved.

(3) The public acquisition by purchase of strips of land for widening or opening streets or for public transportation system corridors.

(4) The division of a tract in single ownership the entire area of which is no greater than two acres into not more than three lots, if no street right-of-way dedication is involved and if the resultant lots are equal to or exceed the standards of the county as shown by its subdivision regulations.

(5) The division of a tract into parcels in accordance with the terms of a probated will or in accordance with intestate succession under Chapter 29 of the General Statutes.

(b) A county may provide for expedited review of specified classes of subdivisions.

(c) The county may require only a plat for recordation for the division of a tract or parcel of land in single ownership if all of the following criteria are met:

(1) The tract or parcel to be divided is not exempted under subdivision (2) of subsection (a) of this section.

(2) No part of the tract or parcel to be divided has been divided under this subsection in the 10 years prior to division.

(3) The entire area of the tract or parcel to be divided is greater than five acres.

(4) After division, no more than three lots result from the division.

(5) After division, all resultant lots comply with all of the following:

a. Any lot dimension size requirements of the applicable land-use regulations, if any.

b. The use of the lots is in conformity with the applicable zoning requirements, if any.

c. A permanent means of ingress and egress is recorded for each lot."

SECTION 2.5.(b) G.S. 160A-376 reads as rewritten:

"**§ 160A-376. Definition.**

(a) For the purpose of this Part, "subdivision" means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions when any one or more of those divisions is created for the purpose of sale or building development (whether immediate or future) and shall include all divisions of land involving the dedication of a new street or a change in existing streets; but the following shall not be included within this definition nor be subject to the regulations authorized by this Part:

(1) The combination or recombination of portions of previously subdivided and recorded lots where the total number of lots is not increased and the resultant

lots are equal to or exceed the standards of the municipality as shown in its subdivision regulations.

(2) The division of land into parcels greater than 10 acres where no street right-of-way dedication is involved.

(3) The public acquisition by purchase of strips of land for the widening or opening of streets or for public transportation system corridors.

(4) The division of a tract in single ownership whose entire area is no greater than two acres into not more than three lots, where no street right-of-way dedication is involved and where the resultant lots are equal to or exceed the standards of the municipality, as shown in its subdivision regulations.

(5) The division of a tract into parcels in accordance with the terms of a probated will or in accordance with intestate succession under Chapter 29 of the General Statutes.

(b) A city may provide for expedited review of specified classes of subdivisions.

(c) The city may require only a plat for recordation for the division of a tract or parcel of land in single ownership if all of the following criteria are met:

(1) The tract or parcel to be divided is not exempted under subdivision (2) of subsection (a) of this section.

(2) No part of the tract or parcel to be divided has been divided under this subsection in the 10 years prior to division.

(3) The entire area of the tract or parcel to be divided is greater than five acres.

(4) After division, no more than three lots result from the division.

(5) After division, all resultant lots comply with all of the following:

a. Any lot dimension size requirements of the applicable land-use regulations, if any.

b. The use of the lots is in conformity with the applicable zoning requirements, if any.

c. A permanent means of ingress and egress is recorded for each lot."

SECTION 2.5.(c) This section becomes effective July 1, 2017.

PROGRAM EVALUATION TO STUDY NONPROFIT CONTRACTING

SECTION 2.6.(a) The Joint Legislative Program Evaluation Oversight Committee may amend the 2016-2017 Program Evaluation Division work plan to direct the Division to study State law and internal agency policies and procedures for delivery of public services through State grants and contracts to nonprofit organizations. The study shall include, but not be limited to, how nonprofit organizations are compensated for actual, reasonable, documented indirect costs, and the extent to which any underpayment for indirect costs reduces the efficiency or effectiveness of the delivery of public services. The study shall propose improvements to State law and internal agency policies and procedures, if necessary, to remove unnecessary impediments to the efficient and effective delivery of public services, including, but not limited to, late execution of contracts, late payments, and late reimbursements. In conducting the study, the Division may require each State agency to provide data maintained by the agency to determine any of the following:

(1) The timeliness of delivery and execution of contracts.

(2) The timeliness of payment for services that have been delivered.

(3) The extent to which nonprofit contractors or grantees are reimbursed for their indirect costs.

(4) The contact information for all nonprofit grantees and contractors.

SECTION 2.6.(b) If the study is conducted, the Division shall submit a report on the results of the study to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Commission on Governmental Operations no later than September 1, 2018.

SECTION 2.6.(c) This section becomes effective September 1, 2017.

RENAME AND AMEND THE BOARD OF REFRIGERATION EXAMINERS

SECTION 2.7.(a) Article 5 of Chapter 87 of the General Statutes reads as rewritten:

"Article 5.

"Refrigeration Contractors.

"**§ 87-52. State Board of Refrigeration ~~Examiners;~~ Contractors; appointment; term of office.**

(a) For the purpose of carrying out the provisions of this Article, the State Board of Refrigeration ~~Examiners~~ Contractors is created, consisting of seven members appointed by the Governor to serve seven-year staggered terms. The Board shall consist ~~of one member who is a wholesaler or a manufacturer of refrigeration equipment; one member from an engineering school of The University of North Carolina, one member from the Division of Public Health of The University of North Carolina, two licensed refrigeration contractors, one member who has no ties with the construction industry to represent the interest of the public at large, and one member with an engineering background in refrigeration.~~of:

(1) One member who is a wholesaler or a manufacturer of refrigeration equipment.

(2) One member from an accredited engineering school located in this State.

(3) One member from the field of public health with an environmental science background from an accredited college or university located in this State.

(4) Two members who are licensed refrigeration contractors.

(5) One member who has no ties with the construction industry to represent the interest of the public at large.

(6) One member with an engineering background in refrigeration.

(b) The term of office of one member shall expire each year. Vacancies occurring during a term shall be filled by appointment of the Governor for the unexpired term. Whenever the term "Board" is used in this Article, it means the State Board of Refrigeration ~~Examiners.~~Contractors. No Board member shall serve more than one complete consecutive term.

…

"**§ 87-58. Definitions; contractors licensed by Board; examinations.**

(a) ~~As applied~~ The provisions of this Article shall not repeal any wording, phrase, or paragraph as set forth in Article 2 of this Chapter. The following definitions apply in this ~~Article, "refrigeration trade or business" is defined to include all~~ Article:

(1) Commercial refrigeration contractor. – All persons, ~~firms~~ firms, or corporations engaged in the installation, maintenance, servicing and repairing of refrigerating machinery, equipment, devices and components relating ~~thereto and within limits as set forth in the codes, laws and regulations governing refrigeration installation, maintenance, service and repairs within the State of North Carolina or any of its political subdivisions. The provisions of this Article shall not repeal any wording, phrase, or paragraph as set forth in Article 2 of Chapter 87 of the General Statutes.~~thereto.

(2) Industrial refrigeration contractor. – All persons, firms, or corporations engaged in commercial refrigeration contracting with the use of ammonia as a refrigerant gas.

(3) Refrigeration service contractor. – All persons, firms, or corporations engaged in the maintenance, servicing, and repairing of refrigerating machinery, equipment, devices, and components relating thereto.

(4) Transport refrigeration contractor. – All persons, firms, or corporations engaged in the business of installation, maintenance, repairing, and servicing of transport refrigeration.

(a1) This Article shall not apply to any of the following:

(1) The installation of self-contained commercial refrigeration units equipped with an Original Equipment Manufacturer (OEM) molded plug that does not require the opening of service ~~valves or replacement of lamps, fuses, and door gaskets.~~valves.

(2) The installation and servicing of domestic household self-contained refrigeration appliances equipped with an OEM molded plug connected to suitable receptacles which have been permanently installed and do not require the opening of service valves.

(3) Employees of persons, firms, or corporations or persons, firms or corporations, not engaged in refrigeration contracting as herein defined, that install, maintain and service their own refrigerating machinery, equipment and devices.

(4) Any person, firm or corporation engaged in the business of selling, repairing and installing any comfort cooling devices or systems.

(5) The replacement of lamps, fuses, and door gaskets.

(b) ~~The term "refrigeration contractor" means a person, firm or corporation engaged in the business of refrigeration contracting.~~The Board shall establish and issue the following licenses:

(1) A Class I license shall be required for any person engaged in the business of commercial refrigeration contracting.

(2) A Class II license shall be required for any person engaged in the business of industrial refrigeration contracting.

(3) A Class III license shall be required for any person engaged in the business of refrigeration service contracting.

(4) A Class IV license shall be required for any person engaged in the business of transport refrigeration contracting.

~~(b1) The term "transport refrigeration contractor" means a person, firm, or corporation engaged in the business of installation, maintenance, servicing, and repairing of transport refrigeration.~~

(c) Any person, firm or corporation who for valuable consideration engages in the refrigeration business or trade as herein defined shall be deemed and held to be in the business of refrigeration contracting.

(d) In order to protect the public health, comfort and safety, the Board shall prescribe the standard of experience to be required of an applicant for license and shall give an examination designed to ascertain the technical and practical knowledge of the applicant concerning the analysis of plans and specifications, estimating cost, fundamentals of installation and design as they pertain to refrigeration; and as a result of the examination, the Board shall issue a certificate of license in refrigeration to applicants who pass the required examination and a license shall be obtained in accordance with the provisions of this Article, before any person, firm or corporation shall engage in, or offer to engage in the business of refrigeration contracting. The Board shall prescribe standards for ~~and issue licenses for refrigeration contracting and for transport refrigeration contracting. A transport refrigeration contractor license is a specialty license that authorizes the licensee to engage only in transport refrigeration contracting. A refrigeration contractor licensee is authorized to engage in transport refrigeration and all other aspects of refrigeration contracting.~~all license classifications.

Each application for examination shall be accompanied by a check, post-office money order or cash in the amount of the annual license fee required by this Article. Regular examinations shall be given in the Board's office by appointment.

…

(k) Upon application and payment of the fee for license renewal provided in G.S. 87-64, the Board shall issue a certificate of license to any licensee whose business activities require a Class I or Class II license if that licensee had an established place of business and was licensed pursuant to this Article prior to January 1, 2018.

…

"**§ 87-64. Examination and license fees; annual renewal.**

(a) Each applicant for a license by examination shall pay to the Board of Refrigeration ~~Examiners~~ Contractors a nonrefundable examination fee in an amount to be established by the Board not to exceed the sum of ~~forty~~ one hundred dollars ~~($40.00). In the event the applicant successfully passes the examination, the examination fee shall be applied to the license fee required of licensees for the current year in which the examination was taken and passed.~~($100.00).

(b) The license of every person licensed under the provisions of this statute shall be annually renewed. Effective January 1, 2012, the Board may require, as a prerequisite to the annual renewal of a license, that licensees complete continuing education courses in subjects related to refrigeration contracting to ensure the safe and proper installation of commercial and transport refrigeration work and equipment. On or before November 1 of each year the Board shall cause to be mailed an application for renewal of license to every person who has received from the Board a license to engage in the refrigeration business, as heretofore defined. On or before January 1 of each year every licensed person who desires to continue in the refrigeration business shall forward to the Board a nonrefundable renewal fee in an amount to be established by the Board not to exceed ~~forty~~ eighty dollars ~~($40.00)~~ ($80.00) together with the application for renewal. Upon receipt of the application and renewal fee the Board shall issue a renewal certificate for the current year. Failure to renew the license annually shall automatically result in a forfeiture of the right to engage in the refrigeration business.

(c) Any licensee who allows the license to lapse may be reinstated by the Board upon payment of a nonrefundable late renewal fee in an amount to be established by the Board not to exceed ~~seventy-five~~ one hundred sixty dollars ~~($75.00).~~ ($160.00) together with the application for renewal. Any person who fails to renew a license for two consecutive years shall be required to take and pass the examination prescribed by the Board for new applicants before being licensed to engage further in the refrigeration business."

SECTION 2.7.(b) This section becomes effective January 1, 2018, and applies to applications submitted and Board membership appointments on or after that date.

AMEND DEFINITION OF ANTIQUE AUTOMOBILE

SECTION 2.8. G.S. 105-330.9 reads as rewritten:

"**§ 105-330.9. Antique automobiles.**

(a) Definition. – For the purpose of this section, the term "antique automobile" means a motor vehicle that meets all of the following conditions:

(1) It is registered with the Division of Motor Vehicles and has an historic vehicle special license plate under G.S. 20-79.4.

(2) It is maintained primarily for use in exhibitions, club activities, parades, and other public interest functions.

(3) It is used only occasionally for other purposes.

(4) It is owned by an ~~individual.~~individual, or owned directly or indirectly through one or more pass-through entities, by an individual.

(5) It is used by the owner for a purpose other than the production of income and is not used in connection with a business.

(b) Classification. – Antique automobiles are designated a special class of property under Article V, Sec. 2(2) of the North Carolina Constitution and must be assessed for taxation in accordance with this section. An antique automobile must be assessed at the lower of its true value or five hundred dollars ($500.00)."

COPIES OF CERTAIN PUBLIC RECORDS

SECTION 2.9.(a) G.S. 132-6.1 reads as rewritten:

"**§ 132-6.1. Electronic data-processing and computer databases as public records.**

(a) ~~After June 30, 1996, no public agency shall purchase, lease, create, or otherwise acquire any electronic data-processing system for the storage, manipulation, or retrieval of~~

Databases purchased, leased, created, or otherwise acquired by every public agency containing public records ~~unless it first determines that the system will~~ shall be designed and maintained in a manner that does not impair or impede the public agency's ability to permit the public inspection and ~~examination, and to provide electronic~~ examination of public records and provides a means of obtaining copies of such records. Nothing in this subsection shall be construed to require the retention by the public agency of obsolete hardware or software.

(a1) Notwithstanding G.S. 132-6.2(a), a public agency may satisfy the requirement under G.S. 132-6 to provide access to public records in computer databases by making public records in computer databases individually available online in a format that allows a person to view the public record and print or save the public record to obtain a copy. A public agency that provides access to public records under this subsection is not required to provide access to the public records in the computer database in any other way; provided, however, that a public agency that provides access to public records in computer databases shall also allow inspection of any of such public records that the public agency also maintains in a nondigital medium.

~~(b) Every public agency shall create an index of computer databases compiled or created by a public agency on the following schedule:~~

~~State agencies by July 1, 1996;~~

~~Municipalities with populations of 10,000 or more, counties with populations of 25,000 or more, as determined by the 1990 U.S. Census, and public hospitals in those counties, by July 1, 1997;~~

~~Municipalities with populations of less than 10,000, counties with populations of less than 25,000, as determined by the 1990 U.S. Census, and public hospitals in those counties, by July 1, 1998;~~

~~Political subdivisions and their agencies that are not otherwise covered by this schedule, after June 30, 1998.The index shall be a public record and shall include, at a minimum, the following information with respect to each database listed therein: a list of the data fields; a description of the format or record layout; information as to the frequency with which the database is updated; a list of any data fields to which public access is restricted; a description of each form in which the database can be copied or reproduced using the agency's computer facilities; and a schedule of fees for the production of copies in each available form. Electronic databases compiled or created prior to the date by which the index must be created in accordance with this subsection may be indexed at the public agency's option. The form, content, language, and guidelines for the index and the databases to be indexed shall be developed by the Office of Archives and History in consultation with officials at other public agencies.~~

(c) Nothing in this section shall require a public agency to create a computer database that the public agency has not otherwise created or is not otherwise required to be created. Nothing in this section requires a public agency to disclose security features of its electronic data processing systems, information technology systems, telecommunications networks, or electronic security systems, including hardware or software security, passwords, or security standards, procedures, processes, configurations, software, and codes.

(d) The following definitions apply in this section:

(1) Computer database. – A structured collection of data or documents residing in a database management program or spreadsheet software.

(2) Computer hardware. – Any tangible machine or device utilized for the electronic storage, manipulation, or retrieval of data.

(3) Computer program. – A series of instructions or statements that permit the storage, manipulation, and retrieval of data within an electronic data-processing system, together with any associated documentation. The term does not include the original data, or any analysis, compilation, or manipulated form of the original data produced by the use of the program or software.

(4) Computer software. – Any set or combination of computer programs. The term does not include the original data, or any analysis, compilation, or manipulated form of the original data produced by the use of the program or software.

(5) Electronic data-processing system. – Computer hardware, computer software, or computer programs or any combination thereof, regardless of kind or origin.

(6) Media or medium – The physical medium on which information is stored in recoverable form."

SECTION 2.9.(b) G.S. 132-6 reads as rewritten:

"**§ 132-6. ~~Inspection and~~ Inspection, examination and copies of public records.**

(a) Every custodian of public records shall permit any record in the custodian's custody to be inspected and examined at reasonable times and under reasonable supervision by any person, and shall, as promptly as possible, furnish copies thereof upon payment of any fees as may be prescribed by law. As used herein, "custodian" does not mean an agency that holds the public records of other agencies solely for purposes of storage or safekeeping or solely to provide data processing.

(a1) A public agency or custodian may satisfy the requirements in subsection (a) of this section by making public records available online in a format that allows a person to view the public record and print or save the public record to obtain a copy. If the public agency or custodian maintains public records online in a format that allows a person to view and print or save the public records to obtain a copy, the public agency or custodian is not required to provide copies to these public records in any other way.

(b) No person requesting to inspect and examine public records, or to obtain copies thereof, shall be required to disclose the purpose or motive for the request.

(c) No request to inspect, examine, or obtain copies of public records shall be denied on the grounds that confidential information is commingled with the requested nonconfidential information. If it is necessary to separate confidential from nonconfidential information in order to permit the inspection, examination, or copying of the public records, the public agency shall bear the cost of such ~~separation on the following schedule:~~ separation.

~~State agencies after June 30, 1996;~~

~~Municipalities with populations of 10,000 or more, counties with populations of 25,000 or more, as determined by the 1990 U.S. Census, and public hospitals in those counties, after June 30, 1997;~~

~~Municipalities with populations of less than 10,000, counties with populations of less than 25,000, as determined by the 1990 U.S. Census, and public hospitals in those counties, after June 30, 1998;~~

~~Political subdivisions and their agencies that are not otherwise covered by this schedule, after June 30, 1998.~~

(d) Notwithstanding the provisions of subsections (a) and (b) of this section, public records relating to the proposed expansion or location of specific business or industrial projects may be withheld so long as their inspection, examination or copying would frustrate the purpose for which such public records were created; provided, however, that nothing herein shall be construed to permit the withholding of public records relating to general economic development policies or activities. Once the State, a local government, or the specific business has announced a commitment by the business to expand or locate a specific project in this State or the business has made a final decision not to do so, of which the State or local government agency involved with the project knows or should know, the provisions of this subsection allowing public records to be withheld by the agency no longer apply. Once the provisions of this subsection no longer apply, the agency shall disclose as soon as practicable, and within 25 business days, public records requested for the announced project that are not otherwise made confidential by law. An announcement that a business or industrial project has committed to expand or locate in the State shall not require disclosure of local government records relating to

the project if the business has not selected a specific location within the State for the project. Once a specific location for the project has been determined, local government records must be disclosed, upon request, in accordance with the provisions of this section. For purposes of this section, "local government records" include records maintained by the State that relate to a local government's efforts to attract the project.

Records relating to the proposed expansion or location of specific business or industrial projects that are in the custody of the Department of Commerce or an entity with which the Department contracts pursuant to G.S. 143B-431.01 shall be treated as follows:

(1) Unless controlled by another subdivision of this subsection, the records may be withheld if their inspection, examination, or copying would frustrate the purpose for which the records were created.

(2) If no discretionary incentives pursuant to Chapter 143B of the General Statutes are requested for a project and if the specific business decides to expand or locate the project in the State, then the records relating to the project shall not be disclosed.

(3) If the specific business has requested discretionary incentives for a project pursuant to Chapter 143B of the General Statutes and if either the business decides not to expand or locate the project in the State or the project does not receive the discretionary incentives, then the only records relating to the project that may be disclosed are the requests for discretionary incentives pursuant to Chapter 143B of the General Statutes and any information submitted to the Department by the contracted entity.

(4) If the specific business receives a discretionary incentive for a project pursuant to Chapter 143B of the General Statutes and the State or the specific business announces a commitment to expand or locate the project in this State, all records requested for the announced project, not otherwise made confidential by law, shall be disclosed as soon as practicable and within 25 days from the date of announcement.

(e) The application of this Chapter is subject to the provisions of Article 1 of Chapter 121 of the General Statutes, the North Carolina Archives and History Act.

(f) Notwithstanding the provisions of ~~subsection (a)~~ subsections (a) and (a1) of this section, the inspection or copying of any public record which, because of its age or condition could be damaged during inspection or copying, may be made subject to reasonable restrictions intended to preserve the particular record."

SECTION 2.9.(c) This section becomes effective July 1, 2017.

SPECIFY LOCATION OF LIEUTENANT GOVERNOR'S OFFICE

SECTION 2.10. G.S. 143A-5 reads as rewritten:

"**§ 143A-5. Office of the Lieutenant Governor.**

The Lieutenant Governor shall maintain an office in ~~a State building~~ the Hawkins-Hartness House located at 310 North Blount Street in the City of Raleigh which office shall be open during normal working hours throughout the year. The Lieutenant Governor shall serve as President of the Senate and perform such additional duties as the Governor or General Assembly may assign to him. This section shall become effective January 1, 1973."

CLARIFY THAT DOT STORMWATER REQUIREMENTS ARE APPLICABLE TO STATE ROAD CONSTRUCTION UNDERTAKEN BY PRIVATE PARTIES

SECTION 2.11. Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-28.6B. Applicable stormwater regulation.**

For the purposes of stormwater regulation, any construction undertaken by a private party pursuant to the provisions of G.S. 136-18(17), 136-18(27), 136-18(29), 136-18(29a), 136-28.6, or 136-28.6A shall be considered to have been undertaken by the Department, and the stormwater law and rules applicable to the Department shall apply."

DOT/PERMIT PROCESS REVISIONS & REIMBURSEMENT FOR MOVING CERTAIN UTILITIES

SECTION 2.12.(a) Uniform Process for Issuing Permits; Report. – For each type of permit issued by the Highway Divisions under Chapter 136 of the General Statutes, the Department of Transportation shall make uniform all processes and procedures followed by the Highway Divisions when issuing that type of permit no later than June 30, 2018. No later than June 30, 2018, the Department shall report to the following on the implementation of this subsection, including (i) what processes and procedures were adjusted, (ii) how were the identified processes and procedures adjusted, and (iii) a comparison of the average length of time for obtaining each type of permit before and after implementation of this section:

(1) If the General Assembly is in session at the time of the report, to the chairs of the House of Representatives Committee on Transportation Appropriations and the Senate Appropriations Committee on Department of Transportation.

(2) If the General Assembly is not in session at the time of the report, to the chairs of the Joint Legislative Transportation Oversight Committee.

SECTION 2.12.(b) Allow Electronic Submission of Permits. – Article 7 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-93.01. Electronic submission of permits authorized.**

Except as otherwise prohibited under federal law, an application submitted for a permit issued by the Department of Transportation or its agents under this Chapter may be submitted electronically in a manner approved by the Department. If submitted electronically, a paper copy of the application shall not be required."

SECTION 2.12.(c) G.S. 136-19.5(c) reads as rewritten:

"(c) Whenever the Department of Transportation requires the relocation of ~~utilities~~ utilities, including cable service as defined in G.S. 105-164.3, located in a right-of-way for which the utility owner contributed to the cost of acquisition, the Department of Transportation shall reimburse the utility owner for the cost of moving those utilities."

SECTION 2.12.(d) Notwithstanding G.S. 150B-21.1(a), the Department of Transportation may adopt temporary rules to implement the provisions of this section.

SECTION 2.12.(e) Subsection (b) of this section becomes effective July 1, 2018. The remainder of this section is effective when it becomes law.

AMENDMENTS TO GENERAL CONTRACTOR LICENSURE

SECTION 2.13.(a) G.S. 87-10 reads as rewritten:

"**§ 87-10. Application for license; examination; certificate; renewal.**

(a) Anyone seeking to be licensed as a general contractor in this State shall ~~file~~ submit an ~~application for an examination on a form provided by the Board, at least 30 days before any regular or special meeting of the Board.~~application. Before being entitled to an examination, an applicant shall:

(1) Be at least 18 years of age.

(2) Possess good moral character as determined by the Board.

(3) Provide evidence of financial responsibility as determined by the Board.

(4) Submit the appropriate application fee.

(a1) The Board ~~may~~ shall require ~~the~~ an applicant to pay the Board or a provider contracted by the Board an examination fee not to exceed one hundred dollars ~~($100.00) and pay to~~ ($100.00). In addition, the Board shall require an applicant to pay the Board a ~~license~~ fee not to exceed one hundred twenty-five dollars ($125.00) if the application is for an unlimited license, one hundred dollars ($100.00) if the application is for an intermediate license, or seventy-five dollars ($75.00) if the application is for a limited license. The fees accompanying any application or examination shall be nonrefundable. The holder of an unlimited license shall be entitled to act as general contractor without restriction as to value of any single project; the holder of an intermediate license shall be entitled to act as general contractor for any single

project with a value of up to one million dollars ~~($1,000,000);~~ ($1,000,000), excluding the cost of land and any ancillary costs to improve the land; the holder of a limited license shall be entitled to act as general contractor for any single project with a value of up to five hundred thousand dollars ~~($500,000); and the~~ ($500,000), excluding the cost of land and any ancillary costs to improve the land. The license certificate shall be classified in accordance with this section. ~~Before being entitled to an examination an applicant must show to the satisfaction of the Board from the application and proofs furnished that the applicant is possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility, and that the applicant has not committed or done any act, which, if committed or done by any licensed contractor would be grounds under the provisions hereinafter set forth for the suspension or revocation of contractor's license, or that the applicant has not committed or done any act involving dishonesty, fraud, or deceit, or that the applicant has never been refused a license as a general contractor nor had such license revoked, either in this State or in another state, for reasons that should preclude the granting of the license applied for, and that the applicant has never been convicted of a felony involving moral turpitude, relating to building or contracting, or involving embezzlement or misappropriation of funds or property entrusted to the applicant: Provided, no applicant shall be refused the right to an examination, except in accordance with the provisions of Chapter 150B of the General Statutes.~~

(b) ~~The Board shall conduct an examination, either oral or written, of all applicants for license to ascertain, for the classification of license for which the applicant has applied:~~ An applicant shall identify an individual who has successfully passed an examination approved by the Board who, for purposes of this section, shall be known as the "qualifier" or the "qualifying party" of the applicant. If the qualifier or the qualifying party seeks to take an examination, the examination shall establish (i) the ability of the applicant to make a practical application of the applicant's knowledge of the profession of contracting; (ii) the qualifications of the applicant in reading plans and specifications, knowledge of relevant matters contained in the North Carolina State Building Code, knowledge of estimating costs, construction, ethics, and other similar matters pertaining to the contracting business; (iii) the knowledge of the applicant as to the responsibilities of a contractor to the public and of the requirements of the laws of the State of North Carolina relating to contractors, construction, and liens; and (iv) the applicant's knowledge of requirements of the Sedimentation Pollution Control Act of 1973, Article 4 of Chapter 113A of the General Statutes, and the rules adopted pursuant to that Article. If ~~the results of the examination of the applicant shall be satisfactory to the Board, then~~ the qualifier or qualifying party passes the examination, upon review of the application and all relevant information, the Board shall issue ~~to the applicant a certificate to~~ a license to the applicant to engage ~~as a~~ in general ~~contractor~~ contracting in the State of North Carolina, ~~as provided in said certificate,~~ which may be limited ~~into five classifications~~ as follows:

(1) Building contractor, which shall include private, public, commercial, industrial and residential buildings of all types.

(1a) Residential contractor, which shall include any general contractor constructing only residences which are required to conform to the residential building code adopted by the Building Code Council pursuant to G.S. 143-138.

(2) Highway contractor.

(3) Public utilities contractors, which shall include those whose operations are the performance of construction work on the following subclassifications of facilities:

a. Water and sewer mains, water service lines, and house and building sewer lines as defined in the North Carolina State Building Code, and water storage tanks, lift stations, pumping stations, and appurtenances to water storage tanks, lift stations, and pumping stations.

b. Water and wastewater treatment facilities and appurtenances thereto.

c. Electrical power transmission facilities, and primary and secondary distribution facilities ahead of the point of delivery of electric service to the customer.

d. Public communication distribution facilities.

e. Natural gas and other petroleum products distribution facilities; provided the General Contractors Licensing Board may issue license to a public utilities contractor limited to any of the above subclassifications for which the general contractor qualifies.

(4) Specialty contractor, which shall include those whose operations as such are the performance of construction work requiring special skill and involving the use of specialized building trades or crafts, but which shall not include any operations now or hereafter under the jurisdiction, for the issuance of license, by any board or commission pursuant to the laws of the State of North Carolina.

(b1) Public utilities contractors constructing house and building sewer lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall, at the junction of the public sewer line and the house or building sewer line, install as an extension of the public sewer line a cleanout at or near the property line that terminates at or above the finished grade. Public utilities contractors constructing water service lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall terminate the water service lines at a valve, box, or meter at which the facilities from the building may be connected. Public utilities contractors constructing fire service mains for connection to fire sprinkler systems shall terminate those lines at a flange, cap, plug, or valve inside the building one foot above the finished floor. All fire service mains shall comply with the NFPA standards for fire service mains as incorporated into and made applicable by Volume V of the North Carolina Building Code.

(c) If an applicant is an individual, examination may be taken by his personal appearance for examination, or by the appearance for examination of one or more of his responsible managing ~~employees, and if~~ employees. If an applicant is a ~~copartnership or~~ copartnership, a corporation, or any other combination or organization, ~~by the examination of~~ the examination may be taken by one or more of the responsible managing officers or members of the personnel of the ~~applicant, and if the person so examined~~ applicant.

(c1) If the qualifier or qualifying party shall cease to be connected with the ~~applicant,~~ licensee, then ~~in such event~~ the license shall remain in full force and effect for a period of 90 ~~days thereafter, and then be canceled, but the applicant~~ days. After 90 days, the license shall be invalidated, however the licensee shall ~~then~~ be entitled to ~~a reexamination, all~~ return to active status pursuant to ~~the~~ all relevant statutes and rules ~~to be~~ promulgated by the ~~Board: Provided, that the holder of such license~~ Board. However, during the 90-day period described in this subsection, the licensee shall not bid on or undertake any additional contracts from the time such ~~examined employee shall cease~~ qualifier or qualifying party ceased to be connected with the ~~applicant~~ licensee until ~~said applicant's~~ the license is reinstated as provided in this Article.

~~(d) Anyone failing to pass this examination may be reexamined at any regular meeting of the Board upon payment of an examination fee. Anyone requesting to take the examination a third or subsequent time shall submit a new application with the appropriate examination and license fees.~~

(d1) The Board may require a new application if a qualifier or qualifying party requests to take an examination a third or subsequent time.

(e) A ~~certificate of~~ license shall expire on the ~~thirty-first~~ first day of ~~December~~ January following its issuance or renewal and shall become invalid 60 days from that date unless renewed, subject to the approval of the Board. ~~Renewals may be effected any time during the month of January without reexamination, by the payment of a fee to the secretary of the Board. The fee shall~~ Renewal applications shall be submitted with a fee not to exceed one hundred twenty-five dollars ($125.00) for an unlimited license, one hundred dollars ($100.00) for an

intermediate license, and seventy-five dollars ($75.00) for a limited license. ~~No later than November 30 of each year, the Board shall mail written notice of the amount of the renewal fees for the upcoming year to the last address of record for each general contractor licensed pursuant to this Article.~~ Renewal applications shall be accompanied by evidence of continued financial responsibility satisfactory to the Board. Renewal applications received by the Board on or after the first day of January shall be accompanied by a late payment of ten dollars ($10.00) for each month or part after January.

(f) After a ~~lapse of four years no renewal shall be effected and the applicant~~ license has been inactive for four years, a licensee shall not be permitted to renew the license, and the license shall be deemed archived. If a licensee wishes to be relicensed subsequent to the archival of the license, the licensee shall fulfill all requirements of a new applicant as set forth in this section. Archived licensed numbers shall not be renewed."

SECTION 2.13.(b) This section becomes effective October 1, 2017, and applies to applications for licensure submitted on or after that date.

REPEAL CERTAIN EDUCATIONAL TESTING LAWS

SECTION 2.14. G.S. 115C-174.12(c) reads as rewritten:

"(c) Local boards of education shall cooperate with the State Board of Education in implementing the provisions of this Article, including the regulations and policies established by the State Board of Education. Local school administrative units shall use the annual tests to fulfill the purposes set out in this Article. ~~Local school administrative units are encouraged to continue to develop local testing programs designed to diagnose student needs.~~"

STATUTE OF LIMITATIONS/LAND-USE VIOLATIONS

SECTION 2.15.(a) G.S. 1-51 is amended by adding a new subdivision to read:

"**§ 1-51. Five years.**

Within five years -

…

(5) Against the owner of an interest in real property by a unit of local government for a violation of a land-use statute, ordinance, or permit or any other official action concerning land use carrying the effect of law. This subdivision does not limit the remedy of injunction for conditions that are actually injurious or dangerous to the public health or safety. The claim for relief accrues upon the occurrence of the earlier of any of the following:

a. The facts constituting the violation are known to the governing body, an agent, or an employee of the unit of local government.

b. The violation can be determined from the public record of the unit of local government."

SECTION 2.15.(b) G.S. 1-49 is amended by adding a new subdivision to read:

"**§ 1-49. Seven years.**

Within seven years an action –

…

(3) Against the owner of an interest in real property by a unit of local government for a violation of a land-use statute, ordinance, or permit or any other official action concerning land use carrying the effect of law. This subdivision does not limit the remedy of injunction for conditions that are actually injurious or dangerous to the public health or safety but does prescribe an outside limitation of seven years from the earlier of the occurrence of any of the following:

a. The violation is apparent from a public right-of-way.

b. The violation is in plain view from a place to which the public is invited."

SECTION 2.15.(c) This section becomes effective October 1, 2018, and applies to actions commenced on or after that date.

PART III. AGRICULTURE, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES REGULATION

SOLID WASTE AMENDMENTS

SECTION 3.1.(a) Section 4.9(a) of S.L. 2015-286 reads as rewritten:

"**SECTION 4.9.(a)** Section 14.20(a) of S.L. 2015-241 ~~reads as rewritten:~~is rewritten to read:

…."

SECTION 3.1.(b) Section 4.9(b) of S.L. 2015-286 reads as rewritten:

"**SECTION 4.9.(b)** ~~Section 14.20(a)~~ Section 14.20(c) of S.L. 2015-241 ~~reads as rewritten:~~is rewritten to read:

…."

SECTION 3.1.(c) Section 4.9(c) of S.L. 2015-286 reads as rewritten:

"**SECTION 4.9.(c)** Section 14.20(d) of S.L. 2015-241 ~~reads as rewritten:~~is rewritten to read:

…."

SECTION 3.1.(d) Section 4.9(d) of S.L. 2015-286 reads as rewritten:

"**SECTION 4.9.(d)** Section 14.20(f) of S.L. 2015-241 ~~reads as rewritten:~~is rewritten to read:

…."

SECTION 3.1.(e) Section 14.20(e) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.20.(e)** After July 1, 2016, the annual fee due pursuant to ~~G.S. 130A-295.8A(d1),~~ G.S. 130A-295.8(d1), as enacted by Section 14.20(c) of this act, for existing sanitary landfills and transfer stations with a valid permit issued before the date this act becomes effective is equal to the applicable annual fee for the facility as set forth in ~~G.S. 130A-295.8A(d1),~~ G.S. 130A-295.8(d1), as enacted by Section 14.20(c) of this act, less a permittee fee credit. A permittee fee credit exists when the life-of-site permit fee amount is greater than the time-limited permit fee amount. The amount of the permittee fee credit shall be calculated by (i) subtracting the time-limited permit fee amount from the life-of-site permit fee amount due for the same period of time and (ii) multiplying the difference by a fraction, the numerator of which is the number of years remaining in the facility's time-limited permit and the denominator of which is the total number of years covered by the facility's time-limited permit. The amount of the permittee fee credit shall be allocated in equal annual installments over the number of years that constitute the facility's remaining life-of-site, as determined by the Department, unless the Department accelerates, in its sole discretion, the use of the credit over a shorter period of time. For purposes of this subsection, the following definitions apply:

(1) Life-of-site permit fee amount. – The amount equal to the sum of all annual fees that would be due under the fee structure set forth in ~~G.S. 130A-295.8A(d1),~~ G.S. 130A-295.8(d1), as enacted by Section 14.20(c) of this act, during the cycle of the facility's permit in effect on July 1, 2016.

(2) Time-limited permit fee amount. – The amount equal to the sum of the application fee or renewal fee, whichever is applicable, and all annual fees paid or to be paid pursuant to subsections (c) and (d) of ~~G.S. 130A-295.8A,~~ G.S. 130A-295.8, as repealed by Section 14.20(c) of this act, during the cycle of the facility's permit in effect on July 1, 2016.

The Department shall adopt rules to implement this subsection."

SECTION 3.2.(a) Section 14.20(f) of S.L. 2015-241, as amended by Section 4.9(d) of S.L. 2015-286, reads as rewritten:

"**SECTION 14.20.(f)** This section becomes effective October 1, 2015. G.S. 130A-294(b1)(2), as amended by subsection (a) of this section, applies to franchise ~~agreements~~ agreements (i) executed on or after ~~October 1, 2015.~~ October 1, 2015, and (ii) executed on or before October 1, 2015, only if all parties to a valid and operative franchise

agreement consent to modify the agreement for the purpose of extending the agreement's duration to the life-of-site of the landfill for which the agreement was executed, and public notice and hearing is provided for such modification in compliance with the requirements of G.S. 130A-294(b1)(3). The remainder of G.S. 130A-294, as amended by subsection (a) of this section, and G.S. 130A-295.8, as amended by subsection (c) of this section, apply to (i) existing sanitary landfills and transfer stations, with a valid permit issued before the date this act becomes effective, on July 1, 2016, at which point a permittee may choose to apply for a life-of-site permit pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, or may choose to apply for a life-of-site permit for the facility when the facility's permit is next subject to renewal after July 1, 2016, (ii) new sanitary landfills and transfer stations, for applications submitted on or after July 1, 2016, and (iii) applications for sanitary landfills or transfer stations submitted before July 1, 2015, and pending on the date this act becomes law shall be evaluated by the Department based on the applicable laws that were in effect on July 1, 2015, and the Department shall not delay in processing such permit applications in consideration of changes made by this act, but such landfills and transfer stations shall be eligible for issuance of life-of-site permits pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, on July 1, 2016, at which point a permittee may choose to apply for a life-of-site permit pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, or may choose to apply for a life-of-site permit for the facility when the facility's permit is next subject to renewal after July 1, 2016."

SECTION 3.2.(b) G.S. 130A-294(b1) reads as rewritten:

"(b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this section, a "substantial amendment" means either:

…

(2) A person who intends to apply for a new permit for a sanitary landfill shall obtain, prior to applying for a permit, a franchise for the operation of the sanitary landfill from each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located. A local government may adopt a franchise ordinance under G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill ~~shall~~ shall (i) be granted for the life-of-site of the ~~landfill and shall~~ landfill, but for a period not to exceed 60 years, and (ii) include all of the following:

a. A statement of the population to be served, including a description of the geographic area.

b. A description of the volume and characteristics of the waste stream.

c. A projection of the useful life of the sanitary landfill.

d. Repealed by Session Laws 2013-409, s. 8, effective August 23, 2013.

e. The procedures to be followed for governmental oversight and regulation of the fees and rates to be charged by facilities subject to the franchise for waste generated in the jurisdiction of the franchising entity.

f. A facility plan for the sanitary landfill that shall include the boundaries of the proposed facility, proposed development of the facility site, the boundaries of all waste disposal units, final elevations and capacity of all waste disposal units, the amount of waste to be received per day in tons, the total waste disposal capacity of the sanitary landfill in tons, a description of environmental controls, and a description of any other waste management activities to be conducted at the facility. In addition, the facility plan shall show the proposed location of soil borrow areas, leachate facilities, and all other facilities and infrastructure, including ingress and egress to the facility.

(3) Prior to the award of a franchise for the construction or operation of a sanitary landfill, the board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall conduct a public hearing. The board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall provide at least 30 days' notice to the public of the public hearing. The notice shall include a summary of all the information required to be included in the franchise, and shall specify the procedure to be followed at the public hearing. The applicant for the franchise shall provide a copy of the application for the franchise that includes all of the information required to be included in the franchise, to the public library closest to the proposed sanitary landfill site to be made available for inspection and copying by the public.

…."

SECTION 3.2.(c) G.S. 160A-319(a) reads as rewritten:

"**§ 160A-319. Utility franchises.**

(a) A city shall have authority to grant upon reasonable terms franchises for a telephone system and any of the enterprises listed in G.S. 160A-311, except a cable television system. A franchise granted by a city authorizes the operation of the franchised activity within the city. No franchise shall be granted for a period of more than 60 years, ~~except~~ including a franchise granted to a sanitary landfill for the life-of-site of the landfill pursuant to G.S. 130A-294(b1); provided, however, that a franchise for solid waste collection or disposal systems and ~~facilities~~ facilities, other than sanitary landfills, shall not be granted for a period of more than 30 years. Except as otherwise provided by law, when a city operates an enterprise, or upon granting a franchise, a city may by ordinance make it unlawful to operate an enterprise without a franchise."

SECTION 3.2.(d) G.S. 153A-136 reads as rewritten:

"**§ 153A-136. Regulation of solid wastes.**

(a) A county may by ordinance regulate the storage, collection, transportation, use, disposal, and other disposition of solid wastes. Such an ordinance may:

…

(3) Grant a franchise to one or more persons for the exclusive right to commercially collect or dispose of solid wastes within all or a defined portion of the county and prohibit any other person from commercially collecting or disposing of solid wastes in that area. The board of commissioners may set the terms of any ~~franchise, except that no franchise may be granted for a period exceeding 30 years, nor may any~~ franchise; provided, however, no franchise shall be granted for a period of more than 30 years, except for a franchise granted to a sanitary landfill for the life-of-site of the landfill pursuant to G.S. 130A-294(b1), which may not exceed 60 years. No franchise by its terms may impair the authority of the board of commissioners to regulate fees as authorized by this section.

…."

SECTION 3.2.(e) Subsection (a) of this section applies to franchise agreements (i) executed on or after October 1, 2015, and (ii) executed on or before October 1, 2015, only if all parties to a valid and operative agreement consent to modify the agreement for the purpose of extending the agreement's duration of the life-of-site of the landfill for which the agreement was executed, and public notice and hearing is provided for such modification in compliance with the requirements of G.S. 130A-294(b1)(3).

SECTION 3.3. The Division of Waste Management of the Department of Environmental Quality shall examine whether solid waste management activities in the State are being conducted in a manner most beneficial to the citizens of the State in terms of efficiency and cost-effectiveness, with a focus on solid waste disposal capacity across the State, particularly areas of the State that have insufficient disposal capacity, as well as areas of the State with disposal capacity that is underutilized, resulting in transport of waste to other jurisdictions. The Department shall develop economic estimates of the short- and long-term costs of waste transport in these situations versus full utilization of capacity, or expansion of capacity, in the originating jurisdiction. The Department shall also provide information on landfill capacity that is permitted but not yet constructed and expansion opportunities for future landfill capacity. The Department shall submit a report, including any legislative recommendations, to the Environmental Review Commission no later than May 1, 2017.

SECTION 3.4. Except as otherwise provided, Sections 3.1 and 3.2 of this act are effective retroactively to July 1, 2015. Sections 3.3 and 3.4 of this act are effective when this act becomes law.

MOTOR VEHICLE EMISSIONS INSPECTIONS

SECTION 3.5.(a) G.S. 143-215.107A reads as rewritten:

"**§ 143-215.107A. Motor vehicle emissions testing and maintenance program.**

(a) General Provisions. –

(1) G.S. 143-215.107(a)(6) shall be implemented as provided in this section.

(2) Motor vehicle emissions inspections shall be performed by a person who holds an emissions inspection mechanic license issued as provided in G.S. 20-183.4A(c) at a station that holds an emissions inspection station license issued under G.S. 20-183.4A(a) or at a place of business that holds an emissions self-inspector license issued as provided in G.S. 20-183.4A(d). Motor vehicle emissions inspections may be performed by a decentralized network of test-and-repair stations as described in 40 Code of Federal Regulations § 51.353 (1 July 1998 Edition). The Commission may not require that motor vehicle emissions inspections be performed by a network of centralized or decentralized test-only stations.

(b) Repealed by Session Laws 2000-134, s. 2, effective July 14, 2000.

(c) Counties Covered. – Motor vehicle emissions inspections shall be performed in the following counties: Alamance, ~~Brunswick,~~ Buncombe, ~~Burke,~~ Cabarrus, ~~Caldwell, Carteret, Catawba, Chatham, Cleveland, Craven,~~ Cumberland, Davidson, Durham, ~~Edgecombe,~~ Forsyth, Franklin, Gaston, ~~Granville,~~ Guilford, ~~Harnett, Haywood, Henderson,~~ Iredell, Johnston, Lee, ~~Lenoir,~~ Lincoln, Mecklenburg, ~~Moore, Nash,~~ New Hanover, Onslow, ~~Orange, Pitt,~~ Randolph, ~~Robeson,~~ Rockingham, Rowan, ~~Rutherford, Stanly, Stokes, Surry,~~ Union, ~~Wake, Wayne, Wilkes and Wilson.~~and Wake."

SECTION 3.5.(b) G.S. 20-183.2(b) reads as rewritten:

"(b) Emissions. – A motor vehicle is subject to an emissions inspection in accordance with this Part if it meets all of the following requirements:

(1) It is subject to registration with the Division under Article 3 of this Chapter, except for motor vehicles operated on a federal installation as provided in sub-subdivision e. of subdivision (5) of this subsection.

(2) It is not a trailer whose gross weight is less than 4,000 pounds, a house trailer, or a motorcycle.

(3) It is (i) a ~~1996 or later model~~ vehicle with a model year within 20 years of the current year and older than the three most recent model years or (ii) ~~a 1996 or later model~~ a vehicle with a model year within 20 years of the current year and has 70,000 miles or more on its odometer.

…."

SECTION 3.5.(c) No later than September 30, 2017, the Department of Environmental Quality shall prepare and submit to the United States Environmental Protection Agency for approval by that agency a proposed North Carolina State Implementation Plan amendment based on the change to the motor vehicle emissions testing program provided in this section.

SECTION 3.5.(d) Subsections (a) and (b) of this section become effective on the later of the following dates and apply to motor vehicles inspected, or due to be inspected, on or after that effective date:

(1) October 1, 2017.

(2) The first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the United States Environmental Protection Agency has approved an amendment to the North Carolina State Implementation Plan submitted as required by subsection (c) of this section. The Secretary shall provide this notice along with the effective date of this act on its Web site and by written or electronic notice to emissions inspection mechanic license holders, emissions inspection station licensees, and self-inspector licensees in the counties where motor vehicle emissions inspection requirements are removed by this section.

FARRIERS/HORSESHOEING

SECTION 3.6. G.S. 90-187.10 is amended by adding a new subdivision to read:

"**§ 90-187.10. Necessity for license; certain practices exempted.**

No person shall engage in the practice of veterinary medicine or own all or part interest in a veterinary medical practice in this State or attempt to do so without having first applied for and obtained a license for such purpose from the North Carolina Veterinary Medical Board, or without having first obtained from the Board a certificate of renewal of license for the calendar year in which the person proposes to practice and until the person shall have been first licensed and registered for such practice in the manner provided in this Article and the rules and regulations of the Board.

Nothing in this Article shall be construed to prohibit:

…

(11) Any farrier or person actively engaged in the activity or profession of shoeing hooved animals as long as his or her actions are limited to the art of shoeing hooved animals or trimming, clipping, or maintaining hooves."

DEQ TO STUDY RIPARIAN BUFFERS

SECTION 3.7.(a) The Department of Environmental Quality shall study whether the size of riparian buffers required for intermittent streams should be adjusted and whether the allowable activities within the buffers should be modified.

SECTION 3.7.(b) The Department of Environmental Quality shall study under what circumstances units of local government should be allowed to exceed riparian buffer requirements mandated by the State and the federal government. The Department shall also consider measures to ensure that local governments do not exceed their statutory authority for establishing riparian buffer requirements. In conducting this study, the Department shall consult with property owners and other entities impacted by riparian buffer requirements as well as local governments.

SECTION 3.7.(c) The Department of Environmental Quality shall report the results of the studies required by this section, including any recommendations, to the Environmental Review Commission no later than December 1, 2017. For any recommendations made pursuant to the studies, the Department shall include specific draft language for any rule or statutory changes necessary to implement the recommendations.

ELIMINATE OUTDATED PROVISION OF THE COASTAL AREA MANAGEMENT ACT

SECTION 3.8. G.S. 113A-109 is repealed.

REPEAL PASTURE POINTS PROVISION

SECTION 3.9. Section 4 of S.L. 2001-355 is repealed.

ELIMINATE REPORTS TO THE COMMISSIONER OF AGRICULTURE AS TO MILK PURCHASED OR SOLD

SECTION 3.10. G.S. 106-261 is repealed.

PROHIBIT CERTAIN STORMWATER CONTROL MEASURES

SECTION 3.11.(a) Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (c) of this section, the Commission and the Department of Environmental Quality shall implement 15A NCAC 02H .0506 (Review of Applications) as provided in subsection (b) of this section.

SECTION 3.11.(b) Notwithstanding 15A NCAC 02H .0506(b)(5) and 15A NCAC 02H .0506(c)(5), the Director of the Division of Water Resources shall not require the use of on-site stormwater control measures to protect downstream water quality standards, except as required by State or federal law.

SECTION 3.11.(c) The Environmental Management Commission shall adopt rules to amend 15A NCAC 02H .0506 (Review of Applications) consistent with subsection (b) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (b) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 3.11.(d) This section is effective when it becomes law. Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective.

EXEMPT LANDSCAPING MATERIAL FROM STORMWATER MANAGEMENT REQUIREMENTS

SECTION 3.12. G.S. 143-214.7(b2) reads as rewritten:

"(b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a slatted deck; the water area of a swimming pool; a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; ~~or~~ a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per ~~hour).~~hour); or landscaping material, including, but not limited to, gravel, mulch, sand, and vegetation, placed on areas that receive pedestrian or bicycle traffic or on portions of driveways and parking areas that will not be compacted by the weight of a vehicle, such as the area between sections of pavement that support the weight of a vehicle. The owner or developer of a property may opt out of any of the exemptions from "built-upon area" set out in this subsection. For State stormwater programs and local stormwater programs approved pursuant to subsection (d) of this section, all of the following shall apply:

(1) The volume, velocity, and discharge rates of water associated with the one-year, 24-hour storm and the difference in stormwater runoff from the predevelopment and postdevelopment conditions for the one-year, 24-hour storm shall be calculated using any acceptable engineering hydrologic and hydraulic methods.

(2) Development may occur within the area that would otherwise be required to be placed within a vegetative buffer required by the Commission pursuant to G.S. 143-214.1 and G.S. 143-214.7 to protect classified shellfish waters, outstanding resource waters, and high-quality waters provided the stormwater runoff from the development is collected and treated from the entire impervious area and discharged so that it passes through the vegetative buffer and is managed so that it otherwise complies with all applicable State and federal stormwater management requirements.

(3) The requirements that apply to development activities within one-half mile of and draining to Class SA waters or within one-half mile of Class SA waters and draining to unnamed freshwater tributaries shall not apply to development activities and associated stormwater discharges that do not occur within one-half mile of and draining to Class SA waters or are not within one-half mile of Class SA waters and draining to unnamed freshwater tributaries."

AMEND STREAM MITIGATION REQUIREMENTS

SECTION 3.13.(a) G.S. 143-214.7C reads as rewritten:

"**§ 143-214.7C. Prohibit the requirement of mitigation for impacts to intermittent ~~streams.~~streams; establish threshold for mitigation of impacts to streams.**

(a) Except as required by federal law, the Department of Environmental Quality shall not require mitigation for impacts to an intermittent stream. For purposes of this section, "intermittent stream" means a well-defined channel that has all of the following characteristics:

(1) It contains water for only part of the year, typically during winter and spring when the aquatic bed is below the water table.

(2) The flow of water in the intermittent stream may be heavily supplemented by stormwater runoff.

(3) It often lacks the biological and hydrological characteristics commonly associated with the conveyance of water.

(b) Except as required by federal law, the Department of Environmental Quality shall not require mitigation for losses of 300 linear feet or less of stream bed."

SECTION 3.13.(b) The Environmental Management Commission shall amend its rules consistent with subsection (a) of this section.

SECTION 3.13.(c) The cochairs of the Environmental Review Commission shall examine the mitigation thresholds for losses of stream bed under the Regional Conditions adopted by the Norfolk, Charleston, and Savannah Districts of the United States Army Corps of Engineers and shall submit written comments to the Washington, D.C., Headquarters, the Wilmington District Office of the United States Army Corps of Engineers, and the North Carolina congressional delegation to encourage the Wilmington District to adopt Regional Conditions on the thresholds for losses of stream bed that are consistent with the Regional Conditions adopted by the Norfolk, Charleston, and Savannah Districts of the United States Army Corps of Engineers.

COASTAL RESOURCES COMMISSION RULES ON TEMPORARY EROSION CONTROL STRUCTURES

SECTION 3.14.(a) Sections 14.6(p) and 14.6(q) of S.L. 2015-241 are repealed.

SECTION 3.14.(b) Notwithstanding G.S. 150B-21.1A(a), the Coastal Resources Commission may adopt an emergency rule for the use of temporary erosion control structures consistent with the amendments to the temporary erosion control structure rules adopted by the Commission as agenda item CRC-16-23 on May 11, 2016, with any further modifications in the Commission's discretion. The Commission shall also adopt temporary and permanent rules to implement this section.

DIRECT THE COASTAL RESOURCES COMMISSION TO AMEND THE SEDIMENT CRITERIA RULE TO EXEMPT SEDIMENT FROM CAPE SHOAL SYSTEMS

SECTION 3.15.(a) Definitions. – "Sediment Criteria Rule" means 15A NCAC 07H .0312 (Technical Standards for Beach Fill Projects) for purposes of this section and its implementation.

SECTION 3.15.(b) Sediment Criteria Rule. – Until the effective date of the revised permanent rule that the Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Sediment Criteria Rule, as provided in subsection (c) of this section.

SECTION 3.15.(c) Implementation. – The Commission shall exempt from the permitting requirements of the Sediment Criteria Rule any sediment in the cape shoal systems used as a borrow site and any portion of an oceanfront beach that receives sediment from the cape shoal systems. For purposes of this section, "cape shoal systems" includes the Frying Pan Shoals at Cape Fear, Lookout Shoals at Cape Lookout, and Diamond Shoals at Cape Hatteras.

SECTION 3.15.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Sediment Criteria Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 3.15.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

DIVISION OF COASTAL MANAGEMENT TO STUDY CURRENT LONG-TERM EROSION RATES ADJACENT TO TERMINAL GROINS

SECTION 3.16. The Division of Coastal Management of the Department of Environmental Quality, in consultation with the Coastal Resources Commission, shall study the change in erosion rates directly adjacent to existing and newly constructed terminal groins to determine whether long-term erosion rates, currently in effect in accordance with 15A NCAC 07H .0304 (AECS Within Ocean Hazard Areas), should be adjusted to reflect any mitigation of shoreline erosion resulting from the installation of the terminal groins. The Division shall report on the results of the study to the Environmental Review Commission on or before March 1, 2018.

REGULATION AND DISPOSITION OF CERTAIN REPTILES

SECTION 3.17.(a) G.S. 14-419 reads as rewritten:

"**§ 14-419. Investigation of suspected violations; seizure and examination of reptiles; disposition of reptiles.**

(a) In any case in which any law-enforcement officer or animal control officer has probable cause to believe that any of the provisions of this Article have been or are about to be violated, it shall be the duty of the officer and the officer is authorized, empowered, and directed to immediately investigate the violation or impending violation and to consult with representatives of the North Carolina Museum of Natural Sciences or the North Carolina Zoological Park or a designated representative of either the Museum or Zoological Park to identify appropriate and safe methods to seize the reptile or reptiles involved, to seize the reptile or reptiles involved, and the officer is authorized and directed to deliver: (i) a reptile believed to be venomous to the North Carolina State Museum of Natural Sciences or to its designated representative for examination for the purpose of ascertaining whether the reptile is regulated under this Article; and, (ii) a reptile believed to be a large constricting snake or crocodilian to the North Carolina Zoological Park <u>or to its designated representative</u> for the purpose of ascertaining whether the reptile is regulated under this Article. In any case in which a law enforcement officer or animal control officer determines that there is an immediate risk to

public safety, the officer shall not be required to consult with representatives of the North Carolina Museum of Natural Sciences or the North Carolina Zoological Park as provided by this ~~subsection.~~subsection and may kill the reptile.

(b) If the Museum or the Zoological Park or their designated representatives find that a seized reptile is a venomous reptile, large constricting snake, or crocodilian regulated under this Article, the Museum or the Zoological Park or their designated representative shall determine ~~final~~ an interim disposition of the reptile in a manner consistent with the safety of the public, ~~which in~~ until a final disposition is determined by a court of competent jurisdiction. In the case of a venomous reptile for which antivenin approved by the United States Food and Drug Administration is not readily available, ~~shall~~ the reptile may be euthanized unless the species is protected under the federal Endangered Species Act of 1973. Where the Museum or the Zoological Park or their designated representative determines euthanasia to be the appropriate interim disposition, or where a reptile seized pursuant to this Article dies of natural or unintended causes, the Museum, the Zoological Park, or their designated representatives shall not be liable to the reptile's owner.

(b1) Upon conviction of any offense contained in this Article, the court shall order a final disposition of the confiscated venomous reptiles, large constricting snakes, or crocodilians, which may include the transfer of title to the State of North Carolina and reimbursement for the necessary expenses incurred in the seizure, delivery, and storage thereof.

(c) If the Museum or the Zoological Park or their designated representatives find that the reptile is not a venomous reptile, large constricting snake, or crocodilian regulated under this Article, and either no criminal warrants or indictments are initiated in connection with the reptile within 10 days of initial seizure, or a court of law determines that the reptile is not being owned, possessed, used, transported, or trafficked in violation of this Article, then it shall be the duty of the law enforcement officer to return the reptile or reptiles to the person from whom they were seized within 15 days."

SECTION 3.17.(b) The North Carolina Department of Natural and Cultural Resources and the North Carolina Wildlife Resources Commission shall jointly study and develop a list of potential designated representatives for the storage and safekeeping of venomous reptiles, large constricting snakes, or crocodilians.

SECTION 3.17.(c) The North Carolina Department of Natural and Cultural Resources and the North Carolina Wildlife Resources Commission shall jointly study and develop recommendations for potential procedural and policy changes to improve the regulation of certain reptiles pursuant to Article 55 of Chapter 14 of the General Statutes. The Department and the Commission shall consider public health and safety risks, permitting requirements, exemptions, notification of escape, investigation of suspected violations, seizure and examination of reptiles, disposition of seized reptiles, and any other issues determined relevant to the regulation of certain reptiles. The Department and the Commission shall submit a report, including any legislative recommendations, to the Environmental Review Commission no later than December 31, 2017.

PROVIDE FOR LOW-FLOW DESIGN ALTERNATIVES FOR PUBLIC WATER SUPPLY SYSTEMS

SECTION 3.18.(a) 15A NCAC 18C .0409(b)(1) (Daily Flow Requirements). – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (c) of this section, the Commission, the Department of Environmental Quality, and any other political subdivision of the State shall implement 15A NCAC 18C .0409(b)(1) (Daily Flow Requirements), as provided in subsection (b) of this section.

SECTION 3.18.(b) Implementation. – Notwithstanding the Daily Flow Requirements rates listed in Table No. 1 of 15A NCAC 18C .0409(b)(1) (Daily Flow Requirements), a public water supply system shall be exempt from the Daily Flow Requirements, and any other design flow standards established by the Department or the

Commission, provided the flow rates that are less than those required in Table No. 1 of 15A NCAC 18C .0409(b)(1) (Daily Flow Requirements) (i) are achieved through an engineering design that utilizes low-flow fixtures and low-flow reduction technologies and the design is prepared, sealed, and signed by a professional engineer licensed pursuant to Chapter 89C of the General Statutes and (ii) provide for a flow that is sufficient to sustain the water usage required in the engineering design.

SECTION 3.18.(c) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend 15A NCAC 18C .0409(b)(1) (Daily Flow Requirements), consistent with subsection (b) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (b) of this section. Rules adopted pursuant to this section are not subject to G.S. 150B-21.8 through G.S. 150B-21.14. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 3.18.(d) Sunset. – Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective.

ESTABLISH NORTH CAROLINA SENTINEL LANDSCAPES COMMITTEE

SECTION 3.19.(a) Committee Established. – There is established the North Carolina Sentinel Landscape Committee (Committee).

SECTION 3.19.(b) Findings and Purpose. – The General Assembly finds that sentinel landscapes are places where preserving the working and rural character of the State's private lands is important for both national defense and conservation priorities. It is the intent of the General Assembly to direct the Committee to coordinate the overlapping priority areas in the vicinity of and where testing and training occur near or adjacent to major military installations, as that term is defined in G.S. 143-215.115, or other areas of strategic benefit to national defense. Further, the Committee shall assist landowners in improving their land to benefit their operations and enhance wildlife habitats while furthering the State's vested economic interest in preserving, maintaining, and sustaining land uses that are compatible with military activities at major military installations and National Guard facilities. In its work, the Committee shall develop and implement programs and strategies that (i) protect working lands in the vicinity of and where testing and training occur near or adjacent to major military installations or other areas of strategic benefit to national defense, (ii) address restrictions that inhibit military testing and training, and (iii) forestall incompatible development in the vicinity of and where testing and training occur near or adjacent to military installations or other areas of strategic benefit to national defense.

SECTION 3.19.(c) Powers and Duties. – The Committee shall:

(1) Recognize all lands in the State as sentinel landscapes areas that are so designated by the United States Department of Defense.

(2) Identify and designate certain additional lands to be contained in the sentinel landscapes of this State that are of particular import to the nation's defense and in the vicinity of and where testing and training occur on, near, or adjacent to major military installations or are of other strategic benefit to the nation's defense. In this work, the Committee may seek advice and recommendations from stakeholders who have experience in this sort of identification and designation.

(3) In designating sentinel lands as directed by subdivision (1) of this subsection, the Committee shall evaluate all working or natural lands that the Committee identifies as contributing to the long-term sustainability of the military missions conducted in this State. In its evaluation of which lands to designate as sentinel lands, the Committee shall consult with and seek input from:

a. The United States Department of Defense.

b. The North Carolina Commander's Council.
c. The United States Department of Agriculture.
d. The United States Department of the Interior.
e. Elected officials from units of local government located in the vicinity of and where testing and training occur on the proposed sentinel lands.
f. Any other stakeholders that the Committee deems appropriate.

(4) Develop recommendations to encourage landowners located within the sentinel landscape designated pursuant to subdivision (1) of this subsection to voluntarily participate in and begin or continue land uses compatible with the United States Department of Defense operations in this State.

(5) Provide technical support services and assistance to landowners who voluntarily participate in the sentinel landscape program.

SECTION 3.19.(d) Membership. – The Committee shall consist of at least the five following members:

(1) The Commissioner of Agriculture, or the Commissioner's designee.
(2) The Secretary of the Department of Military and Veterans Affairs, or the Secretary's designee.
(3) The Secretary of Natural and Cultural Resources, or the Secretary's designee.
(4) The Executive Director of the Wildlife Resources Commission, or the Executive Director's designee.
(5) The Dean of the College of Natural Resources at North Carolina State University, or the Dean's designee.

The Commissioner of Agriculture or the Commissioner's designee shall serve as Committee chair for an initial two-year term. Thereafter, the Committee chair shall be one of the five listed members above. The Committee chair may appoint members representing other State agencies, local government officials, and nongovernmental organizations that are experienced in land management activities within sentinel lands.

SECTION 3.19.(e) Transaction of Business. – The Committee shall meet, at a minimum, at least once during each calendar quarter and at other times at the call of the chair. A majority of members of the Committee shall constitute a quorum. The first Committee meeting shall take place within 30 days of the effective date of this act.

SECTION 3.19.(f) Reports. – The Committee shall report on its activities conducted to implement this section, including any findings, recommendations, and legislative proposals, to the North Carolina Military Affairs Commission and the Agriculture and Forestry Awareness Study Commission beginning September 1, 2017, and annually thereafter, until such time as the Committee completes its work.

SECTION 3.19.(g) Administrative Assistance. – All clerical and other services required by the Committee shall be supplied by the membership and shall be provided with funds available.

PART IV. ELIMINATE, CONSOLIDATE, AND AMEND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION

ELIMINATE ANNUAL REPORT ON MINING ACCOUNT PURSUANT TO THE MINING ACT OF 1971 BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.1. G.S. 74-54.1(c) is repealed.

ELIMINATE ANNUAL REPORT ON THE IMPLEMENTATION OF THE SUSTAINABLE ENERGY EFFICIENT BUILDINGS PROGRAM BY THE DEPARTMENT OF ADMINISTRATION

SECTION 4.2.(a) G.S. 143-135.39(f) and (g) are repealed.

SECTION 4.2.(b) G.S. 143-135.40(b) is repealed.

ELIMINATE QUARTERLY REPORT ON SYSTEMWIDE MUNICIPAL AND DOMESTIC WASTEWATER COLLECTION SYSTEM PERMIT PROGRAM BY THE ENVIRONMENTAL MANAGEMENT COMMISSION

SECTION 4.3. G.S. 143-215.9B reads as rewritten:

"**§ 143-215.9B. Systemwide municipal and domestic wastewater collection system permit program report.**

The Environmental Management Commission shall develop and implement a permit program for municipal and domestic wastewater collection systems on a systemwide basis. The collection system permit program shall provide for performance standards, minimum design and construction requirements, a capital improvement plan, operation and maintenance requirements, and minimum reporting requirements. In order to ensure an orderly and cost-effective phase-in of the collection system permit program, the Commission shall implement the permit program over a five-year period beginning 1 July 2000. The Commission shall issue permits for approximately twenty percent (20%) of municipal and domestic wastewater collection systems that are in operation on 1 July 2000 during each of the five calendar years beginning 1 July 2000 and shall give priority to those collection systems serving the largest populations, those under a moratorium imposed by the Commission under G.S. 143-215.67, and those for which the Department of Environmental Quality has issued a notice of violation for the discharge of untreated wastewater. ~~The Commission shall report on its progress in developing and implementing the collection system permit program required by this section as a part of each quarterly report the Environmental Management Commission makes to the Environmental Review Commission pursuant to G.S. 143B-282(b).~~"

ELIMINATE ANNUAL REPORTS ON EMISSIONS FROM STATE EMPLOYEE AND PRIVATE SECTOR VEHICLES BY THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.4.(a) G.S. 143-215.107C(d) and (e) are repealed.

SECTION 4.4.(b) G.S. 143-215.107B is repealed.

ELIMINATE ANNUAL REPORT ON PURCHASE OF NEW MOTOR VEHICLES AND FUEL SAVINGS BY THE DEPARTMENT OF ADMINISTRATION

SECTION 4.5. G.S. 143-341(8)i.2b. reads as rewritten:

"2b. As used in this sub-sub-subdivision, "fuel economy" and "class of comparable automobiles" have the same meaning as in Part 600 of Title 40 of the Code of Federal Regulations (July 1, 2008 Edition). As used in this sub-sub-subdivision, "passenger motor vehicle" has the same meaning as "private passenger vehicle" as defined in G.S. 20-4.01. Notwithstanding the requirements of sub-sub-subdivision 2a. of this sub-subdivision, every request for proposals for new passenger motor vehicles to be purchased by the Department shall state a preference for vehicles that have a fuel economy for the new vehicle's model year that is in the top fifteen percent (15%) of its class of comparable automobiles. The award for every new passenger motor vehicle that is purchased by the Department shall be based on the Department's evaluation of the best value for the State, taking into account fuel economy ratings and life cycle cost that reasonably consider both projected fuel costs and acquisition costs. This sub-sub-subdivision does not apply to vehicles used in law enforcement, emergency medical response, and firefighting. ~~The Department shall report the number of new passenger motor vehicles that are purchased as required by this sub-sub-subdivision, the savings or costs for the purchase~~

~~of vehicles to comply with this sub-sub-subdivision, and the quantity and cost of fuel saved for the previous fiscal year on or before October 1 of each year to the Joint Legislative Commission on Governmental Operations and the Environmental Review Commission.~~"

ELIMINATE BIENNIAL STATE OF THE ENVIRONMENT REPORT BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.6. G.S. 143B-279.5 is repealed.

ELIMINATE ANNUAL REPORT ON FISH KILL ACTIVITY BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.7. G.S. 143B-279.7(c) is repealed.

ELIMINATE THE ENVIRONMENTAL MANAGEMENT COMMISSION QUARTERLY REPORT ON DEVELOPING ENGINEERING STANDARDS GOVERNING MUNICIPAL AND DOMESTIC SYSTEMS TO ALLOW REGIONAL INTERCONNECTION

SECTION 4.8. Section 11.1 of S.L. 1999-329 reads as rewritten:

"Section 11.1. The Environmental Management Commission shall develop engineering standards governing municipal and domestic wastewater collection systems that will allow interconnection of these systems on a regional basis. ~~The Commission shall report on its progress in developing the engineering standards required by this section as a part of each quarterly report the Commission makes to the Environmental Review Commission pursuant to G.S. 143B-282(b).~~"

ELIMINATE BIENNIAL REPORT ON IMPLEMENTATION OF THE NORTH CAROLINA BEACH AND INLET MANAGEMENT PLAN BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.9. Section 13.9(d) of S.L. 2000-67 reads as rewritten:

"Section 13.9.(d) Each plan shall be as complete as resources and available information allow. ~~The Department of Environment and Natural Resources shall revise the plan every two years and shall submit the revised plan to the General Assembly no later than March 1 of each odd-numbered year. The Department may issue a supplement to the plan in even-numbered years if significant new information becomes available.~~"

ELIMINATE ANNUAL REPORT ON INFORMAL REVIEW PROCESS FOR AGENCY REVIEW OF ENGINEERING WORK

SECTION 4.10. Sections 29(j) and 29(k) of S.L. 2014-120 are repealed.

CONSOLIDATE REPORTS ON THE COASTAL HABITAT PROTECTION PLAN

SECTION 4.11.(a) G.S. 143B-279.8(e) reads as rewritten:

"(e) The Coastal Resources Commission, the Environmental Management Commission, and the Marine Fisheries Commission shall report to the Joint Legislative Commission on Governmental Operations and the Environmental Review Commission on progress in developing and implementing the Coastal Habitat Protection Plans, including the extent to which the actions of the three commissions are consistent with the Plans, on or before ~~1 September~~ September 1 of each ~~year.~~year in which any significant revisions to the Plans are made."

SECTION 4.11.(b) G.S. 143B-279.8(f) is repealed.

CONSOLIDATE AND REDUCE FREQUENCY OF REPORTS ON COST AND IMPLEMENTATION OF ENVIRONMENTAL PERMITTING PROGRAMS

SECTION 4.12.(a) G.S. 143-215.3A(c) reads as rewritten:

"(c) The Department shall report to the Environmental Review Commission and the Fiscal Research Division on the cost of the State's environmental permitting programs

contained within the Department on or before ~~1 November~~ January 1 of each odd-numbered year. The report shall include, but is not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all other sources, interest earned and any other information requested by the General Assembly. The Department shall submit this report with the report required by G.S. 143B-279.17 as a single report."

SECTION 4.12.(b) G.S. 143B-279.17 reads as rewritten:

"**§ 143B-279.17. Tracking and report on permit processing times.**

The Department of Environmental Quality shall track the time required to process all permit applications in the One-Stop for Certain Environmental Permits Programs established by G.S. 143B-279.12 and the Express Permit and Certification Reviews established by G.S. 143B-279.13 that are received by the Department. The processing time tracked shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. No later than ~~March 1~~ January 1 of each odd-numbered year, the Department shall report to the Fiscal Research Division of the General Assembly and the Environmental Review Commission on the permit processing times required to be tracked pursuant to this section. The Department shall submit this report with the report required by G.S. 143-215.3A(c) as a single report."

SECTION 4.12.(c) The first combined report required by subsections (a) and (b) of this section shall be submitted to the Environmental Review Commission and the Fiscal Research Division no later than January 1, 2019.

CONSOLIDATE AND REDUCE FREQUENCY OF REPORTS BY THE ENVIRONMENTAL MANAGEMENT COMMISSION

SECTION 4.13.(a) G.S. 143B-282(b) reads as rewritten:

"(b) The Environmental Management Commission shall submit ~~quarterly~~ written reports as to its operation, activities, programs, and progress to the Environmental Review ~~Commission.~~ Commission by January 1 of each year. The Environmental Management Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. ~~The Environmental Management Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.~~"

SECTION 4.13.(b) G.S. 143-215.1(h) reads as rewritten:

"(h) Each applicant for a new permit or the modification of an existing permit issued under subsection (c) of this section shall include with the application: (i) the extent to which the new or modified facility is constructed in whole or in part with funds provided or administered by the State or a unit of local government, (ii) the impact of the facility on water quality, and (iii) whether there are cost-effective alternative technologies that will achieve greater protection of water quality. The Commission shall prepare ~~a quarterly~~ an annual summary and analysis of the information provided by applicants pursuant to this subsection. The Commission shall submit the summary and analysis required by this subsection to the Environmental Review Commission (ERC) as a part of each ~~quarterly~~ annual report that the Commission is required to make to the ERC under G.S. 143B-282(b)."

SECTION 4.13.(c) The first combined report required by subsections (a) and (b) of this section shall be submitted to the Environmental Review Commission no later than January 1, 2018.

CONSOLIDATE WASTE MANAGEMENT REPORTS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.14.(a) G.S. 130A-309.06(c) reads as rewritten:

"(c) The Department shall report to the Environmental Review Commission and the Fiscal Research Division on or before ~~15 January~~ January 15 of each year on the status of solid waste management efforts in the State. The report shall include:

(1) A comprehensive analysis, to be updated in each report, of solid waste generation and disposal in the State projected for the 20-year period beginning on ~~1 July~~ July 1, 1991.

(2) The total amounts of solid waste recycled and disposed of and the methods of solid waste recycling and disposal used during the calendar year prior to the year in which the report is published.

(3) An evaluation of the development and implementation of local solid waste management programs and county and municipal recycling programs.

(4) An evaluation of the success of each county or group of counties in meeting the municipal solid waste reduction goal established in G.S. 130A-309.04.

(5) Recommendations concerning existing and potential programs for solid waste reduction and recycling that would be appropriate for units of local government and State agencies to implement to meet the requirements of this Part.

(6) An evaluation of the recycling industry, the markets for recycled materials, the recycling of polystyrene, and the success of State, local, and private industry efforts to enhance the markets for these materials.

(7) Recommendations to the Governor and the Environmental Review Commission to improve the management and recycling of solid waste in the State, including any proposed legislation to implement the recommendations.

(8) A description of the condition of the Solid Waste Management Trust Fund and the use of all funds allocated from the Solid Waste Management Trust Fund, as required by G.S. 130A-309.12(c).

(9) A description of the review and revision of bid procedures and the purchase and use of reusable, refillable, repairable, more durable, and less toxic supplies and products by both the Department of Administration and the Department of Transportation, as required by G.S. 130A-309.14(a1)(3).

(10) A description of the implementation of the North Carolina Scrap Tire Disposal Act that includes the amount of revenue used for grants and to clean up nuisance tire collection under the provisions of G.S 130A-309.64.

(11) A description of the management of white goods in the State, as required by G.S. 130A-309.85.

(12) A summary of the report by the Department of Transportation on the amounts and types of recycled materials that were specified or used in contracts that were entered into by the Department of Transportation during the previous fiscal year, as required by G.S. 136-28.8(g).

(13) Repealed by Session Laws 2010-142, s. 1, effective July 22, 2010.

(14) (Expiring October 1, 2023) A description of the activities related to the management of abandoned manufactured homes in the State in accordance with G.S. 130A-117, the beginning and ending balances in the Solid Waste Management Trust Fund for the reporting period and the amount of funds used, itemized by county, for grants made under Part 2F of Article 9 of Chapter 130A of the General Statutes.

(15) A report on the recycling of discarded computer equipment and televisions in the State pursuant to G.S. 130A-309.140(a).

(16) An evaluation of the Brownfields Property Reuse Act pursuant to G.S. 130A-310.40.

(17) A report on the Inactive Hazardous Waste Response Act of 1987 pursuant to G.S. 130A-310.10(a).

(18) A report on the Dry-Cleaning Solvent Cleanup Act of 1997 pursuant to G.S. 143-215.104U(a) until such time as the Act expires pursuant to Part 6 of Article 21A of Chapter 143 of the General Statutes.

(19) A report on the implementation and cost of the hazardous waste management program pursuant to G.S. 130A-294(i)."

SECTION 4.14.(b) G.S. 130A-309.140(a) reads as rewritten:

"(a) ~~No later than January 15 of each year, the Department shall submit a report on~~ The Department shall include in the status of solid waste management report required to be submitted on or before January 15 of each year pursuant to G.S. 130A-309.06(c) a report on the recycling of discarded computer equipment and televisions in the State under this ~~Part to the Environmental Review Commission.~~Part. The report must include an evaluation of the recycling rates in the State for discarded computer equipment and televisions, a discussion of compliance and enforcement related to the requirements of this Part, and any recommendations for any changes to the system of collection and recycling of discarded computer equipment, televisions, or other electronic devices."

SECTION 4.14.(c) G.S. 130A-310.40 reads as rewritten:

"**§ 130A-310.40. Legislative reports.**

The Department shall ~~prepare and submit to the Environmental Review Commission, concurrently with the report on the Inactive Hazardous Sites Response Act of 1987 required under G.S. 130A-310.10,~~ include in the status of solid waste management report required to be submitted on or before January 15 of each year pursuant to G.S. 130A-309.06(c) an evaluation of the effectiveness of this Part in facilitating the remediation and reuse of existing industrial and commercial properties. This evaluation shall include any recommendations for additional incentives or changes, if needed, to improve the effectiveness of this Part in addressing such properties. This evaluation shall also include a report on receipts by and expenditures from the Brownfields Property Reuse Act Implementation Account."

SECTION 4.14.(d) G.S. 130A-310.10(a) reads as rewritten:

"(a) The Secretary shall include in the status of solid waste management report required to be submitted on or before January 15 of each year pursuant to G.S. 130A-309.06(c) a report on inactive hazardous sites ~~to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, and the Fiscal Research Division on or before October 1 of each year. The report shall include~~ that includes at least the following:

(1) The Inactive Hazardous Waste Sites Priority List.

(2) A list of remedial action plans requiring State funding through the Inactive Hazardous Sites Cleanup Fund.

(3) A comprehensive budget to implement these remedial action plans and the adequacy of the Inactive Hazardous Sites Cleanup Fund to fund the cost of said plans.

(4) A prioritized list of sites that are eligible for remedial action under CERCLA/SARA together with recommended remedial action plans and a comprehensive budget to implement such plans. The budget for implementing a remedial action plan under CERCLA/SARA shall include a statement as to any appropriation that may be necessary to pay the State's share of such plan.

(5) A list of sites and remedial action plans undergoing voluntary cleanup with Departmental approval.

(6) A list of sites and remedial action plans that may require State funding, a comprehensive budget if implementation of these possible remedial action plans is required, and the adequacy of the Inactive Hazardous Sites Cleanup Fund to fund the possible costs of said plans.

(7) A list of sites that pose an imminent hazard.

(8) A comprehensive budget to develop and implement remedial action plans for sites that pose imminent hazards and that may require State funding, and the adequacy of the Inactive Hazardous Sites Cleanup Fund.

(8a) Repealed by Session Laws 2015-286, s. 4.7(f), effective October 22, 2015.

(9) Any other information requested by the General Assembly or the Environmental Review Commission."

SECTION 4.14.(e) G.S. 143-215.104U reads as rewritten:

"**§ 143-215.104U. Reporting requirements.**

(a) The Secretary shall ~~present an annual report to the Environmental Review Commission that shall include~~ include in the status of solid waste management report required to be submitted on or before January 15 of each year pursuant to G.S. 130A-309.06(c) a report on at least the following:

(1) A list of all dry-cleaning solvent contamination reported to the Department.

(2) A list of all facilities and abandoned sites certified by the Commission and the status of contamination associated with each facility or abandoned site.

(3) An estimate of the cost of assessment and remediation required in connection with facilities or abandoned sites certified by the Commission and an estimate of assessment and remediation costs expected to be paid from the Fund.

(4) A statement of receipts and disbursements for the Fund.

(5) A statement of all claims against the Fund, including claims paid, claims denied, pending claims, anticipated claims, and any other obligations.

(6) The adequacy of the Fund to carry out the purposes of this Part together with any recommendations as to measures that may be necessary to assure the continued solvency of the Fund.

~~(b) The Secretary shall make the annual report required by this section on or before 1 October of each year.~~"

SECTION 4.14.(f) G.S. 130A-294(i) reads as rewritten:

"(i) The Department shall ~~report to Fiscal Research Division of the General Assembly, the Senate Appropriations Subcommittee on Natural and Economic Resources, the House Appropriations Subcommittee on Natural and Economic Resources, and the Environmental Review Commission on or before January 1 of each year~~ include in the status of solid waste management report required to be submitted on or before January 15 of each year pursuant to G.S. 130A-309.06(c) a report on the implementation and cost of the hazardous waste management program. The report shall include an evaluation of how well the State and private parties are managing and cleaning up hazardous waste. The report shall also include recommendations to the Governor, State agencies, and the General Assembly on ways to: improve waste management; reduce the amount of waste generated; maximize resource recovery, reuse, and conservation; and minimize the amount of hazardous waste which must be disposed of. The report shall include beginning and ending balances in the Hazardous Waste Management Account for the reporting period, total fees collected pursuant to G.S. 130A-294.1, anticipated revenue from all sources, total expenditures by activities and categories for the hazardous waste management program, any recommended adjustments in annual and tonnage fees which may be necessary to assure the continued availability of funds sufficient to pay the State's share of the cost of the hazardous waste management program, and any other information requested by the General Assembly. In recommending adjustments in annual and tonnage fees, the Department may propose fees for hazardous waste generators, and for hazardous waste treatment facilities that treat waste generated on site, which are designed to encourage reductions in the volume or quantity and toxicity of hazardous waste. The report shall also include a description of activities undertaken to implement the resident inspectors program established under G.S. 130A-295.02. In addition, the report shall include an annual update on the mercury switch removal program that shall include, at a minimum, all of the following:

(1) A detailed description of the mercury recovery performance ratio achieved by the mercury switch removal program.
(2) A detailed description of the mercury switch collection system developed and implemented by vehicle manufacturers in accordance with the NVMSRP.
(3) In the event that a mercury recovery performance ratio of at least 0.90 of the national mercury recovery performance ratio as reported by the NVMSRP is not achieved, a description of additional or alternative actions that may be implemented to improve the mercury switch removal program.
(4) The number of mercury switches collected and a description of how the mercury switches were managed.
(5) A statement that details the costs required to implement the mercury switch removal program, including a summary of receipts and disbursements from the Mercury Switch Removal Account."

SECTION 4.14.(g) The first combined report required by subsections (a) through (f) of this section shall be submitted to the Environmental Review Commission and the Fiscal Research Division no later than January 15, 2018.

CONSOLIDATE SEDIMENTATION POLLUTION CONTROL ACT AND STORMWATER REPORTS

SECTION 4.15.(a) G.S. 113A-67 reads as rewritten:

"**§ 113A-67. Annual Report.**

The Department shall report to the Environmental Review Commission on the implementation of this Article on or before ~~1 October~~ October 1 of each year. The Department shall include in the report an analysis of how the implementation of the Sedimentation Pollution Control Act of 1973 is affecting activities that contribute to the sedimentation of streams, rivers, lakes, and other waters of the State. The report shall also include a review of the effectiveness of local erosion and sedimentation control programs. The report shall be submitted to the Environmental Review Commission with the report required by G.S. 143-214.7(e) as a single report."

SECTION 4.15.(b) G.S. 143-214.7(e) reads as rewritten:

"(e) On or before October 1 of each year, the ~~Commission~~ Department shall report to the Environmental Review Commission on the implementation of this section, including the status of any stormwater control programs administered by State agencies and units of local government. The status report shall include information on any integration of stormwater capture and reuse into stormwater control programs administered by State agencies and units of local government. The report shall be submitted to the Environmental Review Commission with the report required by G.S. 113A-67 as a single report."

SECTION 4.15.(c) The first combined report required by subsections (a) and (b) of this section shall be submitted to the Environmental Review Commission no later than October 1, 2017.

CONSOLIDATE VARIOUS WATER RESOURCES AND WATER QUALITY REPORTS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.16.(a) G.S. 143-355(n) is repealed.

SECTION 4.16.(b) G.S. 143-355(o)(9) is repealed.

SECTION 4.16.(c) G.S. 143-355 is amended by adding a new subsection to read:

"(p) Report. – The Department of Environmental Quality shall report to the Environmental Review Commission on the implementation of this section, including the development of the State water supply plan and the development of basinwide hydrologic models, no later than November 1 of each year. The Department shall submit the report required by this subsection with the report on basinwide water quality management plans required by G.S. 143-215.8B(d) as a single report."

SECTION 4.16.(d) G.S. 143-215.8B(d) reads as rewritten:

"(d) ~~The~~ As a part of the report required pursuant to G.S. 143-355(p), the Commission and the Department shall each report on or before ~~1 October~~ November 1 of each year on an annual basis to the Environmental Review Commission on the progress in developing and implementing basinwide water quality management plans and on increasing public involvement and public education in connection with basinwide water quality management planning. The report to the Environmental Review Commission by the Department shall include a written statement as to all concentrations of heavy metals and other pollutants in the surface waters of the State that are identified in the course of preparing or revising the basinwide water quality management plans."

SECTION 4.16.(e) The first combined report required by subsections (c) and (d) of this section shall be submitted to the Environmental Review Commission no later than November 1, 2017.

CONSOLIDATE REPORTS BY THE DIVISION OF WATER INFRASTRUCTURE OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE STATE WATER INFRASTRUCTURE AUTHORITY

SECTION 4.17.(a) G.S. 159G-26(a) reads as rewritten:

"(a) Requirement. – The Department ~~must~~ shall publish a report each year on the accounts in the Water Infrastructure Fund that are administered by the Division of Water Infrastructure. The report ~~must~~ shall be published by ~~1~~ November 1 of each year and cover the preceding fiscal year. The Department ~~must~~ shall make the report available to the public and ~~must~~ shall give a copy of the report to the Environmental Review ~~Commission and the~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research ~~Division of the Legislative Services Commission.~~Division with the report required by G.S. 159G-72 as a single report."

SECTION 4.17.(b) G.S. 159G-72 reads as rewritten:

"**§ 159G-72. State Water Infrastructure Authority; reports.**

No later than November 1 of each year, the Authority shall submit a report of its activity and findings, including any recommendations or legislative proposals, to the ~~Senate Appropriations Committee on Natural and Economic Resources, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division of the Legislative Services Commission.~~Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division with the report required by G.S. 159G-26(a) as a single report."

SECTION 4.17.(c) The first combined report required by subsections (a) and (b) of this section shall be submitted to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division no later than November 1, 2017.

CONSOLIDATE REPORTS BY SOIL AND WATER CONSERVATION COMMISSION AND THE DIVISION OF SOIL AND WATER CONSERVATION OF THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 4.18.(a) G.S. 106-850(e) reads as rewritten:

"(e) The Soil and Water Conservation Commission shall report on or before ~~31~~ January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division. This report shall include a list of projects that received State funding pursuant to the program, the results of the evaluations conducted pursuant to subdivision (7) of subsection (b) of this section, findings regarding the effectiveness of each of these projects to accomplish its primary purpose, and any recommendations to assure that State funding is used in the most cost-effective manner and accomplishes the greatest improvement in water quality. This report shall be submitted to the Environmental Review Commission and the Fiscal Research Division with the reports required by G.S. 106-860(e) and G.S. 139-60(d) as a single report."

SECTION 4.18.(b) G.S. 106-860(e) reads as rewritten:

"(e) Report. – The Soil and Water Conservation Commission shall report no later than ~~31~~ January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division. The report shall include a summary of projects that received State funding pursuant to the Program, the results of the evaluation conducted pursuant to subdivision (5) of subsection (b) of this section, findings regarding the effectiveness of each project to accomplish its primary purpose, and any recommendations to assure that State funding is used in the most cost-effective manner and accomplishes the greatest improvement in water quality. This report shall be submitted to the Environmental Review Commission and the Fiscal Research Division as a part of the report required by G.S. 106-850(e)."

SECTION 4.18.(c) G.S. 139-60(d) reads as rewritten:

"(d) Report. – No later than January 31 of each year, the Division of Soil and Water Conservation of the Department of Agriculture and Consumer Services shall prepare a comprehensive report on the implementation of subsections (a) through (c) of this section. The report shall be submitted to the Environmental Review Commission and the Fiscal Research Division as a part of the report required by G.S. 106-850(e)."

SECTION 4.18.(d) The first combined report required by subsections (a) through (c) of this section shall be submitted to the Environmental Review Commission and the Fiscal Research Division no later than January 31, 2018.

DECREASE REPORTING FREQUENCY ON TERMINAL GROINS PILOT PROJECT BY THE COASTAL RESOURCES COMMISSION

SECTION 4.19. G.S. 113A-115.1(i) reads as rewritten:

"(i) No later than ~~September 1 of each year,~~ January 1, 2019, and every five years thereafter, the Coastal Resources Commission shall report to the Environmental Review Commission on the implementation of this section. The report shall provide a detailed description of each proposed and permitted terminal groin and its accompanying beach fill project, including the information required to be submitted pursuant to subsection (e) of this section. For each permitted terminal groin and its accompanying beach fill project, the report shall also provide all of the following:

(1) The findings of the Commission required pursuant to subsection (f) of this section.

(2) The status of construction and maintenance of the terminal groin and its accompanying beach fill project, including the status of the implementation of the plan for construction and maintenance and the inlet management plan.

(3) A description and assessment of the benefits of the terminal groin and its accompanying beach fill project, if any.

(4) A description and assessment of the adverse impacts of the terminal groin and its accompanying beach fill project, if any, including a description and assessment of any mitigation measures implemented to address adverse impacts."

DECREASE REPORTING FREQUENCY ON PARKS SYSTEM PLAN BY THE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

SECTION 4.20. G.S. 143B-135.48(d) reads as rewritten:

"(d) No later than ~~October 1 of each year,~~ October 1, 2018, and every five years thereafter, the Department shall submit electronically the State Parks System Plan to the Environmental Review Commission, ~~the Senate and the House of Representatives appropriations committees with jurisdiction over natural and cultural resources,~~ the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division. Concurrently, the Department shall submit a summary of each change to the Plan that was made during the previous ~~fiscal year.~~five fiscal years."

REDIRECT INTERAGENCY REPORT ON SUPERFUND COST SHARE TO THE ANER OVERSIGHT COMMITTEE

SECTION 4.21. Section 15.6 of S.L. 1999-237 reads as rewritten:

"Section 15.6.(a) The Department of ~~Environment and Natural Resources~~ Environmental Quality may use available funds, with the approval of the Office of State Budget and Management, to provide the ten percent (10%) cost share required for Superfund cleanups on the National Priority List sites, to pay the operating and maintenance costs associated with these Superfund cleanups, and for the cleanup of priority inactive hazardous substance or waste disposal sites under Part 3 of Article 9 of Chapter 130A of the General Statutes. These funds may be in addition to those appropriated for this purpose.

"Section 15.6.(b) The Department of ~~Environment and Natural Resources~~ Environmental Quality and the Office of State Budget and Management shall report to the ~~Environmental Review Commission and the Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources the amount and the source of the funds used pursuant to subsection (a) of this section within 30 days of the expenditure of these funds."

REDIRECT REPORT ON EXPENDITURES FROM BERNARD ALLEN EMERGENCY DRINKING WATER FUND TO ANER OVERSIGHT COMMITTEE

SECTION 4.22. G.S. 87-98(e) reads as rewritten:

"(e) The Department, in consultation with the Commission for Public Health and local health departments, shall report no later than October 1 of each year to the ~~Environmental Review Commission, the House of Representatives and Senate Appropriations Subcommittees on Natural~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly on the implementation of this section. The report shall include the purpose and amount of all expenditures from the Fund during the prior fiscal year, a discussion of the benefits and deficiencies realized as a result of the section, and may also include recommendations for any legislative action."

REDIRECT REPORT ON PARKS AND RECREATION TRUST FUND TO THE ANER OVERSIGHT COMMITTEE

SECTION 4.23. G.S. 143B-135.56(f) reads as rewritten:

"(f) Reports. – The North Carolina Parks and Recreation Authority shall report no later than October 1 of each year to the Joint Legislative ~~Commission on Governmental Operations, the House and Senate Appropriations Subcommittees on Natural and Economic Resources,~~ Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on allocations from the Trust Fund from the prior fiscal year. For funds allocated from the Trust Fund under subsection (c) of this section, this report shall include the operating expenses determined under subdivisions (1) and (2) of subsection (e) of this section."

PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 5.1. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 5.2. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of April, 2017.

Session Law 2017-11 **H.B. 467**

AN ACT TO CLARIFY THE REMEDIES AVAILABLE IN PRIVATE NUISANCE ACTIONS AGAINST AGRICULTURAL AND FORESTRY OPERATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 57 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-702. Limitations on private nuisance actions against agricultural and forestry operations.**

(a) The compensatory damages that may be awarded to a plaintiff for a private nuisance action where the alleged nuisance emanated from an agricultural or forestry operation shall be as follows:

(1) If the nuisance is a permanent nuisance, compensatory damages shall be measured by the reduction in the fair market value of the plaintiff's property caused by the nuisance, but not to exceed the fair market value of the property.

(2) If the nuisance is a temporary nuisance, compensatory damages shall be limited to the diminution of the fair rental value of the plaintiff's property caused by the nuisance.

(b) If any plaintiff or plaintiff's successor in interest brings a subsequent private nuisance action against any agricultural or forestry operation, the combined recovery from all such actions shall not exceed the fair market value of his or her property. This limitation applies regardless of whether the subsequent action or actions were brought against a different defendant than the preceding action or actions.

(c) This Article shall apply to any private nuisance claim brought against any party based on that party's contractual or business relationship with an agricultural or forestry operation.

(d) This Article does not apply to any cause of action brought against an agricultural or forestry operation for negligence, trespass, personal injury, strict liability, or other cause of action for tort liability other than nuisance, nor does this Article prohibit or limit any request for injunctive relief or punitive damages that are otherwise available."

SECTION 2.(a) This act is effective when it becomes law and applies to causes of action commenced or brought on or after that date.

SECTION 2.(b) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

In the General Assembly read three times and ratified this the 27th day of April, 2017.

Session Law 2017-12 **S.B. 19**

AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN BOTH THE TOWN OF TROY AND THE TOWN OF STAR SHALL BE HELD IN EVEN-NUMBERED YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 125 of the 1957 Session Laws reads as rewritten:

"**Section 1.** ~~At the regular election for mayor and commissioners of the Town of Troy to be held May, 1957, there shall be elected a mayor and five commissioners.~~ The officers for the Town of Troy shall consist of a mayor and five commissioners. Beginning in 2018, regular municipal elections shall be held in each even-numbered year. The mayor shall serve for a term of two ~~years~~ years, except that the mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and biennially thereafter, the mayor shall be elected for a term of two years and shall serve until ~~his~~ the mayor's successor is elected and qualified. ~~At said election the three candidates receiving the highest number of votes shall serve for terms of four years, and the two candidates receiving the next highest number of votes shall serve for terms of two years.~~

~~Thereafter, at the regular biennial elections, as their terms of office expire, the commissioners shall be elected and shall serve for terms of four years and until their successors are elected and qualified. At the biennial elections held subsequent to 1957, the mayor shall be elected for a term of two years and shall serve said term until his successor is elected and qualified.~~The three commissioners whose terms expire in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, as their terms of office expire, three commissioners shall be elected to fill the expired seats and shall serve four-year terms. The two commissioners whose terms expire in 2019 shall continue to serve until 2020. In 2020, and quadrennially thereafter, as their terms of office expire, two commissioners shall be elected to fill the expired seats and shall serve four-year terms. Commissioners shall serve until their successors are elected and qualified."

SECTION 2. Section 1 of Chapter 448 of the 1957 Session Laws reads as rewritten:

"**Section 1.** ~~At the regular election for Mayor and Commissioners of the Town of Star to be held May, 1957, there shall be elected a mayor and five commissioners.~~ The officers for the Town of Star shall consist of a mayor and five commissioners. Beginning in 2018, regular municipal elections shall be held in each even-numbered year. The mayor shall serve for a term of two ~~years~~ years, except that the mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and biennially thereafter, the mayor shall be elected for a term of two years and shall serve until ~~his~~ the mayor's successor is elected and qualified. ~~At said election the three candidates receiving the highest number of votes shall serve for terms of four years, and the two candidates receiving the next highest number of votes shall serve for terms of two years. Thereafter, at the regular biennial elections, as their terms of office expire, the commissioners shall be elected and shall serve for terms of four years and until their successors are elected and qualified. At the biennial elections held subsequent to 1957, the mayor shall be elected for a term of two years and shall serve said term until his successor is elected and qualified.~~The three commissioners whose terms expire in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, as their terms of office expire, three commissioners shall be elected to fill the expired seats and shall serve four-year terms. The two commissioners whose terms expire in 2019 shall continue to serve until 2020. In 2020, and quadrennially thereafter, as their terms of office expire, two commissioners shall be elected to fill the expired seats and shall serve four-year terms. Commissioners shall serve until their successors are elected and qualified."

SECTION 3. This act is effective when it becomes law and applies to elections held on or after that date. No municipal elections shall occur in the towns of Troy and Star in 2017, and municipal elections shall next occur in the towns of Troy and Star in 2018.

In the General Assembly read three times and ratified this the 16th day of May, 2017.

Session Law 2017-13 **S.B. 37**

AN ACT TO CLARIFY THE AUTHORITY OF THE ROANOKE ISLAND VOLUNTEER FIRE DEPARTMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 246 of the Public-Local Laws of 1937 reads as rewritten:

"AN ACT TO CREATE A FIRE DISTRICT FOR THE PURPOSE OF LEVYING TAXES THEREIN CONSISTING OF ROANOKE ISLAND OUTSIDE OF MANTEO AND AUTHORIZING COOPERATION WITH MANTEO IN FIRE PROTECTION.

...

"**SECTION 3**. That the Board of Commissioners of Dare County are authorized, empowered and directed to cause to be paid over to the ~~governing authorities of the Town of Manteo~~ Roanoke Island Volunteer Fire Department or its successor all of the proceeds of taxes

so levied and collected under the authority of this Act, and said taxes so levied and collected shall be used exclusively for said purpose.

"**SECTION 4**. ~~That the governing authorities of the Town of Manteo are~~ That the Roanoke Island Volunteer Fire Department or its successor is authorized and empowered to receive the funds collected from taxes levied as aforesaid and use said funds exclusively for the purpose of providing fire equipment, maintaining same, and providing fire protection within the fire district herein organized, or using the same in conjunction with taxes levied and collected by the Town of Manteo and used for maintaining its fire department. The ~~Town of Manteo~~ Roanoke Island Volunteer Fire Department or its successor is hereby fully authorized and empowered to provide fire protection within the said fire district and make provision for the purchase of suitable firefighting equipment, which may be necessary for providing reasonable fire protection within said territory. Firefighting equipment purchased by funds from taxation within said district shall remain the property of the said district and shall be plainly designated by proper markings thereon indicating ownership thereof, but same shall be and remain in the custody and control of the ~~Town of Manteo~~ Roanoke Island Volunteer Fire Department or its successor for use by ~~its~~ the fire department which shall serve jointly the Town of Manteo and said fire district.

"**SECTION 5**. ~~The governing authorities of the Town of Manteo~~ The Roanoke Island Volunteer Fire Department or its successor shall annually on or before the first day of June in each year, make a report to the Board of Commissioners of Dare County, giving full information as to funds received from the taxes herein levied and the use and application thereof, and shall at the same time furnish to the said Board of Commissioners of Dare County a report covering the activities authorized by and under the provisions of this Act.

...."

SECTION 2. This act is effective when it becomes law and applies to taxes levied or collected on or after that date.

In the General Assembly read three times and ratified this the 16th day of May, 2017.

Session Law 2017-14 **S.B. 185**

AN ACT ABOLISHING THE OFFICE OF CORONER IN COLUMBUS AND CLEVELAND COUNTIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The office of coroner in Columbus County is abolished.

SECTION 1.(b) Chapter 152 of the General Statutes is not applicable to Columbus County.

SECTION 2.(a) The office of coroner in Cleveland County is abolished.

SECTION 2.(b) Chapter 152 of the General Statutes is not applicable to Cleveland County.

SECTION 2.(c) This section is effective on the earlier of a vacancy in the office of coroner in Cleveland County or the expiration of the current elected term of office.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of May, 2017.

Session Law 2017-15 **S.B. 156**

AN ACT TO CLARIFY THE TYPES OF ACTIVITY REGULATED BY THE STATE BOARD OF EXAMINERS OF PLUMBING, HEATING, AND FIRE SPRINKLER CONTRACTORS AND TO REAUTHORIZE THE BOARD TO ISSUE LICENSES FOR CERTAIN RESTRICTED CLASSIFICATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-21 reads as rewritten:

"**§ 87-21. Definitions; contractors licensed by Board; examination; posting license, etc.**

(a) Definitions. – For the purpose of this Article:

…

(5) Any person, firm or corporation, who for a valuable consideration, (i) verifies, inspects, evaluates, tests, installs, alters or restores, or offers to verify, inspect, evaluate, test, install, alter or restore, either plumbing, heating group number one, or heating group number two, or heating group number three, or (ii) verifies, inspects, evaluates, tests, lays out, fabricates, installs, alters or restores, or offers to verify, inspect, evaluate, test, lay out, fabricate, install, alter or restore fire sprinklers, or any combination thereof, as defined in this Article, shall be deemed and held to be engaged in the business of plumbing, heating, or fire sprinkler contracting; provided, however, that nothing herein shall be deemed to restrict the practice of qualified registered professional engineers. Any person who installs a plumbing, heating, or fire sprinkler system on property which at the time of installation was intended for sale or to be used primarily for rental is deemed to be engaged in the business of plumbing, heating, or fire sprinkler contracting without regard to receipt of consideration, unless exempted elsewhere in this Article.

…

(b) Classes of Licenses; Eligibility and Examination of Applicant; Necessity for License. –

(1) In order to protect the public health, comfort and safety, the Board shall establish two classes of licenses: Class I covering all plumbing, heating, and fire sprinkler systems for all structures, and Class II covering plumbing and heating systems in single-family detached residential dwellings.

(2) Restricted licenses or classifications. –

a. The Board shall establish and issue a fuel piping license for use by persons who do not possess the required Class I or Class II plumbing or heating license, but desire to engage in the contracting or installing of fuel piping extending from an approved fuel source at or near the premises, which piping is used or may be used to supply fuel to any systems, equipment, or appliances located inside the premises.

b. The Board shall establish and issue a limited plumbing contractor license for use by persons who do not possess the required Class I or Class II plumbing license but desire to engage in the contracting or installation, repair, or replacement of either of the following:

1. Exterior potable water service lines or backflow preventers serving irrigation systems or domestic water service systems of two inch diameter or smaller.
2. Exterior building sewer or water service piping of two inch diameter or smaller.

c. The Board shall establish and issue:

1. A State and local government plumbing, heating group number one, heating group number two, or heating group number three technician license for use by persons who do not possess the required plumbing, heating group number one, heating group number two, or heating group number three contractor license but desire to engage in the installation, repair, or replacement of plumbing, heating group number one, heating group number two, or heating

group number three solely as an employee of a State or local government agency.

2. A State and local government plumbing, heating group number one, heating group number two, or heating group number three technician license for use by persons who do possess the required plumbing, heating group number one, heating group number two, or heating group number three contractor license but also desire to engage in the installation, repair, or replacement of plumbing, heating group number one, heating group number two, or heating group number three as an employee of a State or local government agency without listing their contractor license in the name of the State or local government agency. Licensed contractors who obtain the State and local government technician license shall be allowed to contract and perform work under their contractor license only during hours such contractor is not actively employed with the State or local government as a technician, and is on-site carrying out the contracting activity personally. No work can be performed by the State or local government agency in reliance upon the technician license when the licensee is not present.

d. The Board may also establish additional restricted classifications to provide for:

1. The licensing of any person, partnership, firm, or corporation desiring to engage in a specific phase of heating, plumbing, or fire sprinkling contracting.

2. The licensing of any person, partnership, firm, or corporation desiring to engage in a specific phase of heating, plumbing, or fire sprinkling contracting that is an incidental part of their primary business, which is a lawful business other than heating, plumbing, or fire sprinkling contracting.

3. The licensing of any person desiring to engage in contracting and installing fuel piping from an approved fuel source on the premises to a point inside the residence.

…

(*l*) The provisions of this Article do not apply to any of the following persons to the extent the person does not claim to be a plumbing or heating contractor or is not acting in the capacity of a plumbing or heating contractor in the course of the person's duties:

(1) A home inspector licensed under Article 9F of Chapter 143 of the General Statutes.

(2) A certified Code-enforcement official licensed under Article 9C of Chapter 143 of the General Statutes.

(3) A residential energy services network (RESNET) certified home energy rater."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of May, 2017.

Session Law 2017-16 **S.B. 547**

AN ACT TO REQUIRE NOTICE AND HEARING BEFORE REMISSION OF AN ORDER OF RESTITUTION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 81C of Chapter 15A of the General Statutes is amended by adding a new section to read:

"**§ 15A-1340.39. Remission of restitution, notice, and hearing required.**

(a) Notice and Hearing Required. – No court may remit all or part of an order of restitution entered pursuant to G.S. 15A-1340.34 without providing notice and an opportunity to be heard to the district attorney and the victim, victim's estate, or any other entity to which the order directs restitution to be paid. The court shall provide notice to the district attorney and the victim, the victim's estate, or other entity of (i) the date and time of the hearing and (ii) the right to be heard and make an objection to the remission of all or part of the order of restitution, at least 15 days prior to hearing. Notice shall be made to the victim, victim's estate, or other entity by first-class mail to the address provided for receipt of funds paid pursuant to the order of restitution.

(b) Ruling; Criteria. – If the court finds that the remission of the order is warranted and serves the interests of justice, the court may remit the order of restitution.

(c) Civil Action not Abridged. – The remission of an order of restitution, pursuant to this section, does not abridge the right of a victim or the victim's estate to bring a civil action against the defendant for damages arising out of the offense committed by the defendant."

SECTION 2. This act becomes effective December 1, 2017, and applies to orders for remission entered on or after that date.

In the General Assembly read three times and ratified this the 16th day of May, 2017.

Session Law 2017-17 **H.B. 637**

AN ACT TO PROVIDE ADDITIONAL FLEXIBILITY FOR CERTAIN REGIONAL WATER AND SEWER INFRASTRUCTURE FUNDING.

The General Assembly of North Carolina enacts:

SECTION 1. Section 14.20A of S.L. 2016-94 reads as rewritten:

"**REGIONAL WATER AND SEWER ~~AUTHORITY~~ FUNDING**

"**SECTION 14.20A.(a)** Of the funds appropriated to the Department of Environmental Quality, Division of Water Infrastructure, by this act, the sum of fourteen million five hundred forty-eight thousand nine hundred eighty-one dollars ($14,548,981) shall be used ~~by the Division~~ to fund ~~interconnection and~~ interconnection, extension of water ~~lines to participating counties and municipalities undertaken by a Regional Water and Sewer Authority established pursuant to Article 1 of Chapter 162A of the General Statutes, provided that the Authority includes~~ lines, and related water system modification and expansion involving the Counties of Rockingham and Guilford and ~~one or more municipalities within those counties. The funds allocated by this section may also be used for one or more regional interconnections with municipalities in Rockingham or Guilford Counties that do not join the Authority described by this subsection if the interconnections are necessary to provide sufficient water resources to support the water system expansion needed to meet current and planned future needs of the Authority.~~the municipalities of Oak Ridge, Stokesdale, Summerfield, Reidsville, Madison, and Mayodan. Of the funds allocated by this section, no more than twenty-five percent (25%) of the funds shall be used for Guilford County and may include one or more of the municipalities listed in this section located in Guilford County, and no more than seventy-five percent (75%) shall be used for Rockingham County and may include one or more of the municipalities listed in this section located in Rockingham County. The funds allocated by this section may be spent for planning, design, survey, real property acquisition, construction, repair, and any other activities necessary to improve the performance and reliability and expand the capacity and service footprint of participating water systems in Rockingham and Guilford Counties. The Counties of Rockingham and Guilford and the municipalities participating in the

interconnection and extension of water lines within each county funded by this section shall agree on the use of the funds allocated by this section through any combination of (i) interlocal agreements under Article 20 of Chapter 160A of the General Statutes that specify, at a minimum, the ownership of the water lines and infrastructure funded by this section and long-term maintenance, repair, and replacement responsibility or (ii) one or more regional water and sewer authorities under Article 1 of Chapter 162A of the General Statutes.

"**SECTION 14.20A.(b)** ~~If the Regional Water Authority described by this section is formed prior to June 30, 2017, the Division of Water Infrastructure shall transfer the funds allocated by this section to the Authority for the purposes described in subsection (a) of this section. Otherwise, the funds allocated by this section shall revert to the General Fund.~~ Notwithstanding ~~G.S. 143C-6-23(f1)(1),~~ G.S. 143C-6-23(f1)(1) and G.S. 143C-1-2, funds allocated ~~to the Authority but not used~~ by this section shall be held in reserve by the Office of State Budget and Management and the allocations to each County shall be released when the County and one or more of the municipalities specified in subsection (a) of this section reach agreement on the funds allocated to that County by this section through interlocal agreements or the formation of regional water and sewer authorities or a combination of interlocal agreements and regional water and sewer authorities. Funds not spent or encumbered by June 30, 2020, shall be returned by the local governments or regional water and sewer authority to the Office of State Budget and Management and revert to the General Fund."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of May, 2017.

Session Law 2017-18 **S.B. 24**

AN ACT ALLOWING FOOD ESTABLISHMENTS TO USE OUTDOOR GRILLS FOR FOOD PREPARATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-248 is amended by adding a new subsection to read:

"(c2) Notwithstanding any provision of this Part, a food establishment may use an outdoor grill to prepare food for customers for sample or sale if all of the following criteria are met:

(1) The outdoor grill is located on the premises of the food establishment and is continuously supervised by a food employee when the grill is in use.

(2) The outdoor grill has a cooking surface made of stainless steel or cast iron, meets sanitation requirements for equipment in a food establishment, and is stationed on a concrete or asphalt foundation.

(3) The outdoor grill is not operated within 10 feet of combustible construction.

(4) All open food and utensils are provided with overhead protection or otherwise equipped with individual covers, such as domes, chafing lids, or cookers with hinged lids.

(5) The outdoor grill is located in an enclosed area and protected from environmental contamination when not in operation.

(6) The outdoor grill and concrete or asphalt foundation are cleaned daily on any day that the grill is in operation.

(7) Raw meat, poultry, and fish are prepared in a pre-portioned or ready-to-cook form inside the food establishment and may only be handled indirectly with utensils when using the outdoor grill. Food prepared on the outdoor grill is processed inside the food establishment."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of May, 2017.

Session Law 2017-19 **H.B. 25**

AN ACT TO ALLOW FOR PLANNING BOARDS TO HOLD HEARINGS AND MAKE FINAL DECISIONS FOR ZONING AMENDMENT REQUESTS IN RANDOLPH COUNTY AND MUNICIPALITIES LOCATED ENTIRELY OR PARTIALLY WITHIN RANDOLPH COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-343 reads as rewritten:

"**§ 153A-343. Method of procedure.**

(a) The board of commissioners shall, in accordance with the provisions of this Article, provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established, and enforced, and from time to time amended, supplemented, or changed. The procedures adopted pursuant to this section shall provide that whenever there is a zoning map amendment, the owner of that parcel of land as shown on the county tax listing, and the owners of all parcels of land abutting that parcel of land as shown on the county tax listing, shall be mailed a notice of a public hearing on the proposed amendment by first class mail at the last addresses listed for such owners on the county tax abstracts. This notice must be deposited in the mail at least 10 but not more than 25 days prior to the date of the public hearing. Except for a county-initiated zoning map amendment, when an application is filed to request a zoning map amendment and that application is not made by the owner of the parcel of land to which the amendment would apply, the applicant shall certify to the board of commissioners that the owner of the parcel of land as shown on the county tax listing has received actual notice of the proposed amendment and a copy of the notice of public hearing. The person or persons required to provide notice shall certify to the board of commissioners that proper notice has been provided in fact, and such certificate shall be deemed conclusive in the absence of fraud.

(b) The first class mail notice required under subsection (a) of this section shall not be required if the zoning map amendment directly affects more than 50 properties, owned by a total of at least 50 different property owners, and the county elects to use the expanded published notice provided for in this subsection. In this instance, a county may elect to either make the mailed notice provided for in subsection (a) of this section or may as an alternative elect to publish notice of the hearings required by G.S. 153A-323, but provided that each of the advertisements shall not be less than one-half of a newspaper page in size. The advertisement shall only be effective for property owners who reside in the area of general circulation of the newspaper which publishes the notice. Property owners who reside outside of the newspaper circulation area, according to the address listed on the most recent property tax listing for the affected property, shall be notified according to the provisions of subsection (a) of this section.

(b1) Actual notice of the proposed amendment and a copy of the notice of public hearing required under subsection (a) of this section shall be by any manner permitted under G.S. 1A-1, Rule 4(j). If notice cannot with due diligence be achieved by personal delivery, registered or certified mail, or by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2), notice may be given by publication consistent with G.S. 1A-1, Rule 4(j1). This subsection applies only to an application to request a zoning map amendment where the application is not made by the owner of the parcel of land to which the amendment would apply. This subsection does not apply to a county-initiated zoning map amendment.

...

(d) When a zoning map amendment is proposed, the county shall prominently post a notice of the public hearing on the site proposed for rezoning or on an adjacent public street or

highway right-of-way. When multiple parcels are included within a proposed zoning map amendment, a posting on each individual parcel is not required, but the county shall post sufficient notices to provide reasonable notice to interested persons.

(e) The board of commissioners may, by ordinance, delegate to the planning board the authority to conduct the public hearing required under this Article and make the final decision on zoning map amendment proposals, including the adoption of a consistency statement pursuant to G.S. 153A-341. The board of commissioners may prescribe procedures for the public hearing that are not inconsistent with this Article. The planning board shall make its final decision by majority vote of the members of the planning board. Any person aggrieved by a final decision of the planning board pursuant to this subsection may appeal to the board of commissioners by providing written notice to the county manager within 15 days of the final decision. On appeal, the board of commissioners shall review the decision of the planning board de novo. The board of commissioners may, by ordinance, rescind or modify any authority delegated to the planning board pursuant to this subsection."

SECTION 2. G.S. 160A-384 reads as rewritten:

"**§ 160A-384. Method of procedure.**

(a) The city council shall provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established and enforced, and from time to time amended, supplemented or changed, in accordance with the provisions of this Article. The procedures adopted pursuant to this section shall provide that whenever there is a zoning map amendment, the owner of that parcel of land as shown on the county tax listing, and the owners of all parcels of land abutting that parcel of land as shown on the county tax listing, shall be mailed a notice of a public hearing on the proposed amendment by first class mail at the last addresses listed for such owners on the county tax abstracts. This notice must be deposited in the mail at least 10 but not more than 25 days prior to the date of the public hearing. Except for a city-initiated zoning map amendment, when an application is filed to request a zoning map amendment and that application is not made by the owner of the parcel of land to which the amendment would apply, the applicant shall certify to the city council that the owner of the parcel of land as shown on the county tax listing has received actual notice of the proposed amendment and a copy of the notice of public hearing. The person or persons required to provide notice shall certify to the city council that proper notice has been provided in fact, and such certificate shall be deemed conclusive in the absence of fraud.

(b) The first class mail notice required under subsection (a) of this section shall not be required if the zoning map amendment directly affects more than 50 properties, owned by a total of at least 50 different property owners, and the city elects to use the expanded published notice provided for in this subsection. In this instance, a city may elect to either make the mailed notice provided for in subsection (a) of this section or may as an alternative elect to publish notice of the hearing as required by G.S. 160A-364, but provided that each advertisement shall not be less than one-half of a newspaper page in size. The advertisement shall only be effective for property owners who reside in the area of general circulation of the newspaper which publishes the notice. Property owners who reside outside of the newspaper circulation area, according to the address listed on the most recent property tax listing for the affected property, shall be notified according to the provisions of subsection (a) of this section.

(b1) Actual notice of the proposed amendment and a copy of the notice of public hearing required under subsection (a) of this section shall be by any manner permitted under G.S. 1A-1, Rule 4(j). If notice cannot with due diligence be achieved by personal delivery, registered or certified mail, or by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2), notice may be given by publication consistent with G.S. 1A-1, Rule 4(j1). This subsection applies only to an application to request a zoning map amendment where the application is not made by the owner of the parcel of land to which the amendment would apply. This subsection does not apply to a city-initiated zoning map amendment.

(c) When a zoning map amendment is proposed, the city shall prominently post a notice of the public hearing on the site proposed for rezoning or on an adjacent public street or

highway right-of-way. When multiple parcels are included within a proposed zoning map amendment, a posting on each individual parcel is not required, but the city shall post sufficient notices to provide reasonable notice to interested persons.

(d) The city council may, by ordinance, delegate to the planning board the authority to conduct the public hearing required under this Article and make the final decision on zoning map amendment proposals, including the adoption of a consistency statement pursuant to G.S. 160A-383. The city council may prescribe procedures for the public hearing that are not inconsistent with this Article. The planning board shall make its final decision by majority vote of the members of the planning board. Any person aggrieved by a final decision of the planning board pursuant to this subsection may appeal to the city council by providing written notice to the city manager within 15 days of the final decision. On appeal, the city council shall review the decision of the planning board de novo. The city council may, by ordinance, rescind or modify any authority delegated to the planning board pursuant to this subsection."

SECTION 3.(a) Section 1 of this act applies to Randolph County. Section 2 of this act applies to municipalities located entirely or partially within Randolph County.

SECTION 3.(b) This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of May, 2017.

Session Law 2017-20 **H.B. 111**

AN ACT PROVIDING THAT THE CITY OF WINSTON-SALEM MAY RECOVER THE COST OF SERVING COMPLAINTS AND ORDERS BY PUBLICATION IN HOUSING CODE ENFORCEMENT CASES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-443 reads as rewritten:

"**§ 160A-443. Ordinance authorized as to repair, closing, and demolition; order of public officer.**

Upon the adoption of an ordinance finding that dwelling conditions of the character described in G.S. 160A-441 exist within a city, the governing body of the city is hereby authorized to adopt and enforce ordinances relating to dwellings within the city's territorial jurisdiction that are unfit for human habitation. These ordinances shall include the following provisions:

…

(6) Liens. –

a. That the amount of the actual cost of service of complaints and orders by publication, repairs, alterations or improvements, or vacating and closing, or removal or demolition by the public officer shall be a lien against the real property upon which the cost was incurred, which lien shall be filed, have the same priority, and be collected as the lien for special assessment provided in Article 10 of this Chapter.

…."

SECTION 2. This act applies to the City of Winston-Salem only.

SECTION 3. This act is effective when it becomes law and applies to complaints or orders pursuant to Part 6 of Article 19 of Chapter 160A of the General Statutes issued on or after that date.

In the General Assembly read three times and ratified this the 30th day of May, 2017.

Session Law 2017-21 **H.B. 449**

AN ACT PROVIDING THAT HENDERSON COUNTY IS AUTHORIZED TO CONSTRUCT COMMUNITY COLLEGE BUILDINGS ON THE CAMPUS OF BLUE

RIDGE COMMUNITY COLLEGE TO BE USED FOR A LAW ENFORCEMENT TRAINING CENTER.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115D-9, 115D-15.1, 143-341(3), or any other provision of law, Henderson County is hereby authorized to construct or renovate community college buildings, as that term is defined in G.S. 143-336, on the campus of Blue Ridge Community College located within Henderson County to be used for a law enforcement training center, provided that Henderson County complies with all of the following:

(1) Article 3D of Chapter 143 of the General Statutes (Procurement of Architectural, Engineering, and Surveying Services).
(2) Article 8 of Chapter 143 of the General Statutes (Public Contracts).
(3) Article 8 of Chapter 159 of the General Statutes (Financing Agreements and Other Financing Arrangements).
(4) G.S. 160A-20 (Security interests).
(5) Henderson County consults with the Board of Trustees of Blue Ridge Community College about programming requirements for the buildings and keeps the Board of Trustees informed as to the construction process and progress.
(6) Henderson County funds all projects entirely with County funds.

SECTION 2. Henderson County and the Board of Trustees of Blue Ridge Community College may enter into a memorandum of understanding to allow for the construction of community college buildings authorized by Section 1 of this act in a timely fashion and cost-efficient manner if deemed appropriate by the parties.

SECTION 3.(a) Within 30 days of the effective date of this act, the Board of Trustees of Blue Ridge Community College shall transfer title to the following property to Henderson County for the life of any debt incurred against the property by Henderson County for the construction or renovation of community college buildings authorized by Section 1 of this act:

BEING all of the property recorded at Plat Slide 10552, Book 2017 in the Office of the Register of Deeds for Henderson County, North Carolina.

SECTION 3.(b) Upon the satisfaction of any debt incurred against the property described in this section, Henderson County shall transfer title to the property back to the Board of Trustees of Blue Ridge Community College. If no debt is incurred against the property described in this section by Henderson County for the construction or renovation of community college buildings on or before December 31, 2020, Henderson County shall transfer title to the property back to the Board of Trustees of Blue Ridge Community College.

SECTION 4. Henderson County and the Board of Trustees of Blue Ridge Community College may enter into a lease agreement in accordance with G.S. 160A-274 for any space in County-owned buildings located within Henderson County if deemed appropriate by the parties.

SECTION 5. Sections 1 through 3 of this act are effective when they become law and apply only to construction and renovation projects by Henderson County on the campus of Blue Ridge Community College located within Henderson County between January 1, 2016, and December 31, 2021. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of May, 2017.

Session Law 2017-22 **S.B. 53**

AN ACT TO AUTHORIZE A LAW ENFORCEMENT OFFICER TO OBTAIN CUSTODY OF A CHILD UPON DETERMINATION BY THE COURT THAT THE CHILD IS IN DANGER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50-13.3 reads as rewritten:

"**§ 50-13.3. Enforcement of order for custody.**

…

(c) Notwithstanding subsections (a) and (b) of this section, a warrant to take physical custody of a child issued by a court pursuant to G.S. 50A-311 is enforceable throughout this State."

SECTION 2. G.S. 50-13.5 reads as rewritten:

"**§ 50-13.5. Procedure in actions for custody or support of minor children.**

…

(d) Service of Process; Notice; Interlocutory Orders. –

…

(3) A temporary order for custody which changes the living arrangements of a child or changes custody shall not be entered ex parte and prior to service of process or notice, unless the court finds that the child is exposed to a substantial risk of bodily injury or sexual abuse or that there is a substantial risk that the child may be abducted or removed from the State of North Carolina for the purpose of evading the jurisdiction of North Carolina courts. A temporary custody order that requires a law enforcement officer to take physical custody of a minor child shall be accompanied by a warrant to take physical custody of a minor child as set forth in G.S. 50A-311.

…."

SECTION 3. G.S. 50A-311 reads as rewritten:

"**§ 50A-311. Warrant to take physical custody of child.**

(a) Upon the filing of a petition seeking enforcement of a child-custody determination, the petitioner may file a verified application for the issuance of a warrant to take physical custody of the child if the child is immediately likely to suffer serious physical harm or be removed from this State.

(b) If the court, upon the testimony of the petitioner or other witness, finds that the child is imminently likely to suffer serious physical harm or be removed from this State, it may issue a warrant to take physical custody of the child. The petition must be heard on the next judicial day after the warrant is executed unless that date is impossible. In that event, the court shall hold the hearing on the first judicial day possible. The application for the warrant must include the statements required by G.S. 50A-308(b).

(c) A warrant to take physical custody of a child must:

(1) Recite the facts upon which a conclusion of imminent serious physical harm or removal from the jurisdiction is based;

(2) Direct law enforcement officers to take physical custody of the child immediately; and

(3) Provide for the placement of the child pending final relief.

(d) The respondent must be served with the petition, warrant, and order immediately after the child is taken into physical custody.

(e) A warrant to take physical custody of a child is enforceable throughout this State. If the court finds on the basis of the testimony of the petitioner or other witness that a less intrusive remedy is not ~~effective,~~ available, it may authorize law enforcement officers to enter private property to take physical custody of the child. If required by exigent circumstances of the case, the court may authorize law enforcement officers to make a forcible entry at any hour. An officer executing a warrant to take physical custody of the child, that is complete and regular on its face, is not required to inquire into the regularity and continued validity of the order. An officer executing a warrant pursuant to this section shall not incur criminal or civil liability for its due service.

(f) The court may impose conditions upon placement of a child to ensure the appearance of the child and the child's custodian."

SECTION 4. This act becomes effective October 1, 2017, and applies to orders for temporary custody on or after that date.

In the General Assembly read three times and ratified this the 22nd day of May, 2017.

Session Law 2017-23 **H.B. 228**

AN ACT TO POSTPONE THE IMPLEMENTATION OF NEW ARTICLE 14A OF CHAPTER 66 OF THE GENERAL STATUTES, WHICH REVISED THE LAW ON ASSUMED BUSINESS NAMES, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. The implementation of Article 14A of Chapter 66 of the General Statutes, the Assumed Business Name Act, as enacted by S.L. 2016-100, is postponed to December 1, 2017. The provisions of former Article 14 of Chapter 66 of the General Statutes shall continue to apply until that time.

SECTION 2. G.S. 66-71.15 reads as rewritten:

"**§ 66-71.15. Expiration of certificates filed under Article 14; transition provisions.**

(a) All certificates of assumed name filed under former Article 14 of this Chapter expire ~~July 1,~~December 1, 2022, and the provisions of that former Article continue to apply to them until that date except as provided in this section. On or after that date, any person that (i) is listed as an owner of the business in a certificate of assumed name filed under that former Article and (ii) desires to continue engaging in business in this State under the assumed business name after that date must file an assumed business name certificate under this Article.

(b) At least one person listed as an owner of the business in a certificate of assumed name under former Article 14 of this Chapter must file an assumed business name certificate before the certificate of assumed name expires under subsection (a) of this section if any of the following occur:

(1) A general partnership would have been required to file a new certificate of assumed name under former G.S. 66-68(c) due to the withdrawal or addition of a partner.

(2) Any of the information in the certificate of assumed name required under former G.S. 66-68(a) has changed, and the person desires to continue engaging in business in this State.

(c) No person shall file a new certificate of assumed name under former Article 14 of this Chapter on or after ~~July 1,~~December 1, 2017. Any document or other record filed on or after that date to register an assumed business name is deemed to be filed under this Article, even if it is described as a certificate of assumed name rather than an assumed business name certificate, or if it expressly refers to former Article 14 of this Chapter.

(d) A person that filed a certificate of assumed name that has not expired may withdraw the assumed name under the provisions of former G.S. 66-68(f). Any such withdrawal is deemed to be a withdrawal under former G.S. 66-68(f), even if it is described as a withdrawal under this Article.

(e) No person shall file a certificate of amendment under this Article to a certificate of assumed name filed under former Article 14 of this Chapter. If any such amendment is nevertheless filed, it is not effective as a certificate of amendment or as an assumed business name certificate under this Article.

(f) The register of deeds shall not transmit a scanned image to the Secretary of State, or enter any of the information required by G.S. 66-71.10 into the central database maintained by the Secretary of State, of any withdrawal or transfer of an assumed name or any amendment to a certificate of assumed name when the certificate of assumed name to which the withdrawal, transfer, or amendment relates was filed before ~~July 1,~~December 1, 2017.

(g) Other than this section, this Article does not apply to a certificate of assumed name or a withdrawal of an assumed name under former Article 14 of this Chapter."

SECTION 3. The introductory language of Section 3(b) of S.L. 2016-100 reads as rewritten:

"**SECTION 3.(b)** Effective ~~July 1, 2021,~~December 1, 2022, G.S. 1-69.1(a)(3), as amended by this section, reads as rewritten:"

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of May, 2017.

Session Law 2017-24 **H.B. 208**

AN ACT TO ENSURE THAT PATIENTS HAVE THE RIGHT TO CHOOSE THEIR OCCUPATIONAL THERAPIST UNDER THEIR HEALTH BENEFIT PLANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-50-30(b) is amended by adding a new subdivision to read:

"**§ 58-50-30. Right to choose services of certain providers.**

...

(b) This section applies to the following provider types:

...

(16) An occupational therapist licensed by the North Carolina Board of Occupational Therapy pursuant to Article 18D of Chapter 90 of the General Statutes."

SECTION 2. This act becomes effective October 1, 2017, and applies to health benefit contracts issued, renewed, or amended on or after that date.

In the General Assembly read three times and ratified this the 24th day of May, 2017.

Session Law 2017-25 **H.B. 144**

AN ACT TO MAKE VARIOUS CHANGES TO THE GENERAL STATUTES TO INCLUDE CREDIT UNIONS BY REFERENCING FEDERALLY INSURED DEPOSITORY INSTITUTIONS AND TO INCLUDE TRUST INSTITUTIONS, TO DECREASE THE FREQUENCY OF EXAMINATIONS BY THE ADMINISTRATOR OF CREDIT UNIONS, AND TO CORRECT A CITATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 1A-1, Rule 22, reads as rewritten:

"**Rule 22. Interpleader.**

…

(b) Where funds are subject to competing claims by parties to the action, the court may order the party in possession of the funds either to deposit the funds in an interest bearing account in a ~~bank, savings and loan, or trust company licensed to do business in this State~~ federally insured depository institution or a trust institution authorized to do business in this State or to deposit the funds with the clerk. If the funds are deposited in a ~~bank, savings and loan, or trust company,~~ federally insured depository institution or a trust institution authorized to do business in this State, the court shall specify the type of interest bearing account to be used. Funds deposited with the clerk shall be invested or deposited as provided in G.S. 7A-112 and G.S. 7A-112.1. Upon determination of the action, the judgment shall provide for disbursement of the principal and interest earned on the funds while so deposited."

SECTION 1.(b) G.S. 20-63.01 reads as rewritten:

"**§ 20-63.01. Bonds required for commission contractors.**

...

(c) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Division and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Division, an applicant may file with the clerk of the superior court and/or the register of deeds of the county in which the commission contractor will be located, in lieu of a bond:

(1) An assignment of a savings account in an amount equal to the bond required (i) ~~which~~ that is in a form acceptable to the Division; (ii) ~~which~~ that is executed by the applicant; (iii) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section.

(2) A certificate of deposit (i) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State; (ii) ~~which~~ that is either payable to the State of North Carolina, unrestrictively endorsed to the Division of Motor Vehicles; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Division of Motor Vehicles; or in the case of a nonnegotiable certificate of deposit, is assigned to the Division of Motor Vehicles in a form satisfactory to the Division; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section."

SECTION 1.(c) G.S. 42A-17(a) reads as rewritten:

"(a) A vacation rental agreement shall identify the name and address of the ~~bank or savings and loan association~~ federally insured depository institution or trust institution in which the tenant's security deposit and other advance payments are held in a trust account, and the landlord and real estate broker shall provide the tenant with an accounting of such deposit and payments if the tenant makes a reasonable request for an accounting prior to the tenant's occupancy of the property."

SECTION 1.(d) G.S. 85B-7.1(a) reads as rewritten:

"(a) Each licensee who does not disburse all funds to the seller on auction day shall maintain a trust or escrow account and shall deposit in the account all funds that are received for the benefit of another person and are not disbursed to the seller on auction day. The licensee shall deposit funds that are not disbursed on auction day with ~~an insured bank or savings and loan association located in North Carolina.~~ a federally insured depository institution or a trust institution authorized to do business in this State. At or before the time of all final settlements, the auctioneer shall provide the seller or consignor with a settlement statement, which includes a description of all goods sold, the selling price of the goods sold, the net proceeds due to the seller or consignor, the name and address of the person receiving the disbursement, and the amount of the disbursement. All settlement statements shall be signed by the licensee or the licensee's agent and by the person receiving the disbursement."

SECTION 1.(e) G.S. 85B-8 reads as rewritten:

"**§ 85B-8. Prohibited acts; assessment of civil penalty; denial, suspension, or revocation of license.**

(a) The following shall be grounds for the assessment of a civil penalty in accordance with G.S. 85B-3.1(b) or the denial, suspension, or revocation of an auctioneer, auctioneer apprentice, or auction firm license:

...

(7) Commingling the funds or property of a client with the licensee's own or failing to maintain and deposit in a trust or escrow account in ~~an insured bank or savings and loan association located in North Carolina~~ a federally insured depository institution or a trust institution authorized to do business in this State funds received for another person through sale at auction.

...."

SECTION 1.(f) G.S. 86A-22 reads as rewritten:

"**§ 86A-22. Licensing and regulating barber schools and colleges.**

The North Carolina State Board of Barber Examiners may approve barber schools or colleges in the State, and may prescribe rules and regulations for their operation. The Board shall adopt rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber school or college shall be approved by the Board unless the school or college meets all of the following requirements:

...

(7) ...

c. An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subpart. With the approval of the Board, an applicant may file with the clerk of the superior court of the county in which the school will be located, in lieu of a bond:

1. An assignment of a savings account in an amount equal to the bond required (i) ~~which~~ that is in a form acceptable to the Board; (ii) ~~which~~ that is executed by the applicant; ~~and~~ (iii) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank, that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above.

2. A certificate of deposit (i) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank, which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State ~~and~~ (ii) ~~which~~ that is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above."

SECTION 1.(g) G.S. 88B-17 reads as rewritten:

"**§ 88B-17. Bond required for private cosmetic art schools.**

...

(c) An applicant who is unable to secure a bond may seek from the Board a waiver of the guaranty bond requirement and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Board, an applicant may file one of the following instead of a bond with the clerk of court in the county in which the school is located:

(1) An assignment of a savings account in an amount equal to the bond required that is in a form acceptable to the Board, and is executed by the applicant and a ~~state or federal savings and loan association, state bank, or national bank that is doing business in this State and whose accounts are insured by a federal depositor's corporation,~~ federally insured depository institution or a trust institution authorized to do business in this State, and access to the account is subject to the same conditions as those for a bond in subsection (b) of this section.

(2) A certificate of deposit that is executed by a ~~state or federal savings and loan association, state bank, or national bank that is doing business in this State and whose accounts are insured by a federal depositor's corporation~~ federally insured depository institution or a trust institution authorized to do business in this State and access to the certificate of deposit is subject to the same conditions as those for a bond in subsection (b) of this section."

SECTION 1.(h) G.S. 90-171.55 reads as rewritten:

"**§ 90-171.55. Nurses Aides Registry.**

...

(b) ...

(3) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subdivision. With the approval of the Board, an applicant may file with the clerk of the superior court of the county in which the program will be located, in lieu of a bond:

a. An assignment of a savings account in an amount equal to the bond required (i) ~~which~~ that is in a form acceptable to the Board; (ii) ~~which~~ that is executed by the applicant; ~~and~~ (iii) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank, that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection.

b. A certificate of deposit (i) ~~which~~ that is executed by a ~~state or federal savings and loan association, state bank, or national bank, which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution or a trust institution authorized to do business in this State ~~and~~ (ii) ~~which~~ that is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection."

SECTION 1.(i) G.S. 90-210.86 reads as rewritten:

"**§ 90-210.86. Deposit or investment of funds of mutual burial associations.**

Funds belonging to each mutual burial association over and above the amount determined by the Board of Funeral Service to be necessary for operating capital shall be invested in:

(1) Deposits in any ~~bank or trust company in this State.~~federally insured depository institution or any trust institution authorized to do business in this State.

(2) Obligations of the United States of America.

(3) Obligations of any agency or instrumentality of the United States of America if the payment of interest and principal of ~~such~~ the obligations is fully guaranteed by the United States of America.

(4) Obligations of the State of North Carolina.

(5) Bonds and notes of any North Carolina local government or public authority, subject to ~~such~~ restrictions as the Board of Funeral Service may impose.

(6) Shares of or deposits in any savings and loan association organized under the laws of this State and shares of or deposits in any federal savings and loan association having its principal office in this State, provided that ~~any such~~ the savings and loan association is insured by the United States of America or any agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Insurance of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.

(7) Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks, maturing no later than 18 months after the date of purchase.

Violation of the provisions of this section shall, after hearing, be cause for revocation or suspension of license to operate a mutual burial association."

SECTION 1.(j) G.S. 93A-3 reads as rewritten:

"**§ 93A-3. Commission created; compensation; organization.**

...

(b) The provisions of G.S. 93B-5 notwithstanding, members of the Commission shall receive as compensation for each day spent on work for the Commission a per diem in an amount established by the Commission by rule, and mileage reimbursement for transportation by privately owned automobile at the business standard mileage rate set by the Internal Revenue Service per mile of travel along with actual cost of tolls paid. The total expense of the administration of this Chapter shall not exceed the total income therefrom; and none of the expenses of said Commission or the compensation or expenses of any office thereof or any employee shall ever be paid or payable out of the treasury of the State of North Carolina; and neither the Commission nor any officer or employee thereof shall have any power or authority to make or incur any expense, debt or other financial obligation binding upon the State of North Carolina. After all expenses of operation, the Commission may set aside an expense reserve each year. The Commission may deposit moneys in accounts, certificates of deposit, or time deposits as the Commission may approve, in any ~~bank, savings and loan association, or trust company.~~ federally insured depository institution or any trust institution authorized to do business in this State. Moneys also may be invested in the same classes of securities referenced in G.S. 159-30(c).

...."

SECTION 1.(k) G.S. 93A-42 reads as rewritten:

"**§ 93A-42. Time shares deemed real estate.**

...

(d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and maintain the purchaser's payments in an insured trust or escrow account in a ~~bank or savings and loan association located in this State.~~ federally insured depository institution or a trust institution authorized to do business in this State. The trust or escrow account may be interest-bearing and the interest earned shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the time share instrument is not recorded within the time periods specified in this section, then the interest earned shall belong to the purchaser. The independent escrow agent shall return all payments to the purchaser at the expiration of 180 days following the execution of the contract of sale by the purchaser, unless prior to that time the time share instrument has been recorded. However, if prior to the expiration of 180 days

following the execution of the contract of sale, the developer and the purchaser provide their written consent to the independent escrow agent, the developer's obligation to record the time share instrument and the escrow period may be extended for an additional period of 120 days. Upon recordation of the time share instrument, the independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the Commission, the independent escrow agent shall promptly make available to the Commission inspection of records of money held by the independent escrow agent.

...."

SECTION 1.(l) G.S. 93A-45 reads as rewritten:

"**§ 93A-45. Purchaser's right to cancel; escrow; violation.**

...

(c) Any payments received by a time share developer or time share salesperson in connection with the sale of the time share shall be immediately deposited by ~~such~~ the developer or salesperson in a trust or escrow account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution or a trust institution authorized to do business in this State and shall remain in such account for 10 days or cancellation by the purchaser, whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the developer. In lieu of such escrow requirements, the Commission shall have the authority to accept, in its discretion, alternative financial assurances adequate to protect the purchaser's interest during the contract cancellation period, including but not limited to a surety bond, corporate bond, cash deposit or irrevocable letter of credit in an amount equal to the escrow requirements.

...."

SECTION 2.(a) G.S. 42-50 reads as rewritten:

"**§ 42-50. Deposits from the tenant.**

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State, or the landlord may, at ~~his~~ the landlord's option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of ~~said~~ the deposits. The landlord or ~~his~~ the landlord's agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where ~~his~~ the tenant's deposit is currently located or the name of the insurance company providing the bond."

SECTION 2.(b) G.S. 42A-15 reads as rewritten:

"**§ 42A-15. Trust account uses.**

A landlord or real estate broker may require a tenant to pay all or part of any required rent, security deposit, or other fees permitted by law in advance of the commencement of a tenancy under this Chapter if these payments are expressly authorized in the vacation rental agreement. If the tenant is required to make any advance payments, other than a security deposit, whether the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these payments in a trust account in a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State no later than three banking days after the receipt of these payments. These payments deposited in a trust account shall not earn interest unless the landlord and tenant agree in the vacation rental agreement that the payments may be deposited in an interest-bearing account. The landlord and tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

SECTION 2.(c) G.S. 47C-4-110 reads as rewritten:

"**§ 47C-4-110. Escrow of deposits.**

(a) Any deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be immediately deposited in a trust or escrow account in a federally insured depository institution

~~lawfully doing business in this State~~ or a trust institution authorized to do business in this State and shall remain in ~~such~~ the account for such period of time as a purchaser is entitled to cancel pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the seller.

(b) Except as provided in G.S. 47C-4-108, nothing in subsection (a) is intended to preclude the parties to a contract from providing for the use of progress payments by the declarant during construction."

SECTION 3. G.S. 36C-8-816(31) reads as rewritten:

"(31) Distribute the assets of an inoperative trust consistent with the authority granted under ~~G.S. 28A-22-110;~~G.S. 28A-22-10;"

SECTION 4.(a) G.S. 54-109.11 reads as rewritten:

"**§ 54-109.11. Duties of Administrator.**

The duties of the Administrator of Credit Unions shall be as follows:

…

(4) To examine at least once ~~a year, and oftener~~ every 18 months, or more often if ~~such~~ an examination ~~be~~ is deemed necessary by the Administrator or ~~his~~ the Administrator's assistant, the credit unions formed under ~~this Article.~~Article 14A of this Chapter. A report of ~~such~~ the examination shall be filed with the State Department of Commerce, and a copy mailed to the credit union at its proper address.

…."

SECTION 4.(b) G.S. 54-109.16 reads as rewritten:

"**§ 54-109.16. ~~Annual examinations~~ Examinations required; payment of cost.**

The Administrator of Credit Unions shall cause every ~~such corporation~~ credit union formed under Article 14A of this Chapter to be examined once ~~a year and~~ every 18 months or whenever ~~he~~ the Administrator deems it necessary. The examiners appointed by ~~him~~ the Administrator shall be given free access to all books, papers, securities, and other sources of information in respect to the ~~corporation; and~~ credit union; for the purpose of ~~such examination~~ the examination, the Administrator ~~shall have power and authority to~~ may subpoena and examine personally, or by one of ~~his~~ the Administrator's deputies or examiners, witnesses on oath and documents, whether ~~such~~ the witnesses are members of the ~~corporation~~ credit union or not, and whether ~~such~~ the documents are documents of the ~~corporation~~ credit union or not. The Administrator may designate an independent auditing firm to do the work under ~~his~~ the Administrator's direction and supervision, with the cost to be paid by the credit union involved."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of May, 2017.

Session Law 2017-26 **H.B. 764**

AN ACT TO AMEND THE PROVISIONS REGARDING EXPANSION OF A METROPOLITAN SEWERAGE DISTRICT AND TO MAKE ADDITIONAL BOARD APPOINTMENTS PARALLEL TO THE PROCESS TO EXPAND A METROPOLITAN WATER AND SEWERAGE DISTRICT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 162A-68 reads as rewritten:

"**§ 162A-68. Procedure for inclusion of additional political subdivision or unincorporated area; notice and hearing; elections; actions to set aside proceedings.**

(a) If, at any time subsequent to the creation of a district, there shall be filed with the district board (i) a resolution of the governing body of a political ~~subdivision,~~subdivision

requesting inclusion in the district all or part of such political subdivision or (ii) a ~~petition,~~ petition signed by not less than fifty-one per centum (51%) of the qualified voters resident within an unincorporated ~~area,~~area requesting inclusion in the district ~~of~~ such ~~political subdivision or~~ unincorporated area, and if the district board shall favor the inclusion in the district of such ~~political subdivision or unincorporated area,~~new territory, the district board shall notify the board or boards of commissioners of the county or counties within which the district lies and shall file with the board or boards of commissioners and with the Environmental Management Commission a report setting forth the plans of the district for extending sewerage service to the ~~political subdivision or unincorporated area.~~new territory. The report shall include:

(1) A map or maps of the district and adjacent territory showing the present and proposed boundaries of the district; the existing major sewer interceptors and outfalls; and the proposed extension of such interceptors and outfalls.

(2) A statement setting forth the plans of the district for extending sewerage services to the territory proposed to be included, which plans shall:

a. Provide for extending sewerage service to the territory included on substantially the same basis and in the same manner as such services are provided within the rest of the district prior to inclusion of the new territory.

b. Set forth a proposed time schedule for extending sewerage service to the territory proposed to be included.

c. Set forth the estimated cost of extending sewerage service to the territory proposed to be included; the method by which the district proposes to finance the extension; the outstanding existing indebtedness of the district, if any; and the valuation of assessable property within the district and within the territory proposed to be included.

d. Contain a declaration of intent of the district board to conform with the plans set forth in the report in extending sewerage services to the territory proposed to be included; and a certification by the chairman of the district board to the effect that the matters and things set forth in the report are true to his knowledge or belief.

…

(i) Immediately following the inclusion of any additional political subdivision within an existing district, members representing such additional political subdivision shall be appointed to the district board in the manner provided in this section:

(1) Any additional unincorporated area that is included within an existing district shall be represented by the members representing the county in which the unincorporated area lies as follows:

a. If inclusion of the additional unincorporated area extends the district into more than one county, members representing the unincorporated area in the new county shall be appointed immediately following the inclusion of the additional area. Upon the inclusion of the additional area, the board members appointed in accordance with G.S. 162A-67(a)(1) or G.S. 162A-67(a)(1a) shall continue to serve on the district board. The board of commissioners of the county in which the largest portion of the district lies shall appoint qualified voters residing in the county and district as their successors such that the county in which the largest portion of the district lies shall always have three members on the district board. The board of commissioners of the county in which the lesser portion of the district lies shall appoint to the district board two qualified voters residing in the county and district to serve a term of three years and

shall appoint qualified voters residing in the county and district as their successors such that the county in which the lesser portion of the district lies shall always have two members on the district board. For purposes of this subdivision, the county in which the largest portion and lesser portion of the district lies shall be determined with reference to the land area of the district lying within the county as a percentage of land area of the entire district at the time such appointment or reappointment is made.

b. If the inclusion of the additional unincorporated area has the effect of changing the county in which the largest portion of the district lies, new members representing the county comprising the larger portion of the district shall be appointed in accordance with G.S. 162A-67(a)(2) immediately following the inclusion, and no reappointment shall be made by the county in which the lesser portion of the district lies upon expiration of the first term of a member representing that county following the inclusion.

(1a) Notwithstanding subdivision (1) of this subsection, when the territory of the district is expanding into new territory, any county without representation on the district board shall be represented by three additional members who are qualified voters residing within the new territory, appointed by the county board of commissioners governing the new territory.

(2) ~~Following~~ Except as otherwise provided in this subsection, following the inclusion of any additional political subdivision within an existing district, the political subdivisions added shall appoint members to the district board in accordance with G.S. 162A-67(a)(4) only if the governing body of the political subdivision owns or operates a public system for the collection of wastewater at the time of such appointment.

(j) The terms of office of the members first appointed under subsection (i) of this section to represent such additional political subdivision or area may be varied for a period not to exceed six months from the terms provided for in G.S. 162A-67, so that the appointment of successors to such members may more nearly coincide with the appointment of successors to members of the existing board; and all successor members shall be appointed for the terms provided for in G.S. 162A-67."

SECTION 2. This act is effective when it becomes law and applies to any expansion of a metropolitan sewerage district on or after that date.

In the General Assembly read three times and ratified this the 30th day of May, 2017.

Session Law 2017-27 **H.B. 454**

AN ACT TO MODERNIZE AND MAKE CHANGES TO THE RECORDING REQUIREMENTS FOR PLATS AND SUBDIVISIONS AND TO ELIMINATE THE USE OF CONTROL CORNERS IN FAVOR OF GRID CONTROL IN THE PREPARATION OF PLATS AND SUBDIVISIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 47-30 reads as rewritten:

"**§ 47-30. Plats and subdivisions; mapping requirements.**

(a) Size Requirements. – All land plats presented to the register of deeds for recording in the registry of a county in North Carolina after September 30, 1991, having an outside marginal size of either 18 inches by 24 inches, 21 inches by 30 inches, or 24 inches by 36 inches, ~~and~~ and, for landscape format, having a minimum one and one-half inch border on the left side or, for portrait format, one and one-half inch border on the top side and a minimum

one-half inch border on the other sides shall be deemed to meet the size requirements for recording under this section. Where size of land areas, or suitable scale to assure legibility require, plats may be placed on two or more sheets with appropriate match lines. Counties may specify either:

(1) Only 18 inches by 24 inches;
(2) A combination of 18 inches by 24 inches and 21 inches by 30 inches;
(3) A combination of 18 inches by 24 inches and 24 inches by 36 inches; or
(4) A combination of all three sizes.

Provided, that all registers of deeds where specific sizes other than the combination of all three sizes have been specified, shall be required to submit said size specifications to the North Carolina Association of Registers of Deeds for inclusion on a master list of all such counties. The list shall be available in each register of deeds office by October 1, 1991. For purposes of this section, the terms "plat" and "map" are synonymous.

(b) Plats to Be Reproducible. – Each plat presented for recording shall be a reproducible plat, either original ink on polyester film (mylar), or a reproduced drawing, transparent and archival (as defined by the American National Standards Institute), and submitted in this form. The recorded plat must be such that the public may obtain legible copies. A direct or photographic copy of each recorded plat shall be placed in the plat book or plat file maintained for that purpose and properly indexed for use. In those counties in which the register has made a security copy of the plat from which legible copies can be made, the original plat may be submitted in the form of black line on white paper instead of transparent and archival and may be returned to the person indicated on the plat.

(c) Information Contained in Title of Plat. – The title of each plat shall contain the following information:

(1) The property ~~designation,~~ designation.
(2) The name of ~~owner (the~~ the owner; provided, however, that the name of owner shall be shown for indexing purposes only and is not to be construed as title ~~certification), location~~ certification.
(3) The location, to include ~~township, county and state, the~~ county and State, and the township or city, if applicable.
(4) The date or dates the survey was ~~made;~~ made.
(5) The scale or scale ratio in words or figures and bar ~~graph;~~ graph.
(6) The name and address of surveyor ~~or firm~~ preparing the ~~plat.~~plat, including the firm name and firm license number, if applicable.
(7) The dates and descriptions of revisions made after original signing.

The information required pursuant to this subsection shall be listed prominently on the plat. Information listed in the notes contained on the plat does not satisfy the requirements of this subsection.

(d) Certificate; Form. – There shall appear on each plat a certificate by the person under whose supervision the survey or plat was made, stating the ~~origin of~~ reference source for the boundary information for the surveyed property shown on the plat, including recorded deed and plat references shown thereon. The ratio of precision or positional accuracy before any adjustments must be shown. Any lines on the plat that were not actually surveyed must be clearly indicated and a statement included revealing the source of information. Where a plat consists of more than one sheet, only one sheet must contain the certification and all other sheets must be signed and sealed. Multiple sheet plats shall be identified as a map set.

The certificate required above shall include (i) the source of information for the ~~survey and~~ survey, (ii) data indicating the ratio of precision or positional accuracy of the survey before ~~adjustments~~ adjustments, and (iii) the seal and signature pursuant to Chapter 89C of the General Statutes, and shall be in substantially the following form:

"I, _____, certify that this plat was drawn under my supervision from an actual survey made under my supervision (deed description recorded in Book ____, page ____, etc.) (other); that the boundaries not surveyed are clearly indicated as drawn from information found in Book

____, page ____; that the ratio of precision or positional accuracy as calculated is ~~1:~~ ____; that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, ~~registration~~ license number and seal this ____ day of ____, A.D., ____.

Seal or Stamp

_____

Professional Land Surveyor

~~Registration~~ License Number"

Nothing in this requirement shall prevent the recording of a map that was prepared in accordance with a previous version of G.S. 47-30 as amended, properly signed, and notarized under the statutes applicable at the time of the signing of the map. However, it shall be the responsibility of the person presenting the map to prove that the map was so prepared. The presence of the personal signature and seal of a professional land surveyor shall constitute a certification that the map conforms to the standards of practice for land surveying in this State as defined in the rules of the North Carolina State Board of Examiners for Engineers and Surveyors.

(e) Method of Computation. – An accurate method of computation shall be used to determine the acreage and either the ratio of precision or the positional accuracy shown on the plat. Area by estimation is not acceptable nor is area by planimeter, area by scale, or area copied from another source, except in the case of tracts containing inaccessible sections or areas. In such case the surveyor may make use of aerial photographs or other appropriate aids to determine the acreage of any inaccessible areas when the areas are bounded by natural and visible monuments. In such case the methods used must be stated on the plat and all accessible areas of the tract shall remain subject to all applicable standards of this section.

(f) Plat to Contain Specific Information. – Every plat shall contain the following specific information:

(1) An accurately positioned north arrow coordinated with any bearings shown on the plat. Indication shall be made as to whether the north index is true, magnetic, North Carolina grid ~~("NAD 83" or "NAD 27"),~~ ("NAD 83," "NAD 27," or other published horizontal datum), or is referenced to old deed or plat bearings. If the north index is magnetic or referenced to old deed or plat bearings, the date and the source (if known) the index was originally determined shall be clearly indicated. North Carolina grid reference shall include the horizontal datum and the realization reference.

(2) The azimuth or course and distance of every property line surveyed shall be shown. Distances shall be in U.S. Survey feet or meters and decimals thereof. The number of decimal places shall be appropriate to the class of survey required.

(3) All plat distances shall be by horizontal ground or horizontal grid measurements. All lines shown on the plat shall be correctly plotted to the scale shown. Enlargement of portions of a plat are acceptable in the interest of clarity, where shown as inserts. Where the North Carolina grid system is used the combined grid factor shall be shown on the face of the plat. If grid distances are used, it must be ~~shown~~ indicated on the plat.

…

(6) ~~Where control corners have been established in compliance with G.S. 39-32.1, 39-32.2, 39-32.3, and 39-32.4, as amended, the location and pertinent information as required in the reference statute shall be plotted on the plat.~~ All ~~other~~ corners which are marked by monument or natural object shall be so identified on all plats, and where practical all corners of adjacent owners along the boundary lines of the subject tract which are marked by monument or natural object shall be shown.

(7) The names of adjacent landowners, or lot, block, parcel, subdivision name designations or other legal ~~reference~~ reference, where applicable, shall be shown where they could be determined by the surveyor.

(8) All visible and apparent rights-of-way, watercourses, utilities, roadways, and other such improvements shall be accurately located where crossing or forming any boundary line of the property shown. Nothing in this subdivision shall be construed to modify the notification responsibility of persons engaged in excavation or demolition pursuant to G.S. 87-122.

(9) Where the plat is the result of a survey, one or more corners ~~shall, by a system of azimuths or courses and distances, be accurately tied to and coordinated with a horizontal control monument of some United States or State Agency survey system, such as the North Carolina Geodetic Survey where the monument is within 2,000 feet of the subject property. Where the North Carolina Grid System coordinates of the monument are on file in the North Carolina Geodetic Survey Section in the Division of Emergency Management of the Department of Public Safety, the coordinates of both the referenced corner and the monuments used shall be shown in X (easting) and Y (northing) coordinates on the plat. The coordinates shall be identified as based on "NAD 83," indicating North American Datum of 1983, or as "NAD 27," indicating North American Datum of 1927. The tie lines to the monuments shall also be sufficient to establish true north or grid north bearings for the plat if the monuments exist in pairs. Within a previously recorded subdivision that has been tied to grid control, control monuments within the subdivision may be used in lieu of additional ties to grid control. Within a previously recorded subdivision that has not been tied to grid control, if horizontal control monuments are available within 2,000 feet, the above requirements shall be met; but in the interest of bearing consistency with previously recorded plats, existing bearing control should be used where practical. In the absence of grid control, other appropriate natural monuments or landmarks shall be used.~~shall be labeled with coordinates on the plat, shown as "X" (easting) and "Y" (northing) coordinates, traceable to a published geodetic datum or the North Carolina State Plane Coordinate System, or both. The plat should include, at a minimum, the referenced horizontal datum and realization (i.e., "NAD 83 (2011)") as well as the data or method used to establish those coordinates, or both. If the bearings shown on the map are not referenced to the same datum as the grid coordinates shown, then either (i) the coordinates of a second point shall be labeled and the two labeled points tied together by a single azimuth or course and distance or (ii) the plat shall include, in written and graphical form, the conversion from plat bearings to reference bearings. Control monuments within a previously recorded subdivision may be used in lieu of grid control. In the interest of consistency with previously recorded plats, existing bearing control may be used where practical. Where no horizontal control monument of any United States or State agency survey system, such as the North Carolina Geodetic Survey, is located within 2,000 feet of the subject property, ties to other appropriate natural monuments or landmarks may be used in lieu of grid coordinates.** In all cases, the tie lines shall be sufficient to ~~accurately~~ reproduce the subject lands from the control or reference points used.

(10) A vicinity map (location map) and legend shall appear on the plat.

(11) Notwithstanding any other provision contained in this section, it is the duty of the surveyor, by a certificate on the face of the plat, to certify to one of the following:

a. That the survey creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of ~~land;~~land.

b. That the survey is located in a portion of a county or municipality that is unregulated as to an ordinance that regulates parcels of ~~land;~~land.

c. Any one of the following:

1. That the survey is of an existing parcel or parcels of land or one or more existing easements and does not create a new street or change an existing ~~street;~~street. For the purposes of this subsection, an "existing parcel" or "existing easement" is an area of land described in a single, legal description or legally recorded subdivision that has been or may be legally conveyed to a new owner by deed in its existing configuration.

2. That the survey is of an existing feature, such as a building or other structure, or natural feature, such as a ~~watercourse; or~~watercourse.

3. That the survey is a control survey. For the purposes of this subsection, a "control survey" is a survey that provides horizontal or vertical position data for support or control of other surveys or for mapping. A control survey, by itself, cannot be used to define or convey rights or ownership.

4. That the survey is of a proposed easement for a public utility as defined in G.S. 62-3.

d. That the survey is of another category, such as the recombination of existing parcels, a court-ordered survey, or other exemption or exception to the definition of ~~subdivision;~~subdivision.

e. That the information available to the surveyor is such that the surveyor is unable to make a determination to the best of the surveyor's professional ability as to provisions contained in (a) through (d) above.

If the plat contains the certificate of a surveyor as stated in sub-subdivisions b. or c. of this subdivision, nothing shall prevent the recordation of the plat if all other provisions have been met. However, if the plat contains the certificate of a surveyor as stated in sub-subdivisions a., d., or e. ~~above,~~ of this subdivision, then the plat shall have, in addition to said surveyor's certificate, a certification of approval, or no approval required, as may be required by local ordinance from the appropriate government authority and the county review officer as provided in G.S. 47-30.2 before the plat is presented for recordation. ~~If the plat contains the certificate of a surveyor as stated in b. or c. above, nothing shall prevent the recordation of the plat if all other provisions have been met.~~The signing and sealing of the certification as required in subsection (d) of this section shall satisfy the certification requirement contained in this subsection.

…

(h) Nothing in this section shall be deemed to prevent the filing of any plat prepared by a ~~registered~~ professional land surveyor but not recorded prior to the death of the ~~registered~~ professional land surveyor. However, it is the responsibility of the person presenting the map to the Review Officer pursuant to G.S. 47-30.2 to prove that the plat was so prepared. For preservation these plats may be filed without signature, notary acknowledgement or probate, in a special plat file.

…

(j) The provisions of this section shall not apply to boundary plats of State lines, county lines, areas annexed by ~~municipalities~~ municipalities, nor to plats of municipal boundaries, whether or not required by law to be recorded.

…

(m) Maps attached to deeds or other instruments and submitted for recording in that form must be no larger than 8 1/2 inches by 14 inches and comply with either this subsection or subsection (n) of this section. ~~Such a map shall either (i) have the original signature of a registered land surveyor and the surveyor's seal as approved by the State Board of Registration for Professional Engineers and Land Surveyors, or (ii) be a copy of a map, already on file in the public records, that is certified by the custodian of the public record to be a true and accurate copy of a map bearing an original personal signature and original seal. The presence of the original personal signature and seal shall constitute a certification that the map conforms to the standards of practice for land surveying in North Carolina, as defined in the rules of the North Carolina State Board of Registration for Professional Engineers and Land Surveyors.~~A map submitted for recording pursuant to this subsection shall conform to one the following standards:

(1) An original map that meets the requirements of subsections (c) through (f) of this section and that bears the signature of a professional land surveyor and the surveyor's seal as approved by the State Board of Examiners for Engineers and Surveyors.

(2) A copy of a previously recorded map that is certified by the custodian of the public record to be a true and accurate copy of the map.

(n) A map that does not meet the requirements of subsection (m) of this section may be attached to a deed or other instrument submitted for recording in that form for illustrative purposes only if it meets both of the following requirements:

(1) It is no larger than 8 1/2 inches by 14 inches.

(2) It is conspicuously labelled, "THIS MAP ~~IS~~ MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT ~~REGULATIONS."~~REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS."

…."

SECTION 2. Article 5A of Chapter 39 of the General Statutes is repealed.

SECTION 3. This act becomes effective July 1, 2017, and applies to plats and subdivisions submitted for recording on or after that date.

In the General Assembly read three times and ratified this the 30th day of May, 2017.

Session Law 2017-28 **H.B. 57**

AN ACT ESTABLISHING A PHYSICAL THERAPY LICENSURE COMPACT TO FACILITATE THE INTERSTATE PRACTICE OF PHYSICAL THERAPY AND EASING OCCUPATIONAL LICENSING BURDENS ON MILITARY FAMILIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 18B of Chapter 90 of the General Statutes, G.S. 90-270.24 through G.S. 90-270.44, is recodified as Article 18E of Chapter 90 of the General Statutes, G.S. 90-270.90 through G.S. 90-270.110.

SECTION 2. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 18F.

"Physical Therapy Licensure Compact.

"**§ 90-270.120. Purpose.**

The purpose of this Compact is to facilitate the interstate practice of physical therapy with the goal of improving public access to physical therapy services. The practice of physical therapy occurs in the state where the patient/client is located at the time of the patient/client encounter. The Compact preserves the regulatory authority of states to protect public health and safety through the current system of state licensure. This Compact is designed to achieve the following objectives:

(1) Increase public access to physical therapy services by providing for the mutual recognition of other member state licenses.

(2) Enhance the states' ability to protect the public's health and safety.

(3) Encourage the cooperation of member states in regulating multistate physical therapy practice.

(4) Support spouses of relocating military members.

(5) Enhance the exchange of licensure, investigative, and disciplinary information between member states.

(6) Allow a remote state to hold a provider of services with a compact privilege in that state accountable to that state's practice standards.

"**§ 90-270.121. Definitions.**

As used in this Compact, and except as otherwise provided, the following definitions apply:

(1) Active duty military. – Full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Sections 1209 and 1211.

(2) Adverse action. – Disciplinary action taken by a physical therapy licensing board based upon misconduct, unacceptable performance, or a combination of both.

(3) Alternative program. – A nondisciplinary monitoring or practice remediation process approved by a physical therapy licensing board. This includes, but is not limited to, substance abuse issues.

(4) Compact privilege. – The authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient/client is located at the time of the patient/client encounter.

(5) Continuing competence. – A requirement, as a condition of license renewal, to provide evidence of participation in, and/or completion of, educational and professional activities relevant to practice or area of work.

(6) Data system. – A repository of information about licensees, including examination, licensure, investigative, compact privilege, and adverse action.

(7) Encumbered license. – A license that a physical therapy licensing board has limited in any way.

(8) Executive board. – A group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the Commission.

(9) Home state. – The member state that is the licensee's primary state of residence.

(10) Investigative information. – Information, records, and documents received or generated by a physical therapy licensing board pursuant to an investigation.

(11) Jurisprudence requirement. – The assessment of an individual's knowledge of the laws and rules governing the practice of physical therapy in a state.

(12) Licensee. – An individual who currently holds an authorization from the state to practice as a physical therapist or to work as a physical therapist assistant.

(13) Member state. – A state that has enacted the Compact. For purposes of this Article, the State of North Carolina may designate the North Carolina Board of Physical Therapy Examiners as the entity responsible for carrying out any action required by or of a member state under this Article, including the imposition of fees or the payment of assessments.

(14) Party state. – Any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.

(15) Physical therapist. – An individual who is licensed by a state to practice physical therapy.

(16) Physical therapist assistant. – An individual who is licensed/certified by a state and who assists the physical therapist in selected components of physical therapy.

(17) Physical therapy, physical therapy practice, or the practice of physical therapy. – The care and services provided by or under the direction and supervision of a licensed physical therapist.

(18) Physical Therapy Compact Commission or Commission. – The national administrative body whose membership consists of all states that have enacted the Compact.

(19) Physical Therapy Licensing Board or Licensing Board. – The agency that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.

(20) Remote state. – A member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(21) Rule. – A regulation, principle, or directive promulgated by the Commission that has the force of law.

(22) State. – Any state, commonwealth, district, or territory of the United States of America that regulates the practice of physical therapy.

"**§ 90-270.122. State participation in the compact.**

(a) To participate in the Compact, a state must do all of the following:

(1) Participate fully in the Commission's data system, including using the Commission's unique identifier as defined in rules.

(2) Have a mechanism in place for receiving and investigating complaints about licensees.

(3) Notify the Commission, in compliance with the terms of the Compact and rules, of any adverse action or the availability of investigative information regarding a licensee.

(4) Fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions in accordance with subsection (b) of this section.

(5) Comply with the rules of the Commission.

(6) Utilize a recognized national examination as a requirement for licensure pursuant to the rules of the Commission.

(7) Have continuing competence requirements as a condition for license renewal.

(b) Upon adoption of this statute, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the Federal Bureau of Investigation for a criminal background check in accordance with 28 U.S.C. § 534 and 42 U.S.C. § 14616.

(c) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the Compact and rules.

(d) Member states may charge a fee for granting a compact privilege.

"**§ 90-270.123. Compact privilege.**

(a) In order to exercise the compact privilege under the terms and provisions of the Compact, the licensee shall meet all of the following qualifications:

(1) Hold a license in the home state.

(2) Have no encumbrance on any state license.

(3) Be eligible for a compact privilege in any member state in accordance with subsections (d), (g), and (h) of this section.

(4) Have not had any adverse action against any license or compact privilege within the previous two years.

(5) Notify the Commission that the licensee is seeking the compact privilege within a remote state(s).

(6) Pay any applicable fees, including any state fee, for the compact privilege.

(7) Meet any jurisprudence requirements established by the remote state(s) in which the licensee is seeking a compact privilege.

(8) Report to the Commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(b) The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of subsection (a) of this section to maintain the compact privilege in the remote state.

(c) A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(d) A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until both of the following occur:

(1) The home state license is no longer encumbered.

(2) Two years have elapsed from the date of the adverse action.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of subsection (a) of this section to obtain a compact privilege in any remote state.

(g) If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until all of the following occur:

(1) The specific period of time for which the compact privilege was removed has ended.

(2) All fines have been paid.

(3) Two years have elapsed from the date of the adverse action.

(h) Once the requirements of subsection (g) of this section have been met, the licensee must meet the requirements in subsection (a) of this section to obtain a compact privilege in a remote state.

"**§ 90-270.124. Active duty military personnel or their spouses.**

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

(1) Home of record.

(2) State listed on Permanent Change of Station (PCS) order.

(3) State of current residence or duty station if it is different than the PCS state or home of record.

"**§ 90-270.125. Adverse actions.**

(a) A home state shall have exclusive power to impose adverse action against a license issued by the home state.

(b) A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

(c) Nothing in this Compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

(d) Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

(e) A remote state shall have the authority to do all of the following:

(1) Take adverse actions as set forth in subsection (d) of G.S. 90-270.123 against a licensee's compact privilege in the state.

(2) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and testimony of witnesses, and/or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and/or evidence are located.

(3) If otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(f) Joint Investigations. –

(1) In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

"**§ 90-270.126. Establishment of the Physical Therapy Compact Commission.**

(a) The Compact member states hereby create and establish a joint public agency known as the Physical Therapy Compact Commission:

(1) The Commission is an instrumentality of the Compact states.

(2) Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, Voting, and Meetings. –

(1) Each member state shall have and be limited to one delegate selected by that member state's licensing board.

(2) The delegate shall be a current member of the licensing board, who is a physical therapist, physical therapist assistant, public member, or the board administrator.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring in the Commission.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission.

(6) A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(7) The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(c) The Commission shall have all of the following powers and duties:

(1) Establish the fiscal year of the Commission.

(2) Establish bylaws.

(3) Maintain its financial records in accordance with the bylaws.

(4) Meet and take such actions as are consistent with the provisions of this Compact and the bylaws.

(5) Promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all member states.

(6) Bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected.

(7) Purchase and maintain insurance and bonds.

(8) Borrow, accept, or contract for services of personnel, including employees of a member state.

(9) Hire employees, elect or appoint officers, fix compensation, define duties, and grant such individuals appropriate authority to (i) carry out the purposes of the Compact and (ii) establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters.

(10) Accept any and all appropriate donations and grants of money, equipment, supplies, materials and services, and to receive, utilize, and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety and/or conflict of interest.

(11) Lease, purchase, and accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed; provided that at all times the Commission shall avoid any appearance of impropriety.

(12) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed.

(13) Establish a budget and make expenditures.

(14) Borrow money.

(15) Appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, consumer representatives, and such other interested persons as may be designated in this Compact and the bylaws.

(16) Provide and receive information from, and cooperate with, law enforcement agencies.

(17) Establish and elect an Executive Board.

(18) Perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of physical therapy licensure and practice.

(d) The Executive Board. –

The Executive Board shall have the power to act on behalf of the Commission according to the terms of this Compact:

(1) The Executive Board shall be composed of the following nine members:
  a. Seven voting members who are elected by the Commission from the current membership of the Commission.
  b. One ex officio, nonvoting member from the recognized national physical therapy professional association.
  c. One ex officio, nonvoting member from the recognized membership organization of the physical therapy licensing boards.

(2) The ex officio members will be selected by their respective organizations.

(3) The Commission may remove any member of the Executive Board as provided in bylaws.

(4) The Executive Board shall meet at least annually.

(5) The Executive Board shall have all of the following duties and responsibilities:
  a. Recommend to the entire Commission changes to the rules or bylaws, changes to this Compact legislation, fees paid by Compact member states such as annual dues, and any commission Compact fee charged to licensees for the compact privilege.
  b. Ensure Compact administration services are appropriately provided, contractual or otherwise.
  c. Prepare and recommend the budget.
  d. Maintain financial records on behalf of the Commission.
  e. Monitor Compact compliance of member states and provide compliance reports to the Commission.
  f. Establish additional committees as necessary.
  g. Other duties as provided in rules or bylaws.

(e) Meetings of the Commission. –

(1) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rule-making provisions in G.S. 90-270.128.

(2) The Commission or the Executive Board or other committees of the Commission may convene in a closed, nonpublic meeting if the Commission or Executive Board or other committees of the Commission must discuss any of the following:
  a. Noncompliance of a member state with its obligations under the Compact.
  b. The employment, compensation, discipline, or other matters, practices or procedures related to specific employees, or other matters related to the Commission's internal personnel practices and procedures.
  c. Current, threatened, or reasonably anticipated litigation.
  d. Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate.
  e. Accusing any person of a crime or formally censuring any person.
  f. Disclosure of trade secrets or commercial or financial information that is privileged or confidential.
  g. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

h. Disclosure of investigative records compiled for law enforcement purposes.

i. Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact.

j. Matters specifically exempted from disclosure by federal or member state statute.

(3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(4) The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

(f) Financing of the Commission. –

(1) The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The Commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(3) The Commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule binding upon all member states.

(4) The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

(g) Qualified Immunity, Defense, and Indemnification. –

(1) The members, officers, executive director, employees, and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person

from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The Commission shall defend any member, officer, executive director, employee, or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The Commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

"**§ 90-270.127. Data system.**

(a) The Commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact is applicable as required by the rules of the Commission, including all of the following:

(1) Identifying information.

(2) Licensure data.

(3) Adverse actions against a license or compact privilege.

(4) Nonconfidential information related to alternative program participation.

(5) Any denial of application for licensure and the reason(s) for such denial.

(6) Other information that may facilitate the administration of this Compact, as determined by the rules of the Commission.

(c) Investigative information pertaining to a licensee in any member state will only be available to other party states.

(d) The Commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(e) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(f) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

"**§ 90-270.128. Rule Making.**

(a) The Commission shall exercise its rule-making powers pursuant to the criteria set forth in this section and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(b) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within four years of the

date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(c) Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

(d) Prior to promulgation and adoption of a final rule or rules by the Commission, and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a Notice of Proposed Rule Making on both of the following:

(1) On the Web site of the Commission or other publicly accessible platform.

(2) On the Web site of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(e) The Notice of Proposed Rule Making shall include all of the following:

(1) The proposed time, date, and location of the meeting in which the rule will be considered and voted upon.

(2) The text of the proposed rule or amendment and the reason for the proposed rule.

(3) A request for comments on the proposed rule from any interested person.

(4) The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

(f) Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(g) The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by any of the following:

(1) At least 25 persons.

(2) A state or federal governmental subdivision or agency.

(3) An association having at least 25 members.

(h) If a hearing is held on the proposed rule or amendment, the Commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the Commission shall publish the mechanism for access to the electronic hearing.

(1) All persons wishing to be heard at the hearing shall notify the executive director of the Commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings will be recorded. A copy of the recording will be made available on request.

(4) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

(j) If no written notice of intent to attend the public hearing by interested parties is received, the Commission may proceed with promulgation of the proposed rule without a public hearing.

(k) The Commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rule-making record and the full text of the rule.

(*l*) Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rule-making procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to do any of the following:

(1) Meet an imminent threat to public health, safety, or welfare.

(2) Prevent a loss of Commission or member state funds.

(3) Meet a deadline for the promulgation of an administrative rule that is established by federal law or rule.

(4) Protect public health and safety.

(m) The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the Web site of the Commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

"**§ 90-270.129. Oversight, dispute resolution, and enforcement.**

(a) Oversight. –

(1) The executive, legislative, and judicial branches of state government in each member state shall enforce this Compact and take all actions necessary and appropriate to effectuate the Compact's purposes and intent. The provisions of this Compact and the rules promulgated hereunder shall have standing as statutory law.

(2) All courts shall take judicial notice of the Compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this Compact which may affect the powers, responsibilities, or actions of the Commission.

(3) The Commission shall be entitled to receive service of process in any such proceeding and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the Commission shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

(b) Default, Technical Assistance, and Termination. –

(1) If the Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall do all of the following:

a. Provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default and/or any other action to be taken by the Commission.

b. Provide remedial training and specific technical assistance regarding the default.

(2) If a state in default fails to cure the default, the defaulting state may be terminated from the Compact upon an affirmative vote of a majority of the member states and all rights, privileges, and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(3) Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(4) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(5) The Commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting state.

(6) The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(c) Dispute Resolution. –

(1) Upon request by a member state, the Commission shall attempt to resolve disputes related to the Compact that arise among member states and between member and nonmember states.

(2) The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(d) Enforcement. –

(1) The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.

(2) By majority vote, the Commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices against a member state in default to enforce compliance with the provisions of the Compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(3) The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

"**§ 90-270.130. Date of implementation of the interstate Commission for Physical Therapy Practice and associated rules, withdrawal, and amendment.**

(a) The Compact shall come into effect on the date on which the Compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the Commission relating to assembly and the promulgation of rules. Thereafter, the Commission shall meet and exercise rule-making powers necessary to the implementation and administration of the Compact.

(b) Any state that joins the Compact subsequent to the Commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the Compact becomes law in that state. Any rule that has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that state.

(c) Any member state may withdraw from this Compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's physical therapy licensing board to comply with the investigative and

adverse action reporting requirements of this act prior to the effective date of withdrawal.

(d) Nothing contained in this Compact shall be construed to invalidate or prevent any physical therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this Compact.

(e) This Compact may be amended by the member states. No amendment to this Compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

"**§ 90-270.131. Construction and severability.**

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of any party state, the Compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters."

SECTION 3. G.S. 93B-15.1 reads as rewritten:

"**§ 93B-15.1. Licensure for individuals with military training and experience; proficiency examination; licensure by endorsement for military spouses; temporary license.**

(a) Except as provided by subsection (a2) of this section, and notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military-trained applicant to allow the applicant to lawfully practice the applicant's occupation in this State if, upon application to an occupational licensing board, the applicant satisfies the following conditions:

…

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was ~~committed.~~committed and has no pending complaints.

~~(4) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.~~

…

(b) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military spouse to allow the military spouse to lawfully practice the military spouse's occupation in this State if, upon application to an occupational licensing board, the military spouse satisfies the following conditions:

…

(4) Is in good ~~standing and~~ standing; has not been disciplined by the agency that had jurisdiction to issue the license, certification, or ~~permit.~~permit; and has no pending complaints.

~~(5) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.~~

…

(f) An occupational licensing board ~~may~~ shall issue a temporary practice permit to a military-trained applicant or military spouse licensed, certified, or registered in another jurisdiction while the military-trained applicant or military spouse is satisfying the requirements for licensure under subsection (a) or (b) of this section if that jurisdiction has licensure, certification, or registration standards substantially equivalent to the standards for licensure, certification, or registration of an occupation licensing board in this State. The

~~military-trained applicant or military spouse may practice under the~~ temporary permit shall remain valid for the later of one year or the required renewal date for the occupation the temporary practice permit was issued for or until a license, certification, or registration is granted ~~or until a notice to deny a license, certification, or registration is issued in accordance with rules adopted~~ by the occupational licensing board.

…

(k) An occupational licensing board shall not charge a military-trained applicant or a military spouse an initial application fee for a license, certification, registration, or temporary practice permit issued pursuant to this section. Nothing in this subsection shall be construed to prohibit an occupational licensing board from charging its ordinary fee for a renewal application or prohibit a third party from charging actual costs for a service such as a background check."

SECTION 4. Sections 1 and 2 of this act become effective October 1, 2017. The North Carolina Board of Physical Therapy Examiners shall report to the Revisor of Statutes when the Physical Therapy Licensure Compact has been enacted by the tenth member state. Section 3 becomes effective July 1, 2017, and applies to applications submitted on or after that date. Except as otherwise provided, the remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of May, 2017.

Session Law 2017-29 **S.B. 62**

AN ACT TO REQUIRE THE VETERANS' AFFAIRS COMMISSION TO ADOPT A COMPREHENSIVE STRATEGIC PLAN TO ENHANCE BENEFITS FOR VETERANS AND THEIR DEPENDENTS AND TO REQUIRE THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS TO STUDY PROGRAM OUTCOMES FOR MILITARY VETERANS AND THEIR FAMILIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 14 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-1221.1. Strategic plan.**

(a) Strategic Plan. – The Veterans' Affairs Commission shall adopt a comprehensive strategic plan to enhance benefits for veterans and their dependents. The strategic plan shall include specific objectives related to the following topics:

(1) Improving accessibility of health, education, training, counseling, financial, and burial benefits and services to veterans and their dependents.

(2) Increasing the satisfaction of veterans and their dependents with benefits and services by meeting their expectations for availability, quality, timeliness, and responsiveness.

(3) Educating and empowering veterans and their dependents through proactive outreach and effective advocacy.

(4) Any other topic related to enhancing benefits for veterans and their dependents.

(b) Update, Review, and Report. – The Commission shall update this plan every four years. The Commission shall annually review the State's performance based on this plan and shall annually report the results of its review to the Joint Legislative Oversight Committee on General Government."

SECTION 2. The Veterans' Affairs Commission shall adopt a strategic plan by November 1, 2018. The Veterans' Affairs Commission shall complete its first annual review and its first annual report to the Joint Legislative Oversight Committee on General Government by November 1, 2019. The Veterans' Affairs Commission shall complete its first update of the strategic plan by November 1, 2022.

SECTION 3. The Department of Military and Veterans Affairs shall study potential methods for documenting, collecting, and analyzing the outcomes for individual military veterans and their families in this State of the various programs designed to serve them and shall report its findings and recommendation to the chairs of the Senate and House of Representatives appropriations subcommittees on general government no later than December 1, 2017.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of May, 2017.

Session Law 2017-30 **H.B. 125**

AN ACT TO ADD THE THREATENED USE OF A WEAPON TO ONE OF THE ELEMENTS OF FIRST-DEGREE FORCIBLE RAPE AND OF FIRST-DEGREE FORCIBLE SEX OFFENSE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S.14-27.21 reads as rewritten:

"**§ 14-27.21. First-degree forcible rape.**

(a) A person is guilty of first-degree forcible rape if the person engages in vaginal intercourse with another person by force and against the will of the other person, and does any of the following:

(1) ~~Employs or displays a~~ Uses, threatens to use, or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly weapon.

(2) Inflicts serious personal injury upon the victim or another person.

(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child born as a result of the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 2. G.S. 14-27.26 reads as rewritten:

"**§ 14-27.26. First-degree forcible sexual offense.**

(a) A person is guilty of a first degree forcible sexual offense if the person engages in a sexual act with another person by force and against the will of the other person, and does any of the following:

(1) ~~Employs or displays a~~ Uses, threatens to use, or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly weapon.

(2) Inflicts serious personal injury upon the victim or another person.

(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony."

SECTION 3. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 31st day of May, 2017.

Session Law 2017-31 **H.B. 225**

AN ACT TO CLARIFY THAT ATTEMPTED ROBBERY WITH A DANGEROUS WEAPON IS A LESSER INCLUDED OFFENSE OF ROBBERY WITH A DANGEROUS WEAPON.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-87 is amended by adding a new subsection to read:

"**§ 14-87. Robbery with firearms or other dangerous weapons.**

(a) Any person or persons who, having in possession or with the use or threatened use of any firearms or other dangerous weapon, implement or means, whereby the life of a person is endangered or threatened, unlawfully takes or attempts to take personal property from another or from any place of business, residence or banking institution or any other place where there is a person or persons in attendance, at any time, either day or night, or who aids or abets any such person or persons in the commission of such crime, shall be guilty of a Class D felony.

(a1) Attempted robbery with a dangerous weapon shall constitute a lesser included offense of robbery with a dangerous weapon, and evidence sufficient to prove robbery with a dangerous weapon shall be sufficient to support a conviction of attempted robbery with a dangerous weapon.

…."

SECTION 2. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 31st day of May, 2017.

Session Law 2017-32 **H.B. 478**

AN ACT TO ALLOW ALL YEARS OF FULL-TIME MENTAL HEALTH, DEVELOPMENTAL DISABILITY, AND SUBSTANCE ABUSE SERVICES (MH/DD/SAS) EXPERIENCE TO APPLY TO THE QUALIFICATIONS REQUIRED FOR MH/DD/SAS QUALIFIED PROFESSIONALS.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Health and Human Services (DHHS) and its Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall amend the qualifications for Qualified Professionals within the mental health, developmental disability, and substance abuse services (MH/DD/SAS) system of care, as defined in rule, clinical care policies for the Medicaid program, and the North Carolina Medicaid State Plan. The amendments to the qualifications for Qualified Professionals shall ensure that the years of full-time MH/DD/SAS experience required by the rule may be obtained either before or after obtaining the required educational degree. No later than December 1, 2017, any State Plan amendment necessary to effect these changes shall be submitted by DHHS to the Centers for Medicare and Medicaid Services (CMS). The Commission for Mental Health, Developmental Disabilities and Substance Abuse Services shall amend the rules as soon as possible but no later than six months after the date that DHHS has received CMS approval of the necessary Medicaid State Plan amendments.

SECTION 2. Any changes to clinical coverage policies and any changes to rules adopted by the Department of Health and Human Services relating to the qualifications for Qualified Professionals required under Section 1 of this act shall not become effective until DHHS has received CMS approval of the State Plan amendment required by Section 1 of this act.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of May, 2017.

Session Law 2017-33 **S.B. 421**

AN ACT TO AMEND THE PURPOSES FOR WHICH CERTAIN FUNDS APPROPRIATED TO ONSLOW COUNTY FOR THE 2016-2017 FISCAL YEAR MAY BE USED AND TO MAKE THOSE FUNDS NONREVERTING.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary, the sum of five million dollars ($5,000,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act to Onslow County to retrofit and purchase equipment for a regional career and technical education center may be used to fund the construction of a new education center. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this section.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5th day of June, 2017.

Session Law 2017-34 **H.B. 55**

AN ACT AUTHORIZING THE POLICE DEPARTMENT OF THE TOWN OF APEX TO PROVIDE LAW ENFORCEMENT ASSISTANCE TO THE POLICE DEPARTMENT OF THE TOWN OF CARY ON THE GROUNDS OF THE TEMPORARY APEX HIGH SCHOOL IN CARY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 13 of Chapter 160A of the General Statutes is amended by adding a new section to read as follows:

"**§ 160A-288.2A. Municipalities have concurrent jurisdiction on public school property.**

Notwithstanding any other provision of law, the chief of police of a municipality may provide assistance to another municipal police department located in an adjacent municipality in enforcing the laws of North Carolina on property owned by the county board of education in accordance with rules, policies, or guidelines officially adopted by the governing body of the municipality providing assistance and subject to any conditions or restrictions included in those rules, polices, or guidelines. The assistance may comprise allowing officers of the assisting police department to work in the adjacent police department's jurisdiction and lending equipment and supplies. While working under the authority of this section, an officer shall have the same jurisdiction, powers, rights, privileges, and immunities, including those relating to the defense of civil actions and the payment of judgments, as the officers of the adjacent police department in addition to those the officer normally possesses. While on duty with the adjacent police department as authorized by this section, the officer shall be subject to the lawful operational commands of the superior officers of the assisting police department and shall for personnel and administrative purposes remain under the control of the assisting police department, including for purposes of pay. The officer shall be entitled to workers' compensation and the same benefits when acting pursuant to this section to the same extent as though the officer was functioning within the normal scope of his or her duties. Nothing in this section shall be interpreted as reducing the jurisdiction or authority of State law enforcement officers."

SECTION 2. This act applies to the Towns of Apex and Cary only.

SECTION 3. This act is effective when it becomes law and expires July 1, 2020.

In the General Assembly read three times and ratified this the 19th day of June, 2017.

Session Law 2017-35 **H.B. 151**

AN ACT TO CONSOLIDATE THE LOCAL ACTS DEALING WITH THE STANLY COUNTY ECONOMIC DEVELOPMENT COMMISSION AND TO MAKE CHANGES TO THE COMPOSITION OF THE COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Creation of Economic Development Commission. – The Board of County Commissioners of Stanly County (hereinafter "Board") is hereby authorized to create a commission to be known as the "Economic Development Commission" (hereinafter "Commission") for Stanly County for the purposes of aiding and encouraging the location in Stanly County of manufacturing, industrial, and commercial plants and enterprises, aiding and encouraging the agricultural development of Stanly County, and for such other purposes as will, in the discretion of the County Commissioners, increase the population, taxable property, agricultural and business industries, and the general welfare of Stanly County, and for the further purpose of aiding and encouraging existing private enterprises in Stanly County.

SECTION 2. Members Appointed. – (a) The Commission shall be composed of 13 members to be appointed by the Board as follows:

(1) Two members representing business or industry from each of the Board's five electoral districts.

(2) Two county commissioners who shall serve at the pleasure of the Board but only as long as they are serving as county commissioners.

(3) The President of Stanly County Community College or the President's designee.

(b) In the event a vacancy occurs in the membership of the Commission because of death, resignation, or otherwise, the Board shall fill such vacancy. If the member who vacated the seat represented business or industry from one of the Board's five electoral districts, the vacancy shall be filled by a person representing the same filing district as the member being replaced.

SECTION 3. Ex Officio Members. – The Stanly County Manager and the Stanly County Attorney shall, by virtue of their respective offices, serve in a nonvoting ex officio capacity on the Commission. The members of the Commission may appoint additional persons to serve in a nonvoting ex officio capacity if deemed advisable in order to help guide or assist the Commission in fulfilling its obligations as provided in this act.

SECTION 4. Terms. – The terms of office of the members of the Commission shall be two years, except, in order to stagger the terms, one-half of the members appointed in 2017 shall serve for a term of one year and the remaining members appointed in 2017 shall serve for a term of two years. The Board shall designate those members who are appointed for a period of two years and those who are appointed for a period of one year. Upon the expiration of the term of office of those members who are appointed for one year, the Board shall appoint their successors for a term of two years. All appointees shall serve until their successors have been appointed and qualified. Any member shall be eligible for reappointment. The term of office shall commence on June 1 and shall end on May 31. The one- and two-year term limits provided for in this section shall not apply to members of the Board or the President of Stanly County Community College.

SECTION 5. Election of Officers; Bylaws; Employees. – At the time of the holding of the first meeting of the Commission following the appointment of members in 2017, the members shall, by a majority vote, name and select from their membership a chair, vice-chair, and secretary and shall draw up and ratify their own bylaws and procedural rules and policies, subject to the approval of the Board. Whenever necessary, members of the Commission shall by a majority vote make necessary changes to their bylaws, procedural rules, and policies subject to the approval of the Board. All disbursements shall be made to the Commission by the county in the same way and manner provided by law for disbursing public

funds of Stanly County, and no disbursements shall be made except upon approval of the Board. Except for the executive officer appointed under Section 7 of this act, the Commission shall have authority to employ personnel as it may deem necessary and within the budget for the Commission to be prescribed by the Board, and all such personnel shall be considered for all purposes employees of Stanly County.

SECTION 6. Additional Funds. – The Commission may accept, receive, and disburse in furtherance of its functions any funds, grants, and services made available by the federal government and its agencies, the State government and its agencies, any municipalities or counties, and by private and civic sources.

SECTION 7. Executive Officer; Contracts; Board Supervision. – (a) With the approval of the Board, the County Manager shall have authority to appoint the executive officer of the Commission, upon consultation with the Commission.

(b) In lieu of appointing an executive officer under subsection (a) of this section, with the approval of the Board, the Commission shall have authority to enter into a contract with the Stanly County Chamber of Commerce pursuant to which the Chamber of Commerce will provide to the Commission and to the County of Stanly the services of an executive officer qualified in the field of economic development who shall be subject to the direction of the Commission in implementing the purposes for which the Commission is created. The executive officer may be an employee of the Chamber of Commerce or the County of Stanly. The Commission is authorized to pay to the Chamber of Commerce, out of funds appropriated to the Commission by the Board, such amount as the Commission and the Board deem proper for the services of the executive officer and for office space, supplies, record keeping, and other necessary and proper expenses incurred in the implementation of the purposes for which the Commission is created.

(c) In addition to the contract authority provided for in subsection (b) of this section, the Commission may enter into contracts with the Stanly County Chamber of Commerce or another entity to implement the purposes for which the Commission is created, with the approval of the Board. Any contract awarded by the Commission without the approval of the Board shall be null and void.

(d) The Board shall, at all times, have authority to supervise the Commission and its activities. The Commission shall not enter into any contract or agreement of any kind with the Stanly County Chamber of Commerce or any other entity that interferes with, restricts, or otherwise limits the Board's ability to exercise its authority to supervise the Commission and its activities.

SECTION 8. Use of Nontax Funds. – The Board is hereby authorized, in its discretion, to expend any nontax funds, regardless of the source from which the nontax funds are received, in order to implement the purposes for which the Commission is created.

SECTION 9. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and, to this end, the provisions of this act are declared to be severable. Nothing herein contained shall limit the authority of the Board from utilizing the provisions of Articles 2 and 3 of Chapter 158 of the General Statutes as amended relating to economic development commissions.

SECTION 10. The purpose of this act is to consolidate certain acts concerning the Stanly County Economic Development Commission. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act so that all rights and liabilities that have accrued are preserved and may be enforced.

SECTION 11. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 12. The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Chapter 141 of the 1961 Session Laws.

Chapter 706 of the 1965 Session Laws.
Chapter 355 of the 1975 Session Laws.
Chapter 237 of the 1983 Session Laws.
Chapter 185 of the 1987 Session Laws.
Chapter 928 of the 1987 Session Laws.
Chapter 595 of the 1995 Session Laws.
Sections 2 and 3 of S.L. 2009-253.
Section 3 of S.L. 2011-175.

SECTION 13. The terms of all members serving on the Stanly County Economic Development Commission, including members of the Stanly County Board of Commissioners, shall expire on May 31, 2017, but all appointees shall serve until their successors have been appointed and qualified. The Stanly County Board of Commissioners shall appoint 13 members to serve on the Stanly County Economic Development Commission as provided in Section 2 of this act. The terms of the 13 members appointed by the Stanly County Board of Commissioners shall be for one and two years, as provided in Section 4 of this act, and shall begin on June 1, 2017.

SECTION 14. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 15. All existing ordinances, resolutions, and other provisions of Stanly County not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 16. No action or proceeding pending on the effective date of this act by or against Stanly County or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 17. Whenever a reference is made in this act to a particular provision of the General Statutes, and such provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute or to the General Statute that most clearly corresponds to the statutory provision which is superseded or recodified.

SECTION 18. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of June, 2017.

Session Law 2017-36 **H.B. 406**

AN ACT REPEALING THE AUTHORITY OF ORANGE COUNTY TO IMPOSE IMPACT FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Title VI of Chapter 460 of the Session Laws of 1987, as amended by Chapter 324 of the Session Laws of 1991 and Part 4 of Chapter 642 of the Session Laws of 1993, is repealed.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of June, 2017.

Session Law 2017-37 **H.B. 154**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE CITY OF GASTONIA.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Gastonia is revised and consolidated to read:

"THE CHARTER OF THE CITY OF GASTONIA.

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES.

"Section 1.1. **Incorporation.** The City of Gastonia, North Carolina, in Gaston County and its inhabitants shall continue to be a municipal body politic and corporate, under the name of the "City of Gastonia," hereinafter also referred to as the "City."

"Sec. 1.2. **Powers.** The City has and may exercise all of the powers, duties, rights, privileges, and immunities conferred upon the City of Gastonia specifically by this Charter or upon municipal corporations by general law. The term "general law" is employed herein as defined in G.S. 160A-1.

"Sec. 1.3. **Corporate Limits.** The corporate limits are those existing at the time of ratification of this Charter, as set forth on the official map of the City and as they may be altered from time to time in accordance with law. An official map of the City, showing the current boundaries, is maintained permanently in the office of the City Clerk and is available for public inspection. Within a reasonable time upon alteration of the corporate limits made pursuant to law, the appropriate changes to the official map shall be made and copies of the changes shall be filed in the Office of the Secretary of State, the Gaston County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY.

"Sec. 2.1. **Mayor and City Council.** The Mayor and the City Council comprise the governing body of the City. The City Council is referred to hereinafter as the "Council."

"Sec. 2.2. **City Council Composition; Terms of Office.** The Council is composed of six members who reside in the respective wards as provided in Article III of this Charter, but who are elected by all the qualified voters of the City for terms of four years or until their successors are elected and qualified. The three Council members elected from Wards 1, 2, and 5 in 2017 shall serve for terms of four years, and the three Council members elected from Wards 3, 4, and 6 in 2019 shall serve for terms of four years.

"Sec. 2.3. **Mayor; Term of Office; Duties.** The Mayor is elected by all the qualified voters of the City for a term of two years or until a successor is elected and qualified. The Mayor is the official head of the City government and presides at meetings of the Council, has the right to vote on all matters before the Council, but is not required to vote except when the Mayor's vote is necessary for determinative action. The Mayor exercises powers and duties conferred by law or as directed by the Council. Failure of the Mayor to vote when present, or when the Mayor has not been excused, on any such matter when the Mayor's vote is required by this section, is deemed an affirmative vote and shall be so recorded.

"Sec. 2.4. **Mayor Pro Tempore.** The Council shall elect one of its members as Mayor Pro Tempore to perform the duties of the Mayor during the Mayor's absence or disability, in accordance with general law. The Mayor Pro Tempore shall serve in such capacity at the pleasure of the other members of the Council.

"Sec. 2.5. **Meetings.** In accordance with general law, the Council shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Sec. 2.6. **Voting Requirements; Quorum.** Unless otherwise stated herein, official actions of the Council and all votes are taken in accordance with the applicable provisions of general law, particularly G.S. 160A-75. A quorum is as provided in G.S. 160A-74.

"Sec. 2.7. **Compensation; Qualifications for Office; Vacancies.** The compensation and qualifications of the Mayor and Council are in accordance with general law. Vacancies that occur in any elective office of the City are filled as provided in G.S. 160A-63.

"ARTICLE III. ELECTIONS.

"Sec. 3.1. **Regular Municipal Elections.** Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections are conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292. For purpose of election of Council members, the City is divided into six geographical subdivisions known as wards, provided that all qualified voters of the City may cast a vote for each seat. The wards are numbered from one to six and

are as shown on the existing official map of the City or of the election wards, as they may be revised from time to time.

"Sec. 3.2. **Election of Council.** All Council members elected shall serve for terms of four years as elected in staggered biennial elections. The three Council members elected from Wards 1, 2, and 5 in 2017 shall serve for terms of four years, and the three Council members elected from Wards 3, 4, and 6 in 2019 shall serve for terms of four years. Each Council member shall be a resident of the ward he or she represents.

"Sec. 3.3. **Election of Mayor.** A Mayor shall be elected every two years, beginning in November 2017, in each regular municipal election.

"Sec. 3.4. **Special Elections and Referendums.** Special elections and referendums may be held only as provided by general law or applicable local acts of the General Assembly.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION, CITY MANAGER.

"Sec. 4.1. **Form of Government.** The City operates under the council-manager form of government, in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes.

"Sec. 4.2. **City Manager.** The Council appoints a City Manager who is responsible for the administration of all departments of the City government. The City Manager has all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and the additional powers and duties conferred by the Council, so far as authorized by general law. The Council shall hold the City Manager responsible for the proper management of the affairs of the City, and the City Manager shall keep the Council informed of the needs and conditions of the City and shall make such reports and recommendations as may be requested by the Council or as the City Manager deems necessary. Neither the Mayor, the City Council, or any member of the City Council shall publicly or privately direct the conduct or activities of any City employee, either directly or indirectly, except through the City Manager.

"Sec. 4.3. **Approval and Execution of Contracts.** The Council may adopt an ordinance that delegates to the City Manager the authority to award, approve, and execute certain contracts, as reviewed by the City Attorney, on behalf of the City. This authority of the City Manager to award, approve, and execute certain contracts shall be subject to the terms, conditions, and limitations as set forth by the Council in the ordinance, and the ordinance shall require that all contracts awarded, approved, and executed pursuant to that authority be reported by the City Manager to the Council in a timely manner.

"Sec. 4.4. **Settlement of Claims.** The City Manager may, upon written recommendation of the City Attorney, execute releases of persons, firms, and corporations for damages to personal property belonging to the City, when the full amount of damages to the property has been ascertained and that amount has been paid in full to the City.

The Council may adopt an ordinance that delegates to the City Manager the authority, upon written recommendation from the City Attorney, to approve settlements on behalf of the City in all claims or lawsuits of any kind or nature involving the City, including land condemnation lawsuits, and to execute any and all documents necessary for the settlement of those claims or lawsuits, when the monetary amount involved does not exceed an amount set forth by the Council in the ordinance. All such settlements shall be reported to the City Council in a timely manner and shall be subject to the applicable provisions of the Public Records law as set forth in Chapter 132 of the General Statutes.

"ARTICLE V. OTHER OFFICES AND POSITIONS.

"Sec. 5.1. **City Attorney.** The Council shall appoint a City Attorney licensed to practice law in North Carolina. It is the duty of the City Attorney to represent the City, advise City officials, and perform other duties required by law, or as the Council may direct. The Council may appoint or provide for one or more associate or assistant city attorneys who shall receive such compensation as may be fixed by the Council and who shall have full authority to exercise and perform any of the powers and duties of the City Attorney that may be specified by the Council or the City Attorney.

"Sec. 5.2. **City Clerk.** The Council shall appoint a City Clerk to keep a journal of the proceedings of the Council, to maintain official records and documents, to give notice of

meetings, and to perform such other duties required by law, or as the City Manager may direct. The City Clerk shall report to the City Manager.

"Sec. 5.3. **Tax Collector.** The Council shall appoint a Tax Collector pursuant to G.S. 105-349 to collect all taxes owed to the City, subject to general law, this Charter, and City ordinances. Pursuant to an interlocal agreement as authorized by general law, the Council may appoint the Tax Collector of Gaston County as the City's Tax Collector.

"Sec. 5.4. **Other Administrative Officers and Employees.** The Council may authorize other positions to be filled by appointment by the City Manager, and may organize the City government as deemed appropriate, subject to the requirements of general law.

"ARTICLE VI. PUBLIC IMPROVEMENTS.

"Sec. 6.1. **Planting Strip and Driveway Maintenance.** It is the responsibility of the abutting property owner to maintain any property or driveway between the property line and the edge of the pavement or the curb of a paved street.

"ARTICLE VII. HOUSING MATTERS.

"Sec. 7.1. **Gastonia Fair Housing Act.** The Gastonia Fair Housing Act shall continue as authorized by Chapter 902, Session Laws of 1985, as amended by Chapter 931, Session Laws of 1987, and Chapter 510, Session Laws of 1989.

"Sec. 7.2. **Designation of Rental Property Owner's Agent for Service of Process.** The City Council may, by ordinance, require that each owner of rental property within the city authorize a person residing in Gaston County to serve as the owner's agent for the purpose of accepting service of process in an action involving a violation of an ordinance adopted under Part 5 or 6 of Article 19 of Chapter 160A of the General Statutes. The owner shall provide, on a form supplied by the City, the authorized agent's name, address, and phone number and shall notify the City of any changes in the information provided not more than 10 days after such changes occur. Nothing in this section shall require an owner to designate an agent to accept service of process where the owner of the rental property resides within Gaston County.

"ARTICLE VIII. MISCELLANEOUS PROVISIONS.

"Sec. 8.1. **Alcoholic Beverages.** The City of Gastonia Board of Alcoholic Beverage Control shall consist of five members appointed for three-year overlapping terms as originally authorized by Chapter 910, Session Laws of 1971, before the effective date of Chapter 18B of the General Statutes. Otherwise, the City of Gastonia Board of Alcoholic Beverage Control shall be subject to the provisions of Article 7 of Chapter 18B of the General Statutes of North Carolina.

"Sec. 8.2. **Lease of City Property.** As originally authorized by Chapter 910, Session Laws of 1971, notwithstanding the provisions of G.S. 160A-272, the Council may lease property owned by the City for a period not to exceed 15 years without following the procedures authorized for the sale of real property.

"Sec. 8.3. **Organization, Operation, and Dissolution of Municipal Bodies.** The Council shall have the authority to provide for the organization, operation, and dissolution of all governmental bodies of the City, except as limited by law.

"Sec. 8.4. **Annexation Agreements.** In addition to the authority contained in general law, the City may enter into annexation agreements with other municipalities as authorized by Chapter 204, Session Laws of 1987. To that end, the two shall be considered concurrent sources of authority."

SECTION 2. The purpose of this act is to revise the Charter of the City of Gastonia and to consolidate certain acts concerning the property, affairs, and government of the City. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act, so that all rights and liabilities that have accrued are preserved and may be enforced.

SECTION 3. The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Section 1 of Chapter 557 of the Session Laws of 1991.

Section 2 of Chapter 320 of the Session Laws of 1995.

SECTION 4. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 5. All existing ordinances, resolutions, and other provisions of the City of Gastonia, not inconsistent with the provisions of this act, shall continue in effect until expressly repealed or amended.

SECTION 6. No action or proceeding pending on the effective date of this act, by or against the City or any of its departments or agencies, is abated or otherwise affected by this act.

SECTION 7. If any provision or application of this act is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end, the provisions of this act are declared to be severable.

SECTION 8. Whenever a reference is made in this act to a particular provision of the General Statutes, and such provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute, or to the General Statute that most clearly corresponds to the statutory provision that is superseded or recodified.

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

In the General Assembly read three times and ratified this the 21st day of June, 2017.

Session Law 2017-38 **H.B. 491**

AN ACT TO ALLOW HENDERSON COUNTY TO CHANGE THE BOUNDARY OF CERTAIN FIRE TAX DISTRICTS BY RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of S.L. 2000-4, as amended by S.L. 2011-50, reads as rewritten:

"Section 1. (a) Notwithstanding G.S. 69-25.11, the boundaries of any fire protection district in Henderson County established under Article 3A of Chapter 69 of the General Statutes may be changed by resolution of the Board of Commissioners of Henderson County to follow the boundaries shown on the map in Attachment A to a resolution adopted by that board on March 17, 1999.

(b) Notwithstanding G.S. 69-25.11, the boundaries of any fire protection district in Henderson County established under Article 3A of Chapter 69 of the General Statutes may be changed by resolution of the Board of Commissioners of Henderson County as follows:

(1) ~~to~~ To include any unincorporated area of the county not already in such a fire protection district if (i) in that resolution all of such unincorporated areas, other than those owned by the United States, are placed in some fire protection district and (ii) no fire district contains any new noncontiguous territory other than a noncontiguity caused by exclusion of property owned by the United States.

(2) To transfer areas from one protection district to another, when (i) the transfer is jointly requested by the fire departments serving those areas before and after the proposed transfer and (ii) a description or map of the areas to be transferred is included as an appendix to the resolution.

Any resolution adopted under this subsection becomes effective the first day of the next fiscal year."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of June, 2017.

Session Law 2017-39 **H.B. 59**

AN ACT TO MAKE TECHNICAL CHANGES TO THE REVENUE LAWS.

The General Assembly of North Carolina enacts:

PART I. INCOME AND FRANCHISE TAX CHANGES

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

"(b) Definitions. – The following definitions apply in this Article:

...

(1b) Code. – The Internal Revenue Code as enacted as of ~~January 1, 2016,~~ January 1, 2017, including any provisions enacted as of that date that become effective either before or after that date."

SECTION 2. G.S. 105-122 reads as rewritten:

"**§ 105-122. Franchise or privilege tax on domestic and foreign corporations.**

(a) Tax Imposed. – An annual franchise or privilege tax is imposed on a corporation doing business in this State. ~~The tax is determined on the basis of the books and records of the corporation as of the close of its income year.~~ A corporation subject to the tax must file a return under affirmation with the Secretary at the place and in the manner prescribed by the Secretary. The return must be signed by the president, vice-president, treasurer, or chief financial officer of the corporation. The return is due on or before the fifteenth day of the fourth month following the end of the corporation's income year.

(b) Determination of Net Worth. – A corporation taxed under this section shall determine the total amount of its net ~~worth.~~ worth on the basis of the books and records of the corporation as of the close of its income year. The net worth of a corporation is its total assets without regard to the deduction for accumulated depreciation, depletion, or amortization less its total liabilities, computed in accordance with generally accepted accounting principles as of the end of the corporation's taxable year. If the corporation does not maintain its books and records in accordance with generally accepted accounting principles, then its net worth is computed in accordance with the accounting method used by the entity for federal tax purposes so long as the method fairly reflects the corporation's net worth for purposes of the tax levied by this section. A corporation's net worth is subject to the following adjustments:

...."

SECTION 3.(a) G.S. 105-129.96 reads as rewritten:

"**§ 105-129.96. Credit for constructing a railroad intermodal facility.**

(a) Credit. – A taxpayer that constructs or leases an eligible railroad intermodal facility in this State ~~and places it in service during the taxable year~~ is allowed a tax credit equal to fifty percent (50%) of all amounts payable by the taxpayer towards the costs of construction or under the ~~lease.~~lease if the facility is placed in service in this State during the taxable year. No credit is allowed under this section to the extent the cost of the eligible railroad intermodal facility was provided by public funds.

...

(c) No Double Credit. – A taxpayer may not take the credit allowed in this section for an eligible railroad intermodal facility the taxpayer leases from another unless the taxpayer obtains the lessor's written certification that the lessor will not claim a credit under this Chapter with respect to the facility."

SECTION 3.(b) This section is effective for taxable years beginning on or after January 1, 2017.

SECTION 4.(a) G.S. 105-130.20 reads as rewritten:

"**§ 105-130.20. Federal corrections.**

If a taxpayer's federal taxable income or federal tax credit that affects the amount of State tax payable is corrected or otherwise determined by the federal government, the taxpayer must, within six months after being notified of the correction or final determination by the federal government, file an income tax return with the Secretary reflecting the corrected or determined

taxable income. The Secretary must propose an assessment for any additional tax due from the taxpayer as provided in Article 9 of this Chapter. The Secretary must refund any overpayment of tax as provided in Article 9 of this Chapter. A taxpayer that fails to comply with this section is subject to the penalties in G.S. 105-236 and forfeits its rights to any refund due by reason of the determination."

SECTION 4.(b) G.S. 105-159 reads as rewritten:

"**§ 105-159. Federal corrections.**

If a taxpayer's adjusted gross ~~income~~ income, filing status, personal exemptions, standard deduction, itemized deductions, or federal tax credit that affects the amount of State tax payable is corrected or otherwise determined by the federal government, the taxpayer must, within six months after being notified of the correction or final determination by the federal government, file an income tax return with the Secretary reflecting the corrected or determined adjusted gross income or federal tax credit that affects the amount of State tax payable. The Secretary must propose an assessment for any additional tax due from the taxpayer as provided in Article 9 of this Chapter. The Secretary must refund any overpayment of tax as provided in Article 9 of this Chapter. A taxpayer who fails to comply with this section is subject to the penalties in G.S. 105-236 and forfeits the right to any refund due by reason of the determination."

PART II. SALES TAX CHANGES

SECTION 5. G.S. 105-164.3 reads as rewritten:

"**§ 105-164.3. Definitions.**

The following definitions apply in this Article:

...

~~(31) Protective equipment. – Items for human wear and designed as protection of the wearer against injury or disease or as protection against damage or injury of other persons or property but not suitable for general use including breathing masks, face shields, hard hats, and tool belts.~~

...

(45a) Streamlined Agreement. – The Streamlined Sales and Use Tax Agreement as amended as of ~~September 17, 2015.~~December 16, 2016.

...."

SECTION 6. G.S. 105-164.6(f) reads as rewritten:

"(f) Registration. – A person must obtain a certificate of registration in accordance with G.S. 105-164.29 under any of the following circumstances:

(1) Before the person engages in business in this State selling or delivering tangible personal property, digital property, or a service for storage, use, or consumption in this State.

(2) If the person is a facilitator that is liable for tax ~~pursuant to G.S. 105-164.4F.~~under this Article."

SECTION 7. G.S. 105-164.14A(a) reads as rewritten:

"(a) Refund. – The following taxpayers are allowed an annual refund of sales and use taxes paid under this Article:

...

(4) Motorsports team or sanctioning body. – A professional motorsports racing team, a motorsports sanctioning body, or a related member of such a team or body is allowed a refund of the sales and use tax paid by it in this State on aviation gasoline or jet fuel that is used to travel to or from a motorsports event in this State, to travel to a motorsports event in another state from a location in this State, or to travel to this State from a motorsports event in another state. For purposes of this subdivision, a "motorsports event" includes a motorsports race, a motorsports sponsor event, and motorsports testing. This subdivision is repealed for purchases made on or after January 1, 2020.

...."

SECTION 8. G.S. 105-164.29 reads as rewritten:

"**§ 105-164.29. Application for certificate of registration by wholesale merchants, retailers, and facilitators.**

(a) Requirement and Application. – Before a person may engage in business as a retailer or a wholesale merchant or when a facilitator is liable for tax under ~~G.S. 105-164.4F,~~ this Article, the person must obtain a certificate of registration. To obtain a certificate of registration, a person must register with the Department. A person who has more than one business is required to obtain only one certificate of registration for each legal entity to cover all operations of each business throughout the State. An application for registration must be signed as follows:

...

(c) Term. – A certificate of registration is valid unless it is revoked for failure to comply with the provisions of this Article or becomes void. A certificate issued to a ~~retailer~~ person who makes taxable sales or a ~~facilitator~~ person liable for tax under ~~G.S. 105-164.4F~~ this Article becomes void if, for a period of 18 months, the ~~retailer or facilitator~~ person files no returns or files returns showing no sales. A certificate of registration issued to a seller that contracts with a certified service provider pursuant to G.S. 105-164.42I and that is a model one seller as defined in the Streamlined Agreement does not become void if the certified service provider files returns for the seller showing no sales for a period for which a certificate could become void under this subsection.

...."

PART III. EXCISE TAX CHANGES

SECTION 9. G.S. 105-41(a) reads as rewritten:

"(a) Every individual in this State who practices a profession or engages in a business and is included in the list below must obtain from the Secretary a statewide license for the privilege of practicing the profession or engaging in the business. A license required by this section is not transferable to another person. The tax for each license is fifty dollars ($50.00).

...

(11) A ~~mortician or embalmer~~ funeral director, an embalmer, or a funeral service licensee licensed under G.S. 90-210.25.

...."

SECTION 10. G.S. 105-113.29 reads as rewritten:

"**§ 105-113.29. Unlicensed place of business.**

It shall be unlawful for any person to maintain a place of business within this State required by this Article to be licensed to ~~engaged~~ engage in the business of selling or offering for sale cigarettes or other tobacco products without first obtaining such licenses."

SECTION 11. G.S. 105-449.37 reads as rewritten:

"**§ 105-449.37. Definitions; tax liability; application.**

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

(1) International Fuel Tax Agreement. – The Articles of Agreement adopted by the International Fuel Tax Association, Inc., as amended as of ~~July 1, 2013.~~January 1, 2017.

...

(c) Application. – A motor carrier who operates a qualified motor vehicle in this State must ~~register the vehicle~~ submit an application, as provided in this ~~Article~~ Article, and obtain the appropriate license and decals for the vehicle. The Article applies to both an interstate motor carrier subject to the International Fuel Tax Agreement and to an intrastate motor carrier."

SECTION 12. G.S. 105-449.60 reads as rewritten:

"**§ 105-449.60. Definitions.**

The following definitions apply in this Article:

...

(4) Biodiesel provider. – A person who does any of the following:

a. Produces an average of no more than 500,000 gallons of biodiesel per month during a calendar year. A person who produces more than this amount is a refiner.

b. Imports biodiesel ~~outside the terminal transfer system~~ by means of a transport truck, a railroad tank car, ~~or~~ a tank ~~wagon.~~wagon, or a marine vessel.

...

(9a) Bulk storage. – A container or tank used to store bulk purchase of motor fuel or alternative fuel of 42 gallons or more.

...

(14) Diversion. – The movement of motor fuel ~~from a terminal~~ to a state other than the destination state indicated on the original bill of lading.

...

(20) Fuel alcohol provider. – A person who does any of the following:

...

b. Imports fuel alcohol ~~outside the terminal transfer system~~ by means of a transport truck, a railroad tank car, ~~or~~ a tank ~~wagon.~~wagon, or a marine vessel.

(21) Gasohol. – A blended fuel composed of gasoline and fuel grade ethanol.

(22) Gasoline. – Any of the following:

...

b. A petroleum product component of gasoline, such as naptha, reformate, or ~~toluene.~~toluene, listed in Treasury Regulation Section 48-4081-1(c)(3) as of January 1, 2017, that can be blended for use in a motor fuel.

...

(46) Supplier. – Any of the following:

...

~~d. A refiner.~~

(47) System transfer. ~~– Either of the following:~~

~~a.~~ A transfer of motor fuel within the terminal transfer system.

~~b. A transfer, by transport truck or railroad tank car, of fuel grade ethanol.~~

...."

SECTION 13. G.S. 105-449.65(b) reads as rewritten:

"(b) Multiple Activity. – A person who is engaged in more than one activity for which a license is required must have a separate license for each activity, unless one of the following subdivisions provides otherwise.

(1) Supplier. – A person who is licensed as a supplier is considered to have a license as a distributor. A person who is licensed as a supplier ~~and is a biodiesel provider~~ is considered to have a license as a blender.

...."

SECTION 14. G.S. 105-449.69(e) reads as rewritten:

"(e) Export Activity. – ~~An applicant for a license as an exporter must designate an agent located in North Carolina for service of process and must give the agent's name and address.~~ An applicant for a license as an exporter or as a distributor must list on the application each state to which the applicant intends to export motor fuel received in this State by means of a transfer that is outside the terminal transfer system and, if required by a state listed, must be licensed or registered for motor fuel tax purposes in that state. If a state listed requires the applicant to be licensed or registered, the applicant must give the applicant's license or registration number in that state."

SECTION 15. G.S. 105-449.81 reads as rewritten:

"**§ 105-449.81. Excise tax on motor fuel.**

An excise tax at the motor fuel rate is imposed on motor fuel that is:

...

(3b) Fuel grade ethanol or biodiesel fuel if the fuel meets at least one of the following descriptions:

a. Is produced in this State and is removed from the storage facility at the production location.

b. Is imported to this State ~~outside the terminal transfer system.~~by means of a transport truck, a railroad tank car, a tank wagon, or a marine vessel.

c. Repealed by Session Laws 2009-445, s. 34(a), effective January 1, 2010.

...."

SECTION 16. G.S. 105-449.115(d)(3) reads as rewritten:

"(d) Duties of Transporter. – A person to whom a shipping document was issued must do all of the following:

...

(3) Deliver motor fuel described in the shipping document to the destination state printed on it unless the person does all of the following:

a. Notifies the ~~Secretary~~ Secretary, in a manner designated by the Secretary, before transporting the motor fuel into a state other than the printed destination state that the person has received instructions since the shipping document was issued to deliver the motor fuel to a different destination state.

b. Receives from the ~~Secretary~~ Secretary, in a manner designated by the Secretary, a confirmation number authorizing the diversion.

c. Writes on the shipping document the change in destination state and the confirmation number for the diversion."

PART IV. EFFECTIVE DATE

SECTION 17. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of June, 2017.

Session Law 2017-40 **H.B. 158**

AN ACT AUTHORIZING CITIES AND COUNTIES TO PROVIDE FOR THE PAYMENT OF ALL OR A PORTION OF THE COST OF CRITICAL INFRASTRUCTURE PROJECTS BY USING FUNDS FROM PRIVATE PARTIES AND REPAYING THE FUNDS BY MAKING SPECIAL ASSESSMENTS ON BENEFITED PROPERTY AND CLARIFYING THE RECIPIENT OF PROCEEDS FROM A PERFORMANCE GUARANTEE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9A of Chapter 153A of the General Statutes reads as rewritten:

"Article 9A.

"Special Assessments for Critical Infrastructure Needs.

"**§ 153A-210.1. Purpose; sunset.**

(a) Purpose. – This Article enables counties that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed under~~ as provided in this Article on benefited ~~property.~~ property and to use the resulting revenues as provided in this Article. This

Article supplements the authority counties have in Article 9 of this Chapter. The provisions of Article 9 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

…

(b) Sunset. – This Article expires ~~July 1, 2020.~~ July 1, 2020, for projects that have not been approved under a final assessment resolution. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"**§ 153A-210.2. Assessments.**

(a) Projects. – The board of commissioners of a county may make special assessments as provided in this Article against benefited property within the county for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

…

(b) Costs. – The board of commissioners must determine a project's total estimated ~~cost.~~ cost and the amount of costs to be paid from assessments. In addition to the costs allowed under G.S. 153A-193, the costs may include any expenses allowed under ~~G.S. 159-84.~~ G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The board of commissioners must establish an assessment method that ~~will most~~ will, in the board's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 153A-186, the board may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the board may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"**§ 153A-210.3. Petition required.**

(a) Petition. – The board of commissioners may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.

(2) An estimate of the cost of the project.

(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the board of commissioners shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.

(2) A general description of the nature and location of the project.

(3) An estimate of the total cost of the project.

(4) A statement as to the proposed terms of payment of the assessment.

(5) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the board of commissioners shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the board may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (4) of subsection (a1) of this section.

(b) Petition Withdrawn. – The board of commissioners must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the board signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The board may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the county did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"**§ 153A-210.4. ~~Financing~~ Funding a project for which an assessment is imposed.**

(a) ~~Financing~~ Funding Sources. – ~~A board of commissioners~~ In addition to funding from sources otherwise authorized for use by a county in connection with a project, a board of commissioners may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more of the ~~financing~~ funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 153A-210.6.

(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.

(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.

(4) General revenues.

(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the board of commissioners must covenant to enforce the payment of the assessments.

(c) Reimbursement From Assessments. – If a county contracts with a private party to construct a project on behalf of the county as provided in G.S. 153A-210.7, the board of

commissioners may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for actual costs incurred by the private party related to the project and documented to the county. The board of commissioners shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the county's related administrative costs.

A reimbursement shall not include reimbursement to the private party for any interest costs, whether actual or imputed, of the funds invested by the private party in the project except in the event that an abeyance in the collection of assessments is permitted pursuant to G.S. 153A-210.5. If an abeyance in the collection of assessments is permitted, the amount to be reimbursed may include an inflationary factor applicable for the period of the abeyance.

(d) Performance Bond. – A subdivision control ordinance adopted by a county under G.S. 153A-331 providing for a performance bond or guarantee to assure successful completion of required improvements will apply to a project funded in whole or in part by an assessment under this Article.

"**§ 153A-210.5. Payment of assessments by installments.**

(a) An assessment imposed under this Article is payable in annual installments. The board of commissioners must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The board of commissioners may provide for the abeyance of assessments as authorized in Article 9 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

…

"**§ 153A-210.7. Project implementation.**

A county may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a county for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the county or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the county in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the county or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the county, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 2. Article 10A of Chapter 160A of the General Statutes reads as rewritten:

"Article 10A.

"Special Assessments for Critical Infrastructure Needs.

"**§ 160A-239.1. Purpose; sunset.**

(a) Purpose. – This Article enables cities that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed~~ as provided under this Article on benefited ~~property.~~ property and to use the resulting revenues as provided in this Article. This Article supplements

the authority cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(b) Sunset. – This Article expires ~~July 1, 2020.~~ July 1, 2020, for projects that have not been approved under a final assessment resolution. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"**§ 160A-239.2. Assessments.**

(a) Projects. – The council of a city may make special assessments as provided in this Article against benefited property within the city for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

(b) Costs. – The city council must determine a project's total estimated ~~cost.~~cost and the amount of costs to be paid from assessments. In addition to the costs allowed under ~~G.S. 153A-193,~~ G.S. 160A-226, the costs may include any expenses allowed under ~~G.S. 159-84.~~G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The city council must establish an assessment method that ~~will most~~ will, in the city council's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 160A-218, the council may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the council may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"**§ 160A-239.3. Petition required.**

(a) Petition. – The city council may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.
(2) An estimate of the cost of the project.
(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the city council shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.

(2) A general description of the nature and location of the project.

(3) An estimate of the total cost of the project.

(4) A statement as to the proposed terms of payment of the assessment.

(5) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the city council shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the city council may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (4) of subsection (a1) of this section.

(b) Petition Withdrawn. – The city council must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the council signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The council may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the city did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"**§ 160A-239.4. ~~Financing~~ Funding a project for which an assessment is imposed.**

(a) ~~Financing~~ Funding Sources. – ~~A~~ In addition to funding from sources otherwise authorized for use by a city ~~council~~ in connection with a project, a city council may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more ~~financing~~ funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from ~~the~~ each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 160A-239.6.

(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.

(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.

(4) General revenues.

(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 160A-239.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the city council must covenant to enforce the payment of the assessments.

(c) Reimbursement From Assessments. – If a city contracts with a private party to construct a project on behalf of the city as provided in G.S. 160A-239.7, the city council may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for actual costs incurred by the private party related to the project and documented

to the city. The city council shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the city's related administrative costs.

A reimbursement shall not include reimbursement to the private party for any interest costs, whether actual or imputed, of the funds invested by the private party in the project except in the event that an abeyance in the collection of assessments is permitted pursuant to G.S. 160A-239.5. If an abeyance in the collection of assessments is permitted, the amount to be reimbursed may include an inflationary factor applicable for the period of the abeyance.

(d) Performance Bond. – A subdivision control ordinance adopted by a city under G.S. 160A-372 providing for a performance bond or guarantee to assure successful completion of required improvements will apply to a project funded in whole or in part by an assessment under this Article.

"**§ 160A-239.5. Payment of assessments by installments.**

(a) An assessment imposed under this Article is payable in annual installments. The city council must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The city council may provide for the abeyance of assessments as authorized in Article 10 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

…

"**§ 160A-239.7. Project implementation.**

A city may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a city for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the city or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the city in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the city or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the city, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 3.(a) G.S. 160A-372(g) reads as rewritten:

"(g) For purposes of this section, all of the following shall apply with respect to performance guarantees:

…

(5) No person shall have or may claim any rights under or to any performance guarantee provided pursuant to this subsection or in the proceeds of any such performance guarantee other than the following:

a. The local government to whom such performance guarantee is provided.

b. The developer at whose request or for whose benefit such performance guarantee is given.

c. The person or entity issuing or providing such performance guarantee at the request of or for the benefit of the developer."

SECTION 3.(b) It is the intent of this section to clarify the existing law as it pertains to performance guarantees issued under G.S. 160A-372 and G.S. 153A-331.

SECTION 4. This act is effective when it becomes law and applies to assessments made on or after that date.

In the General Assembly read three times and ratified this the 13th day of June, 2017.

Session Law 2017-41 **H.B. 630**

AN ACT TO ESTABLISH SOCIAL SERVICES REGIONAL SUPERVISION AND COLLABORATION; REFORM THE CHILD WELFARE SYSTEM IN THIS STATE; IMPROVE ACCOUNTABILITY AND STATE OVERSIGHT OF THE CHILD WELFARE SYSTEM; REQUIRE WRITTEN AGREEMENTS, CORRECTIVE ACTION, AND STATE INTERVENTION WITH SOCIAL SERVICES DEPARTMENTS; CREATE REGIONAL SOCIAL SERVICE DEPARTMENTS; ESTABLISH A CHILD WELL-BEING TRANSFORMATION COUNCIL; ESTABLISH A DRIVERS LICENSE PILOT PROJECT; ESTABLISH A PILOT PROGRAM TO AUTHORIZE A WAIVER OF THE EMPLOYMENT REQUIREMENT FOR FOSTER PARENTS OF CHILDREN RECEIVING INTENSIVE ALTERNATIVE FAMILY TREATMENT; REDUCE THE TIME FRAME A PARENT HAS TO APPEAL FROM A TERMINATION OF PARENTAL RIGHTS ORDER; REDUCE THE TIME FRAME FOR LICENSURE APPROVAL REGARDING FOSTER CARE; AND REQUIRE CHILD PROTECTIVE SERVICE OBSERVATION BEFORE PHYSICAL CUSTODY OF CHILD MAY BE RETURNED.

Whereas, the children and families involved in North Carolina's child welfare system are among our most vulnerable children and most fragile families; and

Whereas, the recent federal Child and Family Services Review (CFSR) and the North Carolina Statewide Child Protective Services Evaluation of the State's Child Protective Services (CPS) program identified troubling gaps and flaws in North Carolina's child welfare system that are allowing too many of those vulnerable children and fragile families to fall through the cracks; and

Whereas, transforming the child welfare system to better ensure the safety, permanency, and well-being of children and families is the right thing to do; and

Whereas, county social services agencies are facing significant resource and administration challenges in areas other than child welfare, such as public assistance and adult services; and

Whereas, a recent audit by the North Carolina State Auditor of Medicaid eligibility determinations by county departments of social services concluded that most of the county departments reviewed in the audit did not consistently meet standards for timeliness and accuracy; and

Whereas, a recent report by the Program Evaluation Division reached similar conclusions regarding county administration of Medicaid eligibility determinations; and

Whereas, North Carolina's Aging Services Plan and a recent report on Alzheimer's and related dementias by the North Carolina Institute of Medicine emphasize the tremendous growth of the aging population and anticipate relying heavily on social services agencies to support the needs of this population; and

Whereas, it has been challenging for the State to effectively supervise administration of complex social services programs in 100 counties and it would be more efficient and effective for the State to supervise fewer local agencies; and

Whereas, it is our charge to spend public dollars wisely and effectively on administration of public assistance; and

Whereas, for the aforementioned reasons, North Carolina requires a plan of action to systematically reform the child welfare system and reduce the number of departments of social

services to allow for better supervision and administration of social services programs; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SOCIAL SERVICES REGIONAL SUPERVISION AND COLLABORATION; WORKING GROUP

SECTION 1.1. Regional Supervision of and Collaboration by Local Social Services Programs. –

(1) The Department of Health and Human Services (Department) is responsible for supervision of the local administration of social services programs, including child welfare, adult protective services and guardianship, public assistance, child support enforcement, and other programs. In order to enhance State supervision and oversight for these programs, the Department shall develop a plan for establishing regional offices charged with supervision of administration of social services at the local level. The plan shall also identify any necessary legislative and regulatory changes necessary to improve regional collaboration among county or regional social services agencies or programs.

(2) In developing the plan, the Department shall take into consideration the recommendations of the Social Services Regional Supervision and Collaboration Working Group created under Section 1.2.(a) of this act.

(3) The Department shall submit the plan to the Joint Legislative Oversight Committee on Health and Human Services by November 15, 2018. The plan shall provide for the system of regional supervision to be operational no later than March 1, 2020. The Department shall not implement the plan without an act by the General Assembly.

SECTION 1.2.(a) Social Services Regional Supervision and Collaboration Working Group. – The School of Government at the University of North Carolina at Chapel Hill (SOG) shall convene a Social Services Regional Supervision and Collaboration Working Group (Working Group) to make recommendations to the Department regarding the regional supervision and collaboration plan.

SECTION 1.2.(b) Composition. – The Working Group shall consist of the following members:

(1) Three members of the Senate appointed by the President Pro Tempore of the Senate, one of whom shall be designated as a cochair.

(2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom shall be designated as a cochair.

(3) Three representatives from the Department appointed by the Secretary of Health and Human Services or the Secretary's designee.

(4) One designee of the Chief Justice of the North Carolina Supreme Court, appointed by the Chief Justice.

(5) Four county commissioners representing the North Carolina Association of County Commissioners (NCACC), each of whom shall represent different regions of the State, appointed by the Director of the NCACC.

(6) Two county social services directors, one of whom shall be appointed by the President Pro Tempore of the Senate and one of whom shall be appointed by the Speaker of the House of Representatives.

(7) One representative from the North Carolina Association of Social Services Attorneys (NCASSA), appointed by the President of the NCASSA.

(8) One representative from the Association of North Carolina County Social Services Directors, appointed by the President of the Association.

SECTION 1.2.(c) Ad Hoc Subcommittees. – The cochairs may, at their discretion, establish ad hoc subcommittees involving experts and representatives of stakeholder

organizations to provide information and offer recommendations related to their areas of expertise and interest. Experts and organizations may include:

(1) Social Services Commission.
(2) North Carolina Association of County Boards of Social Services.
(3) Guardian ad Litem Program.
(4) Office of Indigent Defense Services.
(5) North Carolina Partnership for Children, Inc.
(6) Disability Rights of North Carolina.
(7) Benchmarks NC.
(8) North Carolina Association of Local Health Directors.
(9) North Carolina Council of Community Programs.
(10) North Carolina Emergency Management Association.
(11) North Carolina Child Support Council.
(12) North Carolina Pediatric Society.
(13) AARP North Carolina.
(14) County commissioners representing jurisdictions that have diverse geographic, socioeconomic, and demographic characteristics.
(15) Directors and administrators of consolidated human services agencies.
(16) Other experts or stakeholders identified by the cochairs.

SECTION 1.2.(d) Duties. – The Working Group shall develop recommendations for the regional supervision and collaboration plan required by Section 1.1 of this act. The Working Group shall divide its work into two stages, the first to address regional supervision and the second to address interagency collaboration and regionalization.

(1) Stage One. – The Working Group shall convene its first meeting no later than October 6, 2017. During the first stage, the Working Group shall develop recommendations regarding:
    a. The size, number, and location of the regions. Recommendations shall take into consideration (i) the need for regions to maintain direct, local connections with the jurisdictions they serve; (ii) alignment with other regional organizations that intersect with the work of social services, as appropriate; and (iii) awareness of the cultural differences and similarities between regions.
    b. The allocation of responsibility between the central, regional, and local officials in supervising and administering the social services programs and services.
    c. Methods for holding the regional offices accountable for performance and responsiveness.
    d. Requirements for the regional offices to share information about local departmental performance with the relevant board or boards of county commissioners, county or regional board of social services, or consolidated human services board.
    e. Options for authorizing the board of county commissioners to intervene in urgent situations to assume direct control of the department of social services at the local level prior to the State assuming control of service delivery pursuant to G.S. 108A-74.
    f. Any other issues related to regional supervision identified by the cochairs.
(2) Stage Two. – During the second stage, the Working Group shall:
    a. Develop recommendations regarding legislative and regulatory changes necessary to improve collaboration between counties in the administration of social services programs and services. Recommendations shall address, at a minimum, information sharing,

conflicts of interest, and intercounty movement of people enrolled in programs or receiving social services.

b. Develop a vision for transitioning the State from a county-administered system to a regionally administered system. The vision shall identify general benefits and challenges associated with making such a transition.

SECTION 1.2.(e) Reports. –

(1) Stage One. – The Working Group shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) and the Department at the conclusion of Stage One, which shall be no later than April 15, 2018. After receiving the Stage One report, the Committee may terminate the Working Group if it concludes that the Working Group is not making sufficient progress.

(2) Stage Two. – The Working Group shall submit a report to the Committee and the Department at the conclusion of Stage Two, which shall be no later than February 1, 2019.

SECTION 1.2.(f) Role of the School of Government. – The School of Government at the University of North Carolina at Chapel Hill shall assist the Working Group as follows:

(1) Convene and facilitate meetings.

(2) Provide necessary clerical and administrative support.

(3) Prepare the Working Group reports.

(4) Provide technical assistance, as appropriate.

PART II. REFORMING STATE SUPERVISION AND ACCOUNTABILITY OF THE STATE'S SOCIAL SERVICES SYSTEM

SECTION 2.1.(a) Contract for Social Services Reform. – The Office of State Budget and Management, in consultation with the Department of Health and Human Services, shall develop and issue a request for proposal (RFP) no later than September 30, 2017, to contract with a third-party organization to develop a plan to reform the State supervision and accountability for the social services system, including child welfare, adult protective services and guardianship, public assistance, and child support enforcement ("system reform"). In developing the system reform plan, the organization shall:

(1) Evaluate the role of the State in the social services system.

(2) Develop a new vision and strategic direction for the social services system, including leadership and governance at the State and regional levels.

(3) Develop a plan for reforming the social services system in order to improve outcomes for children and families, enhance State supervision of local social services administration, improve accountability for outcomes in social services at the local, regional, and State levels.

(4) Develop a plan for collection, analysis, and effective use of data by the social services system.

(5) Create a Social Services System Transparency and Wellness Dashboard (Dashboard) as provided in subsection (c) of this section.

(6) Develop a plan for consistent, standardized continuous quality improvement (CQI) for social services at the State, regional, and county levels.

(7) Review policies and procedures to support and accelerate system reform, focusing on sustainable change that will improve outcomes for children and families.

(8) Provide ongoing evaluation and oversight of the Department's implementation of social services system reform.

(9) Develop a child welfare reform plan as specified in subsection (b) of this section.

(10) Comply with all applicable reporting and implementation requirements specified in subsection (d) of this section.

In developing and implementing the social services system reform plan, the organization shall engage the services of national technical advisors with broad expertise and experience in implementing large-scale, systemic social services reform. The national technical advisors may have specialized expertise in certain areas of social services, such as child welfare, adult services, public assistance, or child support enforcement.

SECTION 2.1.(b) Child Welfare Reform. – The contract with the third-party organization required by subsection (a) of this section shall also require the organization to develop a child welfare reform plan that, at a minimum, makes recommendations regarding:

(1) Child Protective Services (CPS), including the system for receiving reports and investigating allegations of child abuse, neglect, or dependency.

(2) Preventive and in-home services that provide struggling families with needed supports and treatment to prevent removal of the children from the home.

(3) Child fatality oversight, including a review of the existing structure, communication, and effectiveness of the Community Child Protection Teams, the Child Fatality Prevention Team, and use of Citizen Review Panels. Oversight shall also include identification of systemic problems in the child welfare system that may increase risk of harm or death to a child and implementation of timely and appropriate systemic reforms following a child fatality.

(4) Placement of children in foster care and other out-of-home settings.

(5) Services provided to children, youth, and parents involved with child welfare to achieve reunification of families.

(6) Efforts to achieve permanency for children either through reunification with family, legal guardianship or custody, or adoption.

(7) Provision of health care, mental health, and educational services to children and families involved with the child welfare system.

(8) Services provided to older youth in foster care and to those who have aged out of foster care.

(9) Strategies to ensure well-trained and adequately compensated staff to improve performance and reduce turnover.

(10) Practice and implementation, including:

a. Ensuring a statewide, trauma-informed, culturally competent, family-centered practice framework.

b. Incorporating more evidence-based practices, including evidence-informed prevention services designed to reduce the number of children entering foster care.

c. Specifying expectations regarding professional development, training, and performance standards.

d. Eliminating unnecessary barriers to licensing foster care and therapeutic foster care families to ensure an adequate supply of qualified families.

e. Improving provider and foster parent feedback loops. For purposes of this sub-subdivision, "feedback loops" refers to a situation in which a portion of the output of a situation is used for new input.

f. Performing time use and salary surveys for Division of Social Services staff.

g. Promoting relationship building across agencies and providers.

h. Implementing family supports for adoptions, which includes (i) collecting data on the incidence of disrupted adoptions and unlawful transference of children in North Carolina, (ii) the outcomes for

children and families associated with disrupted adoptions, and (iii) the provision of supports needed to assist families at risk of disruption in order to keep those families together.

i. Maintaining sibling groups, in accordance with the "Fostering Connections to Success and Increasing Adoptions Act of 2008."

j. Developing a statewide, standardized functional protocol to be used for case planning, service referrals, and enhancing executive-level decision making around resource allocation and other system reform efforts.

SECTION 2.1.(c) In developing the child welfare components of the reform plan pursuant to this section, the organization shall do each of the following:

(1) Ensure the plan complies with the requirements of the federal Child and Family Services Review Program Improvement Plan effective January 1, 2017.

(2) Consult regularly with the Social Service Regional Supervision and Collaboration Working Group and offer recommendations appropriate to align the goals and direction for both efforts.

(3) Review the program for corrective action under G.S. 108A-74, as amended by Part III of this act, and offer any recommendations necessary to align the corrective action program with the child welfare reform plan.

SECTION 2.1.(d) The social services reform effort described in this section shall also include the creation of a Social Services System Transparency and Wellness Dashboard (Dashboard) that will collect data from the North Carolina Families Accessing Services through Technology (NC FAST) system. The Dashboard shall serve as a report card and include regular reports of the components of social services including, at a minimum, child welfare, adult services, public assistance, and child support enforcement. The Dashboard shall be continuously updated to allow for monitoring by State leadership, staff and families involved in the social services system, and the general public to ensure maximum accountability and transparency and the effective and efficient use of social services and funds. The Department of Health and Human Services shall work closely with the organization to identify available data sources to include in the Dashboard for the relevant programs. With respect to child welfare specifically, the Dashboard shall address the data issues highlighted in the Child and Family Services Review (CFSR) and the North Carolina Statewide Child Protective Services Evaluation of the State's Child Protective Services system dated March 1, 2016, to ensure the provision of accurate federal reporting and improved case management, continuous quality improvement (CQI), and overall improved outcomes for children and families. The data from the Dashboard shall be readily available on the Department's Web site. For purposes of this subsection, the term "Dashboard" means a standard set of performance and outcome metrics that indicate how effectively the components of the social services system are working.

SECTION 2.1.(e) The following reporting and implementation requirements shall occur:

(1) The Office of State Budget and Management (OSBM) shall report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) upon hiring an organization as required by subsection (a) of this section to develop the social services reform plan pursuant to this section.

(2) OSBM shall include in the contract clear direction that time is of the essence and failure to perform within the required time line constitutes breach of contract. OSBM shall also include a provision in the contract authorizing it to terminate the contract without financial penalty to the State if OSBM, in consultation with the Committee, determines that progress on development of the child welfare reform plan is unsatisfactory.

(3) The organization shall submit a preliminary report to the Committee no later than 180 days after the contract is finalized. The preliminary report shall set forth the progress made on developing the reform plan and the objectives for the subsequent 180 days. After that preliminary report is submitted, the organization shall submit bimonthly reports to Committee on the progress of development and implementation of the child welfare reform plan.

(4) The Department shall submit preliminary recommendations to the Committee no later than October 1, 2018, regarding legislative changes necessary to implement the reform plan developed by the organization. After the preliminary report is submitted, the Department may submit additional reports to the Committee identifying additional legislative changes that are necessary to implement the reform plan as it is further developed and implemented.

SECTION 2.2. This part becomes effective July 1, 2017.

PART III. LOCAL DSS WRITTEN AGREEMENTS; CORRECTIVE ACTION; STATE INTERVENTION

SECTION 3.1.(a) G.S. 108A-74 reads as rewritten:

"**§ 108A-74. County departments required to enter into annual written agreement for all social services programs other than medical assistance; County department failure to provide child welfare services; State intervention in or control of child welfare service delivery.**

(a) Notwithstanding any other provision of law to the contrary, the Secretary of Health and Human Services may take action in accordance with this section to ensure the delivery of child welfare services in accordance with State laws and applicable rules. As used in this section, the terms:

(1) "County department of social services" also means the consolidated human services agency, whichever applies;

(2) "County director of social services" also means the human services director, whichever applies; and

(3) "County board of social services" also means the consolidated human services board, whichever applies.

(4) "Child welfare services or program" means protective, foster care, and adoption services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes.

(5) "Social services programs other than medical assistance" means social services and public assistance programs established in this Chapter other than the medical assistance program (Part 6 of Article 2 of this Chapter). This includes, but is not limited to, child welfare programs, adult protective services, guardianship services for adults, and programs of public assistance established in this Chapter. It also includes the child support enforcement program, as established in Article 9 of Chapter 110 of the General Statutes.

(a1) Beginning in fiscal year 2018-2019, the Secretary shall require all departments of social services to enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance.

(1) When possible, the mandated performance requirements shall be based upon standardized metrics utilizing reliable data.

(2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.

(3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.

(4) The written agreement shall authorize the Department to withhold State and federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement.

(b) If the Secretary of Health and Human Services determines that a county department of social services is not providing child protective services, foster care services, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, then the Secretary, after providing written notification of intent to the county director of social services, to the chair of the county board of commissioners, and to the chair of the county board of social services, and after providing them with an opportunity to be heard, may intervene in the particular service or services in question. Intervention includes, but is not limited to, the following activities:

(1) Sending staff of the Department of Health and Human Services to the county department of social services to provide technical assistance and to monitor the services being provided;

(2) Establishing a corrective plan of action to correct inappropriate policies and procedures; and

(3) Advising county personnel as to appropriate policies and procedures.

If within 60 days of completion of the intervention activities, the Secretary finds that the county department of social services is not providing in accordance with State laws and applicable rules the particular service or services for which intervention was initiated, or has not demonstrated reasonable efforts to do so, the Secretary shall withhold State and federal child welfare services administrative funds until the particular service or services are provided in accordance with State laws and applicable rules.

(c) If the Secretary determines that a county department of social services is not providing child protective, foster care, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, and the failure to provide the services poses a substantial threat to the safety and welfare of children in the county who receive or are eligible to receive the services, then the Secretary, after providing written notification of intent to the chair of the county board of commissioners, to the chair of the county board of social services, and to the county director of social services, and after providing them with an opportunity to be heard, shall withhold funding for the particular service or services in question and shall ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of Health and Human Services.

(d) In the event that the Secretary assumes control of service delivery pursuant to subsection (c) of this section, the county director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as the powers pertain to the services in question. Upon assumption of control of service delivery, the Secretary may assign any of the powers and duties of the county director of social services to the Director of the Division of Social Services of the Department of Health and Human Services or to a contractor as the Secretary deems necessary and appropriate to continue the provision of the services in the county.

(e) In the event the Secretary takes action under this section, the Department of Health and Human Services shall, in conjunction with the county board of commissioners, the county board of social services, and the county director of social services develop and implement a corrective plan of action. The Department of Health and Human Services shall also keep the chair of the county board of commissioners, the chair of the county board of social services, and the county director of social services informed of any ongoing concerns or problems with the delivery of the services in question.

(f) Upon the Secretary taking action pursuant to subsection (c) of this section, county funding of the services in question shall continue and at no time during the period of time that the Secretary is taking action shall a county withdraw funds previously obligated or appropriated for the services. Upon the Secretary's assumption of the control of service

delivery, the county shall also pay the nonfederal share of any additional cost that may be incurred to operate the services in question at the level necessary to comply fully with State law and Social Services Commission rules.

(g) During the period of time that the Secretary is taking action pursuant to subsection (c) of this section, the Department of Health and Human Services shall work with the county board of commissioners, the county board of social services, and the county director of social services, to enable service delivery to be returned to the county if and when the Secretary has determined that services can be provided by the county in accordance with State law and applicable rules."

SECTION 3.1.(b) This section becomes effective upon ratification and applies to written agreements required pursuant to G.S. 108A-74(a1) for fiscal years 2018-2019 and 2019-2020.

SECTION 3.2.(a) Effective March 1, 2020, G.S. 108A-74 reads as rewritten:

"**§ 108A-74. ~~County~~ Local departments required to enter into annual written agreement for all social services programs other than medical assistance; ~~County~~ Local department failure to ~~provide child welfare services;~~comply with the written agreement or applicable law; corrective action; State intervention in or control of ~~child welfare~~ service delivery.**

(a) Notwithstanding any other provision of law to the contrary, the Secretary ~~of Health and Human Services~~ may take action in accordance with this section to ensure the delivery of child welfare services in accordance with State laws and applicable rules. As used in this section, the ~~terms:~~following definitions shall apply:

(1) ~~"County department of social services" also means the~~ Department of social services. – The department responsible for administration of the social services and programs of public assistance in a county. It includes a county department of social services, a consolidated human services agency, ~~department~~ or a regional social services department, whichever ~~applies;~~ applies.

(2) ~~"County director of social services" also means the~~ Director of social services. – The person responsible for managing and administering the department of social services, including a county social services director, a regional social services director, or a human services director, whichever ~~applies; and~~applies.

(3) ~~"County board of social services" also means the~~Board of social services. – The governing body responsible for oversight of the department of social services, including a regional board of social services, a consolidated human services board, or a board of county commissioners that has assumed the powers and duties of a social services governing board pursuant to G.S. 153A-77(a), whichever applies.

(4) ~~"Child welfare services or program" means protective,~~Child welfare services or program. – Protective, foster care, and adoption services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes.

(5) ~~"Social services programs other than medical assistance" means social~~Social services programs other than medical assistance. – Social services and public assistance programs established in this Chapter other than the medical assistance program (Chapter 108A, Article 2, Part 6). This includes, but is not limited to, child welfare programs, adult protective services, guardianship services for adults, and programs of public assistance established in Chapter 108A. It also includes the child support enforcement program, as established in Chapter 110, Article 9.

~~(a1) Beginning in fiscal year 2018-19, the Secretary shall require all departments of social services to enter into a written agreement each year that specifies mandated performance~~

~~requirements and administrative responsibilities with regard to all social services programs other than medical assistance.~~

~~(1) When possible, the mandated performance requirements shall be based upon standardized metrics utilizing reliable data.~~

~~(2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.~~

~~(3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.~~

~~(4) The written agreement shall authorize the Department to withhold state and federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement.~~

(a2) The Secretary shall require all departments of social services to enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance.

(1) The mandated performance requirements shall be based upon standardized metrics utilizing data and outcome measures derived from the Social Services System Transparency and Wellness Dashboard and other reliable data sources.

(2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.

(3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.

(4) The written agreement shall authorize the Department to withhold State or federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement or applicable law.

(a3) If a department of social services fails to comply with the terms of the written agreement or applicable law for three consecutive months or for five months within any consecutive 12-month period, the Secretary and the department of social services shall enter into a joint corrective action plan within 60 working days. The Secretary may also require a corrective action plan more quickly in urgent circumstances, regardless of whether the circumstances are directly related to a mandated performance requirement specified in the written agreement.

(a4) The corrective action plan shall include each of the following components:

(1) The duration of the joint corrective action plan, not to exceed 12 months. If the Secretary determines that the department of social services has not shown measurable progress within six months, the Secretary may summarily conclude that the department of social services has failed to successfully complete the joint corrective plan and may proceed with steps necessary to temporarily assume administrative responsibilities of the department of social services. If the Secretary determines the department of social services has shown measurable progress within six months, the Secretary may extend the joint corrective action plan by six months, but in no case shall a joint corrective action plan exceed 18 months.

(2) The performance requirements for the department of social services that constitute successful completion of the joint corrective action plan.

(3) A schedule and plan for providing updates to the social services board regarding the department's progress implementing the corrective action plan.

(4) An acknowledgement that failure to successfully complete the joint corrective action plan shall result in temporary assumption of all or part of the department of social services administration.

(b) If the Secretary ~~of Health and Human Services~~ determines that a ~~county~~ department of social services ~~is not providing child protective services, foster care services, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so,~~ has failed to successfully complete the joint corrective action plan, then the ~~Secretary, after providing written notification of intent to the county director of social services, to the chair of the county board of commissioners, and to the chair of the county board of social services, and after providing them with an opportunity to be heard, may intervene in the particular service or services in question. Intervention includes, but is not limited to, the following activities:~~Secretary shall give the board of county commissioners, the department of social services, the county manager, and the board of social services at least 30 days' notice that the Secretary, through the appropriate regional social services office, intends to temporarily assume all or part of the department's socials services administration in accordance with subsection (c) of this section. In a regional department of social services, notice shall be provided to boards of county commissioners and county managers for all counties served by the region.

~~(1) Sending staff of the Department of Health and Human Services to the county department of social services to provide technical assistance and to monitor the services being provided;~~

~~(2) Establishing a corrective plan of action to correct inappropriate policies and procedures; and~~

~~(3) Advising county personnel as to appropriate policies and procedures.~~

~~If within 60 days of completion of the intervention activities, the Secretary finds that the county department of social services is not providing in accordance with State laws and applicable rules the particular service or services for which intervention was initiated, or has not demonstrated reasonable efforts to do so, the Secretary shall withhold State and federal child welfare services administrative funds until the particular service or services are provided in accordance with State laws and applicable rules.~~

(c) ~~If the Secretary determines that a county department of social services is not providing child protective, foster care, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, and the failure to provide the services poses a substantial threat to the safety and welfare of children in the county who receive or are eligible to receive the services, then the Secretary, after providing written notification of intent to the chair of the county board of commissioners, to the chair of the county board of social services, and to the county director of social services, and after providing them with an opportunity to be heard, shall withhold funding for the particular service or services in question and shall ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of Health and Human Services.~~Notwithstanding any provision of law to the contrary, if a department of social services fails to successfully complete its joint corrective action plan, the Secretary shall direct the appropriate regional office to, within 30 calendar days, temporarily assume all or part of the department's social services administration upon giving notice as required by subsection (b) of this section. During the period the Secretary assumes administration of the social services program, the following shall occur:

(1) The Secretary, through the appropriate regional office, shall administer all or part of the social services program in a county or region. Administration by the Secretary may include direct operation by the Department, including supervision of program staff or contracts for operation, to the extent permitted by federal law.

(2) The department of social services shall be divested of administrative authority for any component of the program the Secretary assumes.

(3) The director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as it pertains to the programs or services to be assumed. The

Secretary may assign any of the powers and duties of the director of social services to an employee of the Department or a contractor, as the Secretary deems necessary and appropriate to continue the provision of services in the county. If the local director of social services has delegated any authority to staff pursuant to G.S. 108A-14(b), delegated authority shall remain in effect until the Secretary, or the Secretary's designee, specifically revokes the delegation.

(4) The Secretary shall direct and oversee the expenditure of all funding for the administration of the components of the program assumed by the Secretary.

(5) The department of social services shall not withdraw funds previously obligated or appropriated for program administration and services. The department of social services shall continue to pay the county's or region's nonfederal share for the program services and administration.

(6) The Secretary shall work with the department of social services to develop a plan for the department to resume program administration.

(7) The Secretary shall inform the appropriate board or boards of county commissioners, the county manager or managers, the director of social services, and the board of social services of key activities and ongoing concerns during the temporary assumption of social services program administration.

(c1) Upon the Secretary's determination that the department of social services is able to meet performance requirements and that program administration responsibilities should be restored to the department of social services, the Secretary shall notify the board of county commissioners, the department of social services, the county manager, and the board of social services that the temporary assumption of program administration will be terminated and the effective date of the termination. Upon termination, the department of social services shall resume its full authority to administer the program or programs that were assumed.

~~(d) In the event that the Secretary assumes control of service delivery pursuant to subsection (c) of this section, the county director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as the powers pertain to the services in question. Upon assumption of control of service delivery, the Secretary may assign any of the powers and duties of the county director of social services to the Director of the Division of Social Services of the Department of Health and Human Services or to a contractor as the Secretary deems necessary and appropriate to continue the provision of the services in the county.~~

~~(e) In the event the Secretary takes action under this section, the Department of Health and Human Services shall, in conjunction with the county board of commissioners, the county board of social services, and the county director of social services develop and implement a corrective plan of action. The Department of Health and Human Services shall also keep the chair of the county board of commissioners, the chair of the county board of social services, and the county director of social services informed of any ongoing concerns or problems with the delivery of the services in question.~~

~~(f) Upon the Secretary taking action pursuant to subsection (c) of this section, county funding of the services in question shall continue and at no time during the period of time that the Secretary is taking action shall a county withdraw funds previously obligated or appropriated for the services. Upon the Secretary's assumption of the control of service delivery, the county shall also pay the nonfederal share of any additional cost that may be incurred to operate the services in question at the level necessary to comply fully with State law and Social Services Commission rules.~~

~~(g) During the period of time that the Secretary is taking action pursuant to subsection (c) of this section, the Department of Health and Human Services shall work with the county board of commissioners, the county board of social services, and the county director of social services, to enable service delivery to be returned to the county if and when the Secretary has~~

~~determined that services can be provided by the county in accordance with State law and applicable rules.~~"

SECTION 3.2.(b) This section becomes effective March 1, 2020, and is effective for all written agreements required pursuant to G.S. 108A-74 entered into on or after that date.

SECTION 3.3. The Department shall report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) by August 1 of every year regarding oversight of the local administration of social services programs other than medical assistance.

(1) The reports shall include, at a minimum:
   a. A copy of the template for the written agreement required by G.S. 108A-74(a1).
   b. An evaluation of the implementation of the requirement for a written agreement.
   c. A summary of any oversight action taken by the Department pursuant to the agreement or G.S. 108A-74, including a list of any federal or State funds that were withheld as a result of the State's oversight.

(2) Beginning August 1, 2021, the reports required in this section shall also include:
   a. A summary the circumstances involved with the issuance of any corrective action plans or temporary assumption of local program administration by the State pursuant to G.S. 108A-74.
   b. Recommendations for legislative changes related to the authority of the State to supervise local social services administration pursuant to G.S. 108A-74 and related laws.

PART IV. REGIONAL SOCIAL SERVICES DEPARTMENTS

SECTION 4.1. Article 1 of Chapter 108A of the General Statutes is amended by adding the following new Part to read:

"Part 2B. Regional Social Services Departments.

"**§ 108A-15.3A. Creation of regional social services departments.**

(a) A regional social services department, including more than one county, may be formed upon agreement of the county boards of commissioners and, if applicable, either the county board of social services or consolidated human services board having jurisdiction over each of the counties involved.

(b) A regional social services department may incorporate all programs and services offered by the county departments or it may include only selected programs and services.

(c) A county may join an existing regional social services department upon agreement of the boards of commissioners having jurisdiction over each of the counties included in the region as well as the board of county commissioners and, if applicable, either the county board of social services or consolidated human services having jurisdiction over the county department seeking to join the regional department.

(d) The regional social services departments may include more than one judicial district. To promote judicial efficiency, a regional social services department shall make every effort to include complete judicial districts rather than dividing a judicial district across departments.

(e) The regional social services department shall have centralized administrative operations that are geographically located in one county but maintain a physical presence for delivery of social services in every county served by the region.

(f) A county that joins a regional social services department shall be required to contribute financially to the regional department pursuant to rules adopted by the Commission.

(g) A regional social services department shall be a public authority as defined in G.S. 159-7(b)(10).

"**§ 108A-15.3B. Regional board of social services.**

(a) A regional social services department shall be governed by a regional board of social services. A regional board of social services shall have the same powers and duties as a county social services board, including the appointment of the regional director of social services, with respect to those services or programs that have been assigned to the regional social services department.

(b) A regional board of social services shall be composed of 12 members. However, a regional board of social services may be increased up to a maximum number of 18 members by agreement of the boards of county commissioners in all counties that comprise the region. The agreement shall be evidenced by concurrent resolutions adopted by the affected boards of county commissioners.

(c) The county board of commissioners of each county in the region shall appoint two members to the regional board of social services, one of whom may be a county commissioner. If more than eight counties join the regional social services department, the board of county commissioners of each county in the region shall appoint one member to the regional board of social services who may be a county commissioner. The Social Services Commission shall appoint two members. The members of the regional social services board shall appoint members to fill any remaining vacancies. The composition of the board shall reasonably reflect the population makeup of the entire region and provide equitable region-wide representation. All members shall be residents of the region.

(d) Except as provided in this subsection, members of a regional board of social services shall serve terms of three years. Two of the original members shall serve terms of one year, and two of the original members shall serve terms of two years. No member shall serve more than three consecutive three-year terms. County commissioner members shall serve only as long as the member is a county commissioner.

(e) Whenever a county shall join or withdraw from an existing regional social services department, the regional board of social services shall be dissolved and a new board shall be appointed as provided in subsection (c) of this section.

(f) Vacancies shall be filled by the appointing authority for any unexpired portion of a term.

(g) A chairperson shall be elected annually by a regional board of social services. The regional social services director shall serve as secretary to the board.

(h) A majority of the actual membership, excluding vacancies, shall constitute a quorum.

(i) Upon being given written notice and an opportunity to respond, a member may be removed from office by the regional board of social services for any of the following:

(1) Commission of a felony or other crime involving moral turpitude.

(2) Violation of a State law governing conflict of interest.

(3) Violation of a written policy adopted by the county board of commissioners of each county in the region.

(4) Habitual failure to attend meetings.

(5) Conduct that tends to bring the office into disrepute.

(j) A member may receive a per diem in an amount established by the county commissioner members of the regional board of social services. Reimbursement for subsistence and travel shall be in accordance with a policy set by the county commissioner members of the regional board of social services.

(k) The board shall meet at least quarterly. The chairperson or three of the members may call a special meeting.

(l) A regional board of social services is authorized to provide liability insurance for the members of the board and the employees of the regional social services department. A regional board of social services is also authorized to contract for the services of an attorney to represent the board, the regional social services department, and its employees, as appropriate. The purchase of liability insurance pursuant to this subsection waives both the regional board

of social services' and the regional social services department's governmental immunity, to the extent of insurance coverage, for any act or omission occurring in the exercise of a governmental function. By entering into a liability insurance contract with the regional board of social services, an insurer waives any defense based upon the governmental immunity of the regional board of social services or the regional social services department.

"**§ 108A-15.3C. Dissolution of a regional social services department.**

(a) Whenever the board of commissioners of each county constituting a regional social services department determines that the department is not operating in the best interests of the respective counties, they may direct that the regional social services department be dissolved.

(b) Whenever a board of commissioners of a county which is a member of a regional social services department determines that the department is not operating in the best interests of that county, it may withdraw from the regional social services department.

(c) Dissolution of a regional social services department or withdrawal from the regional social services department by a county shall be effective only at the end of the fiscal year in which the action of dissolution or withdrawal transpired.

(d) Notwithstanding the provisions of subsection (a) of the section, no regional social services department shall be dissolved without prior written notification to the Department.

(e) Any budgetary surplus available to a regional social services department at the time of its dissolution shall be distributed to those counties comprising the region on the same pro rata basis that the counties appropriated and contributed funds to the regional social services department budget during the current fiscal year. Distribution to the counties shall be determined on the basis of an audit of the financial record of the regional social services department. The regional board of social services shall select a certified public accountant or an accountant who is subsequently certified by the Local Government Commission to conduct the audit. The audit shall be performed in accordance with G.S. 159-34. The same method of distribution of funds described above shall apply when one or more counties of a regional social services department withdraw from a region.

"**§ 108A-15.3D. Regional social services director.**

A regional social services director appointed by a regional social services board shall have all the powers and duties of a director of social services provided by G.S. 108A-14 and other applicable laws."

SECTION 4.2. G.S. 108A-1 reads as rewritten:

"**§ 108A-1. Creation.**

Every county shall have a ~~or~~ governing board for social services, which may be a county board of social services created pursuant to this Part, a consolidated human services board created pursuant to ~~G.S. 153A-77(b) which~~ G.S. 153A-77(b), a board of county commissioners that has assumed the powers and duties of a county board of social services or a consolidated human services board, or a regional board of social services created pursuant to G.S. 108A-15.3B. The governing board shall establish ~~county~~ policies for the programs established by this Chapter in conformity with the rules and regulations of the Social Services Commission and under the supervision of the Department of Health and Human Services. Provided, however, ~~county~~ policies for the program of medical assistance shall be established in conformity with the rules and regulations of the Department of Health and Human Services."

SECTION 4.3. G.S. 7B-101 reads as rewritten:

"**§ 7B-101. Definitions.**

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

…

(8a) Department. – Each county's child welfare agency. Unless the context clearly implies otherwise, when used in this Subchapter, "department" or "department of social services" shall refer to the county agency providing child welfare services, regardless of the name of the agency or whether the county has consolidated human services, pursuant to

~~G.S. 153A-77.~~G.S. 153A-77 and shall include a regional social services department created pursuant to Part 2B of Article 1 of Chapter 108A of the General Statutes.

…

(10) Director. – The director of the ~~county~~ department of social services in the county in which the juvenile resides or is found, or the director's representative as authorized in G.S. 108A-14.

…."

SECTION 4.4. G.S. 7B-400(a) reads as rewritten:

"(a) A proceeding in which a juvenile is alleged to be abused, neglected, or dependent may be commenced in the judicial district in which the juvenile resides or is ~~present.~~present at the time the petition is filed. If a regional social services department includes counties in more than one judicial district, the department shall file in the judicial district where the child resides or was present when the report required by G.S. 7B-301 was received. Notwithstanding G.S. 153A-257, the absence of a juvenile from the juvenile's home pursuant to a protection plan during an assessment or the provision of case management services by a department of social services shall not change the original venue if it subsequently becomes necessary to file a juvenile petition."

SECTION 4.5. G.S. 143B-153 is amended by adding a new subdivision to read:

"**§ 143B-153. Social Services Commission – creation, powers and duties.**

There is hereby created the Social Services Commission of the Department of Health and Human Services with the power and duty to adopt rules and regulations to be followed in the conduct of the State's social service programs with the power and duty to adopt, amend, and rescind rules and regulations under and not inconsistent with the laws of the State necessary to carry out the provisions and purposes of this Article. Provided, however, the Department of Health and Human Services shall have the power and duty to adopt rules and regulations to be followed in the conduct of the State's medical assistance program.

…

(9) The Commission shall adopt rules governing the obligations of counties to contribute financially to regional social services departments in accordance with G.S. 108A-15.3A(e)."

SECTION 4.6. Sections 4.1, 4.2, 4.3, and 4.4 become effective March 1, 2019. Section 4.5 becomes effective upon ratification.

PART V. CHILD WELL-BEING TRANSFORMATION COUNCIL

SECTION 5.1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 82.

"Child Well-Being Transformation Council.

"**§ 143-775. Child Well-Being Transformation Council established; membership; qualifications; vacancies.**

(a) Purpose; Findings. – The welfare of North Carolina's children is a priority. There are many public and private agencies and organizations across the State involved with promoting the welfare of children and protecting them from harm, such as those involving child care, education, health care, social services, and juvenile justice. Though these agencies and organizations provide important services, they often fail to collaborate, coordinate, and communicate about those services. A more systematic and coordinated approach to services will help ensure that the State achieves the best possible outcomes for children. Therefore, the General Assembly finds that it is essential that a single body serve as a means for coordination, collaboration, and communication among agencies and organizations involved in providing public services to children.

(b) Creation and Membership. – There is established the North Carolina Child Well-Being Transformation Council (Council). The Council shall be located administratively in

the General Assembly. The Council shall consist of 17 members serving staggered terms. In making appointments, each appointing authority shall select members who have appropriate experience and knowledge of the issues to be examined by the Council and shall strive to ensure members are appointed who represent the geographical, political, gender, and racial diversity of this State. The initial Council members shall be appointed on or after July 1, 2018, as follows:

(1) Four members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate. Of the members appointed under this subdivision, one shall be a member of the Senate who shall serve for a term of two years, one shall be a representative from the Administrative Office of the Courts who shall serve for a term of three years, one shall be a representative from a child welfare private provider organization who shall serve for a term of two years, and one shall be a representative from the North Carolina Pediatric Society who shall serve a one-year term.

(2) Four members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. Of the members appointed under this subdivision, one shall be a member of the House of Representatives who shall serve for a term of two years, one shall be a representative from the Department of Public Instruction who shall serve for a term of three years, one shall be a representative from Indigent Defense Services who shall serve for a term of two years, and one shall be a representative of the Hospital Association who shall serve a one-year term.

(3) Nine members shall be appointed by the Governor. Of the members appointed under this subdivision, one shall be a representative from the Department of Health and Human Services, Division of Child Development and Early Education, who shall serve for a term of three years, one shall be a representative from the Department of Health and Human Services, Division of Social Services, who shall serve for a term of three years, one shall be a representative from the Department of Public Safety, Division of Juvenile Justice, who shall serve for a term of two years, one shall be a representative from the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, who shall serve for a term of three years, one shall be a representative from the Guardian ad Litem program who shall serve a term of two years, one shall be a representative from Disability Rights NC who shall serve a one-year term, one shall be a representative from a local management entity/managed care organization (LME/MCO) who shall serve a one-year term, one shall be a representative from the Department of Health and Human Services, Division of Public Health, with expertise in substance abuse disorders who shall serve for a term of two years, and one shall be a director of a county department of social services who shall serve a one-year term.

(c) Terms; Vacancies. – Upon the expiration of the terms of the initial Council members, each member shall be appointed for a term of four years and shall serve until a successor is appointed. No member may serve more than two consecutive full terms. A vacancy shall be filled within 30 days by the authority making the initial appointment.

(d) Organization. – The Council shall elect from its membership a chair and vice-chair to each serve one-year terms. The Council shall meet on a quarterly basis each year upon the call of the chair. A quorum of the Council is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Open Meetings Law, Article 33C of Chapter 143 of the General Statutes, and the Public Records Act, Chapter 132 of the General Statutes, shall apply to the Council.

(e) Funding. – From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Committee. Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S. 138-5.

(f) Staff. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Council in its work. Upon the direction of the Legislative Services Commission, the Director of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Council. The expenses for clerical employees shall be borne by the Council.

"**§ 143-776. Powers and duties.**

(a) Upon its establishment, the Council shall direct its initial focus on the following initiatives:

(1) Mapping the network of child-serving agencies and organizations in the State.

(2) Cataloging examples of failures in coordination, collaboration, and communication in the context of child welfare.

(3) Reviewing the work of bodies similar to the Council operating in other states to identify promising practices and focus areas for the Council's work.

(b) Beginning March 1, 2020, the Council shall:

(1) Monitor changes in the social services and child welfare system associated with reform and regional supervision.

(2) Identify gaps in coordination, collaboration, and communication related to all publicly funded child serving programs.

(3) Recommend changes in law, policy, or practice necessary to remedy gaps or problems impacting coordination, collaboration, and communication among publicly funded child-serving agencies.

(c) The Council shall submit a report to the chairs of the Senate Appropriations Committee on Health and Human Services, the chairs of the House of Representatives Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by June 30 of each year. The report shall include a summary of the Council's work for the previous year, any findings and recommendations for change, and a work plan for the upcoming year.

(d) The Council is authorized to accept gifts or grants from other sources to support administration of the Council."

SECTION 5.2. This part becomes effective July 1, 2017.

PART VI. DRIVERS LICENSE PILOT PROJECT

SECTION 6.1.(a) The General Assembly recognizes that not having a drivers license is a barrier to education, employment, health care, and other community-based activities for older youth in foster care, as defined in G.S. 131D-10.2(9), working toward independence. One of the biggest barriers to accessing a drivers license for such youth is the ability to obtain insurance. Therefore, to assist in this effort, the Department of Health and Human Services, Division of Social Services, shall establish a two-year pilot program that shall reimburse, on a first-come, first-served basis, youth and caregivers' costs associated with drivers license education, drivers license fees, insurance costs, and any other costs associated with obtaining a drivers license. The Division shall take appropriate steps to ensure proper advertising of the pilot program.

SECTION 6.1.(b) The Division of Social Services shall report on the pilot project to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2018.

SECTION 6.2. This part becomes effective July 1, 2017.

PART VII. PILOT WAIVER FOR IAFT FOSTER PARENTS

SECTION 7.(a) The General Assembly has determined that in an effort to maximize funding, local management entities/managed care organizations (LME/MCOs) are

utilizing Intensive Alternative Family Treatment (IAFT), which is a means of cost-effective, specialized foster care treatment service that is being used for many youth who would have previously been treated in Medicaid congregate care, such as psychiatric residential treatment facilities. The General Assembly finds that these higher-need youth are often (i) suspended or expelled from school or day programs and (ii) require multiple appointments on a weekly basis to address needs, such as therapy, medication management, and school individual education plans (IEPs). Further, in accordance with rules, foster parents are required to maintain outside employment while providing foster care, but the constant demands of meeting the needs of these foster youth often lead to disruption in placement as the foster parent is unable to meet those needs while maintaining the parent's employment obligations.

SECTION 7.(b) To that end, the Department of Health and Human Services, Division of Social Services (Division), shall establish a pilot program that will allow the Division to waive the employment requirement for foster parents with children utilizing the Intensive Alternative Family Treatment (IAFT). The Division shall solicit participation in the pilot program from interested local management entities/managed care organizations (LME/MCOs). The participating LME/MCOs shall conduct comparison measures between existing IAFT outcomes and those of pilots to determine any impact the waiver may have on outside employment. LME/MCOs shall measure progress of the pilot waivers based on the expectation of meeting the following outcomes:

(1) Improved placement stability with less than twenty percent (20%) of moves of youth occurring due to therapeutic foster parent request.

(2) Seventy-five percent (75%) of youth and families meeting their treatment goals within the projected time frame.

(3) No more than a ten percent (10%) increase in higher-level hospital bed days.

SECTION 7.(c) LME/MCOs participating in the IAFT pilot waiver program shall provide a report on the outcomes of the pilots, along with any recommendations, to the Division. The Division shall then submit a report on the pilot waiver program to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2018.

PART VIII. TERMINATION OF PARENTAL RIGHTS/APPEALS

SECTION 8.(a) G.S. 7B-1001, as amended by Section 4 of S.L. 2017-7, reads as rewritten:

"**§ 7B-1001. Right to appeal.**

(a) In a juvenile matter under this Subchapter, appeal of a final order of the court ~~in a juvenile matter~~ shall be made directly to the Court of ~~Appeals unless otherwise specified.~~ Appeals. Only the following juvenile matters may be appealed:

…

(5) ~~An order entered under G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:~~

~~a. The Court of Appeals shall review the order eliminating reunification as a permanent plan together with an appeal of the termination of parental rights order if all of the following apply:~~

~~1. A motion or petition to terminate the parent's rights is heard and granted.~~

~~2. The order terminating parental rights is appealed in a proper and timely manner.~~

~~3. The order eliminating reunification as a permanent plan is identified as an issue in the record on appeal of the termination of parental rights.~~

~~b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order.~~

~~c. A party who is a custodian or guardian shall have the right to immediately appeal the order.~~

An order under G.S. 7B-906.2(b) eliminating reunification, as defined by G.S. 7B-101(18b), as a permanent plan by either of the following:

a. A parent who is a party and:

1. Has preserved the right to appeal the order in writing within 30 days after entry and service of the order.
2. A termination of parental rights petition or motion has not been filed within 65 days of entry and service of the order.
3. A notice of appeal of the order eliminating reunification is filed within 30 days after entry and service of the expiration of the 65 days.

b. A party who is a guardian or custodian with whom reunification is not a permanent plan.

~~(6) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.~~

(a1) In a juvenile matter under this Subchapter, appeal of a final order of the court shall be made directly to the Supreme Court in the following juvenile matters:

(1) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.

(2) An order eliminating reunification as a permanent plan under G.S. 7B-906.2(b), if all of the following conditions are satisfied:

a. The right to appeal the order eliminating reunification has been preserved in writing within 30 days of entry and service of the order.

b. A motion or petition to terminate the parent's rights is filed within 65 days of entry and service of the order eliminating reunification and both of the following occur:

1. The motion or petition to terminate rights is heard and granted.
2. The order terminating parental rights is appealed in a proper and timely manner.

c. A separate notice of appeal of the order eliminating reunification is filed within 30 days after entry and service of a termination of parental rights order.

(a2) In an appeal filed pursuant to subdivision (a1)(2) of this section, the Supreme Court shall review the order eliminating reunification together with an appeal of the order terminating parental rights. If the order eliminating reunification is vacated or reversed, the order terminating parental rights shall be vacated.

(b) Notice of appeal and notice to preserve the right to appeal shall be given in writing by a proper party as defined in G.S. 7B-1002 and shall be made within 30 days after entry and service of the order in accordance with G.S. 1A-1, Rule 58.

(c) Notice of appeal shall be signed by both the appealing party and counsel for the appealing party, if any. In the case of an appeal by a juvenile, notice of appeal shall be signed by the guardian ad litem attorney advocate."

SECTION 8.(b) This section becomes effective January 1, 2019, and applies to appeals filed on or after that date.

PART IX. TIME FRAME FOR LICENSURE APPROVAL/FOSTER CARE

SECTION 9.1. G.S. 131D-10.3 is amended by adding a new subsection to read:

"**§ 131D-10.3. Licensure required.**

…

(d1) Notwithstanding any other provision of law, the Department shall grant or deny a license to provide foster care or therapeutic foster care within three months from the date of application.

…."

SECTION 9.2. The Department of Health and Human Services, Division of Social Services, shall further examine the existing time frames for processing foster care and therapeutic foster care applications and determine methods to further reduce the time frames for approving or denying applications for licensure.

PART X. RYLAN'S LAW/CPS OBSERVATION

SECTION 10. G.S. 7B-903.1(c) reads as rewritten:

"(c) If a juvenile is removed from the home and placed in the custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home. Before a county department of social services may recommend return of physical custody of the juvenile to the parent, guardian, custodian, or caretaker from whom the juvenile was removed, a county department of social services shall first observe that parent, guardian, custodian, or caretaker with the juvenile for at least two visits that support a recommendation to return physical custody. Each observation visit shall consist of an observation of not less than one hour with the juvenile, and each observation visit shall be conducted at least seven days apart. A department of social services shall provide documentation of any observation visits that it conducts to the court for its consideration as to whether physical custody should be returned to the parent, guardian, custodian, or caretaker from whom the juvenile was removed."

PART XI. EFFECTIVE DATE

SECTION 11. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2017.

Session Law 2017-42 **S.B. 5**

AN ACT GRANTING MECKLENBURG COUNTY, WHO WAS PREVIOUSLY GRANTED AUTHORITY TO EXTEND COUNTYWIDE JURISDICTION TO THE POLICE DEPARTMENT OF THE CITY OF CHARLOTTE, AUTHORITY TO EXTEND LAW ENFORCEMENT AUTHORITY TO AN INDIVIDUAL TOWN WITHIN THE COUNTY FOR THE AREA WITHIN THAT INDIVIDUAL TOWN'S EXTRATERRITORIAL JURISDICTION.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 1170 of the 1969 Session Laws reads as rewritten:

"**Section 1.** ~~Upon approval of the Board of Commissioners of Mecklenburg County all policemen of the City of Charlotte shall thereafter be authorized and empowered to exercise throughout the County of Mecklenburg the same jurisdiction, authority, powers and rights, including arrest and service of criminal and civil process, which they are authorized by law to exercise within the City of Charlotte, and shall have the privileges and immunities, including coverage under Workmen's Compensation laws, which they now have within the City of Charlotte, provided that the City of Charlotte and Mecklenburg County shall, prior to the exercise of any of said powers or authority, enter into an agreement setting forth the guidelines~~

~~and procedures for implementation of this Act.~~(a) Subject to the approval of the Mecklenburg County Board of Commissioners, Mecklenburg County and the City of Charlotte are authorized to enter into an agreement to extend the powers and rights exercised by Charlotte police officers within the City of Charlotte throughout Mecklenburg County. Those powers include jurisdiction, authority, the power to arrest, and the power to serve criminal and civil process. Pursuant to this agreement, a Charlotte police officer has the same privileges, immunities, and Workers' Compensation coverage throughout Mecklenburg County, as within the City of Charlotte. The agreement between Mecklenburg County and the City of Charlotte must:

(1) Be made prior to the exercise of any powers or authority of a Charlotte police officer.

(2) Set forth the guidelines and procedures to implement this act.

(b) Subject to the approval of the Mecklenburg County Board of Commissioners, Mecklenburg County and any municipality in Mecklenburg County are authorized to enter into an agreement to extend the powers and rights exercised by the municipality's police officers within that municipality throughout that municipality's extraterritorial jurisdiction as defined in G.S. 160A-360. Those powers include jurisdiction, authority, the power to arrest, and the power to serve criminal and civil process. Pursuant to this agreement, a municipality's police officer has the same privileges, immunities, and Workers' Compensation coverage throughout that municipality's extraterritorial jurisdiction defined in G.S. 160A-360 as within the municipality. The agreement between Mecklenburg County and the municipality must:

(1) Be made prior to the exercise of any powers or authority of a municipality's police officer.

(2) Set forth the guidelines and procedures to implement this act.

(c) Nothing in this section shall:

(1) Restrict or prohibit the Sheriff of Mecklenburg County from exercising the powers and authority of the Sheriff's Office.

(2) Authorize any police officer in Mecklenburg County to exercise any power or right outside of their original jurisdiction that they cannot exercise within their original jurisdiction."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-43 **S.B. 122**

AN ACT TO REPEAL THE CHARTER OF THE TOWN OF CENTERVILLE IN FRANKLIN COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 695 of the Session Laws of 1965 is repealed.

SECTION 2. The governing board of the Town of Centerville, as of the date this act becomes law, is continued in office for 30 days after the date it completes liquidation of the Town's assets and liabilities and submits its final audit to the Department of State Treasurer and any other financial reports that may be required by law.

SECTION 3. Any net assets of the Town shall be paid over to Fire and Rescue Association, Inc., of Centerville, North Carolina, which shall use those funds for some public purpose.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-44 **H.B. 184**

AN ACT AUTHORIZING THE TOWNS OF BOLTON, FAIRMONT, LA GRANGE, PEMBROKE, PROCTORVILLE, ROWLAND, AND ST. PAULS TO BILL AND COLLECT SEWER SERVICE FEES AND STORMWATER UTILITY FEES AS PROPERTY TAXES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-314 reads as rewritten:

"**§ 160A-314. Authority to fix and enforce rates.**

…

(a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties for stormwater management programs and structural and natural stormwater and drainage systems under this section, the city council shall hold a public hearing on the matter. A notice of the hearing shall be given at least once in a newspaper having general circulation in the area, not less than seven days before the public hearing. The hearing may be held concurrently with the public hearing on the proposed budget ordinance.

…

(4) A city may adopt an ordinance providing that any fee imposed under this subsection may be billed with property taxes, may be payable in the same manner as property taxes, and, in the case of nonpayment, may be collected in any manner by which delinquent personal or real property taxes can be collected. If an ordinance states that delinquent fees can be collected in the same manner as delinquent real property taxes, the fees are a lien on the real property described on the bill that includes the fee.

This subdivision applies only to the Cities of Creedmoor, Durham and Winston-Salem, the Towns of Bolton, Butner, Fairmont, Garner, Kernersville, Knightdale, La Grange, Morrisville, Pembroke, Proctorville, Rowland, St. Pauls, Stem, Wendell, and Zebulon, and the Village of Clemmons.

…."

SECTION 2.(a) Section 1 of S.L. 2010-59 is codified as G.S. 160A-314(f)(1).

SECTION 2.(b) Section 2 of S.L. 2010-59 is codified as G.S. 160A-314(f)(2).

SECTION 2.(c) G.S. 160A-314(f), as enacted by subsections (a) and (b) of this section, reads as rewritten:

"(f) (1) A city may adopt an ordinance providing that a fee charged by the city for sewer services and remaining unpaid for a period of 90 days may be collected in any manner by which delinquent personal or real property taxes can be collected. If the ordinance states that delinquent fees may be collected in the same manner as delinquent real property taxes, the delinquent fees are a lien on the real property owned by the person contracting with the city for the service, and the ordinance shall provide for an appeals process. If a lien is placed on real property, the lien shall be valid from the time of filing in the office of the clerk of superior court of the county in which the service was provided and shall include a statement containing the name and address of the person against whom the lien is claimed, the name of the city claiming the lien, the specific service that was provided, the amount of the unpaid charge for that service, and the date and place of furnishing that service. A lien on real property is not effective against an interest in real property conveyed after the fees become delinquent if the interest is recorded in the office of the register of deeds prior to the filing of the lien for delinquent water or sewer services. No lien under this act shall be valid unless filed in

accordance with this section after 90 days of the date of the failure to pay for the service or availability fees and within 180 days of the date of the failure to pay for the service or fees. The lien may be discharged as provided in G.S. 44-48.

The city shall adopt an appeals process providing notice and an opportunity to be heard in protest of the imposition of such liens. The county tax office, once notified of the city's lien, shall include the lien amount on any tax bills printed subsequent to the notification. The county tax office shall add or remove liens from the tax bill at the request of the city (such as in the case of an appeal where the city decides to cancel the lien).

(2) This ~~act~~ section applies only to the City of Locust and to the Towns of ~~New London~~ Bolton, Fairmont, La Grange, New London, Pembroke, Proctorville, Rowland, St. Pauls, and Stanfield."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-45 **S.B. 577**

AN ACT TO MODERNIZE NORTH CAROLINA'S CONSUMER CREDIT INSTALLMENT SALE CONTRACT DEFAULT CHARGE IN ORDER TO LEVEL THE PLAYING FIELD WITH OUT-OF-STATE BUSINESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 25A-29 reads as rewritten:

"**§ 25A-29. Default charges.**

(a) If any installment is past due for 10 days or more according to the original terms of the consumer credit installment sale contract, a default charge may be made in an amount ~~not to exceed five percent (5%) of the installment past due or six dollars ($6.00), whichever is the lesser.~~ of fifteen dollars ($15.00). A default charge may be imposed only one time for each default.

(b) If a default charge is deducted from a payment made on the contract and ~~such~~ the deduction results in a subsequent default on a subsequent payment, no default charge may be imposed for ~~such~~ the default.

(c) If a default charge has been once imposed with respect to a particular default in payment, no default charge shall be imposed with respect to any future payments which would not have been in default except for the previous default.

(d) A default charge for any particular default shall be deemed to have been waived by the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written notice of the charge is sent to the buyer."

SECTION 2. This act is effective when it becomes law and applies to charges imposed on or after that date.

In the General Assembly read three times and ratified this the 12th day of June, 2017.

This bill having been presented to the Governor for signature on the 13th day of June, 2017 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become law. This 26th day of June, 2017.

Session Law 2017-46 **S.B. 249**

AN ACT TO CREATE A COYOTE TAGGING AND BOUNTY PROGRAM IN RICHMOND COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-131 reads as rewritten:

"**§ 153A-131. ~~Possession or harboring~~ Possession, harboring, or control of dangerous animals.**

A county may by ordinance regulate, restrict, or prohibit the possession or harboring of animals which are dangerous to persons or property. No such ordinance shall have the effect of permitting any activity or condition with respect to a wild animal which is prohibited or more severely restricted by regulations of the Wildlife Resources ~~Commission.~~Commission, except that the Commission shall permit a county to develop and implement a coyote tagging and bounty program within the county that includes the following elements:

(1) The county may capture and tag, tattoo, or otherwise mark up to 10 coyotes prior to releasing them. The county shall neuter any coyote captured under this subdivision prior to release.

(2) The county or a local nonprofit organization may offer a bounty of not less than five hundred dollars ($500.00) per tagged coyote."

SECTION 2. This act applies to Richmond County only.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-47 **S.B. 260**

AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF WAKE FOREST.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is added to the corporate limits of the Town of Wake Forest:

The entire right-of-way of Capital Boulevard (US-1) from the Franklin County line (north end) to the north bank of the Neuse River at the Neuse River Bridge (south end).

SECTION 2. This act becomes effective June 30, 2017. Property in the territory described in Section 1 of this act as of January 1, 2017, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-48 **H.B. 268**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE CITY OF BELMONT.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Belmont is revised and consolidated to read:

"THE CHARTER OF THE CITY OF BELMONT.

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES.

"Section 1.1. **Incorporation.** The City of Belmont, North Carolina, in Gaston County, and the inhabitants thereof shall continue to be a municipal body politic and corporate, under the name of the "City of Belmont," hereinafter at times referred to as the "City."

"Section 1.2. **Powers.** The City shall have and may exercise all of the powers, duties, rights, privileges, and immunities conferred upon the City of Belmont specifically by this Charter or upon municipal corporations by general law. The term "general law" is employed herein as defined in G.S. 160A-1.

"Section 1.3. **Corporate Limits.** The corporate limits shall be those existing at the time of ratification of this Charter, as set forth on the official map of the City and as they may be

altered from time to time in accordance with law. An official map of the City, showing the current municipal boundaries, shall be maintained permanently in the office of the City Clerk and shall be available for public inspection. Upon alteration of the corporate limits pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the office of the Secretary of State, the Gaston County Register of Deeds, and the Gaston County Board of Elections.

"ARTICLE II. GOVERNING BODY.

"Section 2.1. **City Governing Body; Composition.** The City Council, hereinafter referred to as the "Council," and the Mayor shall be the governing body of the City.

"Section 2.2. **City Council; Composition; Terms of Office.** The Council shall be composed of five members, to be elected by all the qualified voters of the City, for staggered terms of four years or until their successors are elected and qualified.

"Section 2.3. **Mayor; Term of Office; Duties.** The Mayor shall be elected by all the qualified voters of the City for a term of four years or until his or her successor is elected and qualified. The Mayor shall be the official head of the City government and preside at meetings of the Council, shall have the right to vote only when there is an equal division on any question or matter before the Council except as provided in Section 4.2 of this Charter, and shall exercise the powers and duties conferred by law or as directed by the Council.

"Section 2.4. **Mayor Pro Tempore.** The Council shall elect one of its members as Mayor Pro Tempore to perform the duties of the Mayor during his or her absence or disability, in accordance with general law. The Mayor Pro Tempore shall serve in such capacity at the pleasure of the Council.

"Section 2.5. **Meetings.** In accordance with general law, the Council shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Section 2.6. **Quorum; Voting.** Official actions of the Board and all votes shall be taken in accordance with the applicable provisions of general law, particularly G.S. 160A-75. The quorum provisions of G.S. 160A-74 shall apply.

"Section 2.7. **Compensation; Qualifications for Office; Vacancies.** The compensation and qualifications of the Mayor and Council shall be in accordance with general law. Vacancies that occur in any elective office of the City shall be filled by majority vote of the remaining members of the Council and shall be filled in accordance with the provisions of G.S. 160A-63.

"ARTICLE III. ELECTIONS.

"Section 3.1. **Regular Municipal Elections.** Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292.

"Section 3.2. **Election of Mayor.** A Mayor shall be elected in the regular municipal election in 2017 and every four years thereafter.

"Section 3.3. **Election of Council.** In the regular municipal election in 2017 and quadrennially thereafter, two Council members shall be elected for four-year terms in those positions whose terms are then expiring. In the regular municipal election in 2019 and quadrennially thereafter, three Council members shall be elected for four-year terms in those positions whose terms are then expiring.

"Section 3.4. **Special Elections and Referenda.** Special elections and referenda may be held only as provided by general law or applicable local acts of the General Assembly.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION.

"Section 4.1. **Form of Government.** The City shall operate under the council-manager form of government, in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes.

"Section 4.2. **City Manager; Appointment; Removal.** The Mayor and Council shall appoint a City Manager who shall be responsible for the administration of all departments of the City government. No person who has served as an elected official of the City shall be

eligible for appointment as City Manager until at least one year has elapsed following the expiration of his or her term in the elective City office. In the selection of a City Manager, the Mayor and each Council member shall have one vote, with a tie vote to be deemed a vote against the proposed appointment. Likewise, the Mayor and each Council member shall have one vote in the removal of a City Manager, with a tie vote to be deemed a vote against the proposed removal.

"Section 4.3. **City Manager; Powers and Duties.** The City Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and the additional powers and duties conferred by the Council, so far as authorized by general law.

"Section 4.4. **Manager's Personnel Authority; Role of Elected Officials.** As chief administrator, the City Manager shall have the power to appoint, suspend, and remove all nonelected officers, department heads, and employees of the City, with the exception of the City Attorney and any other official whose appointment or removal is specifically vested in the Council by this Charter or by general law. Neither the Mayor nor the Council nor any of its committees or members shall take part in the appointment or removal of nonelected officers, department heads, or employees in the administrative service of the City, except as provided by this Charter. Except for the purpose of inquiry, or for consultation with the City Attorney, the Mayor and the Council and its members shall deal with officers and employees in the administrative service only through the Manager, Acting Manager, or Interim Manager, and neither the Mayor nor the Council nor any of its members shall give orders or directions to any subordinate of the Manager, Acting Manager, or Interim Manager, either publicly or privately.

"Section 4.5. **City Attorney.** The Council shall appoint a City Attorney licensed to practice law in North Carolina. It shall be the duty of the City Attorney to represent the City, advise City officials, and perform other duties required by law or as the Council may direct.

"Section 4.6. **City Clerk.** The Manager shall appoint a City Clerk to keep a journal of the proceedings of the Board, to maintain official records and documents, to give notice of meetings, and to perform such other duties required by law or as the Manager may direct.

"Section 4.7. **Other Administrative Officers and Employees.** The Council may authorize other positions to be filled by appointment by the City Manager and may organize the City government as deemed appropriate, subject to the requirements of general law.

"ARTICLE V. ADDITIONAL AUTHORITY.

"Section 5.1. **Special Assessments.** In addition to any authority granted by general law in Article 10 of Chapter 160A of the General Statutes, the City may continue to levy special assessments in accordance with the following acts of the General Assembly and any subsequent acts: Chapter 341 of the 1995 Session Laws, regarding assessments for water and sewer outside city limits by petition, and S.L. 2005-111, regarding assessments for street lighting by petition.

"Section 5.2. **Occupancy Tax.** The City may continue to levy an occupancy tax as provided in S.L. 2005-220 and any subsequent acts.

"Section 5.3. **Satellite Annexation.** With regard to voluntary noncontiguous annexations, the City shall continue to be exempt from the percentage area limitation contained in G.S. 160A-58.1(b)(5), as provided by S.L. 2009-111, and any subsequent acts.

"Section 5.4. **Extraterritorial Jurisdiction.** The City may continue to exercise extraterritorial jurisdiction as provided in Chapter 596 of the 1991 Session Laws and any subsequent acts."

SECTION 2. The purpose of this act is to revise the Charter of the City of Belmont and to consolidate certain acts concerning the property, affairs, and government of the City. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act, so that all rights and liabilities which have accrued are preserved and may be enforced.

SECTION 3. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 4. The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Chapter 97 of the Private Laws of 1895, except Section 2
Chapter 178 of the Private Laws of 1903, except Section 1
Chapter 189 of the Private Laws of 1913
Chapter 172 of the Private Laws of 1915
Chapter 184 of the Private Laws of 1925
Chapter 52 of the Private Laws of 1933
Chapter 38 of the 1945 Session Laws
Chapter 568 of the 1945 Session Laws
Chapter 125 of the 1947 Session Laws
Chapter 419 of the 1967 Session Laws
Chapter 930 of the 1969 Session Laws

SECTION 5. The Mayor and Council members serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified. Thereafter those offices shall be filled as provided in Articles II and III of the Charter contained in Section 1 of this act.

SECTION 6. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 7. All existing ordinances, resolutions, and other provisions of the City of Belmont not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 8. No action or proceeding pending on the effective date of this act by or against the City or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 9. If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and, to this end, the provisions of this act are declared to be severable.

SECTION 10. Whenever a reference is made in this act to a particular provision of the General Statutes and such provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute or to the General Statute that most clearly corresponds to the statutory provision that is superseded or recodified.

SECTION 11. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-49 **H.B. 349**

AN ACT TO ALLOW CURRITUCK COUNTY TO USE DEVELOPER FUNDS FOR THE CONSTRUCTION OF ROADS TO ALLOW FOR INTERCONNECTIVITY OF SUBDIVISION STREETS AND ROADS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-331 reads as rewritten:

"**§ 153A-331. Contents and requirements of ordinance.**

…

(c) A subdivision control ordinance may provide that a developer may provide funds to the county whereby the county may acquire recreational land or areas to serve the development or subdivision, including the purchase of land that may be used to serve more than one subdivision or development within the immediate area.

(d) The ordinance may provide that in lieu of required street construction, a developer may provide funds to be used for the development of roads to serve the occupants, residents, or

invitees of the subdivision or development. All funds received by the county under this section shall be ~~transferred to the municipality to be~~ used solely for the development of roads, including design, land acquisition, and construction. ~~Any municipality receiving funds from a county under this section is authorized to expend such funds outside its corporate limits for the purposes specified in the agreement between the municipality and the county.~~ However, a county may undertake these activities in conjunction with the Department of Transportation pursuant to an agreement between the county and the Department of Transportation. Any formula adopted to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the county determines that a combination is in the best interest of the citizens of the area to be served.

…."

SECTION 2. This act applies to Currituck County only.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-50 **H.B. 415**

AN ACT PROVIDING FOR AN ELECTION IN THE VILLAGE OF HATTERAS ON THE QUESTION OF ALLOWING THE HATTERAS VILLAGE COMMUNITY CENTER DISTRICT TO EXPAND THE USES OF AD VALOREM TAX FUNDS COLLECTED BY THE COUNTY ON BEHALF OF THE DISTRICT FOR THE CONSTRUCTION AND MAINTENANCE OF MULTIUSE PATHWAYS AROUND THE VILLAGE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Board of County Commissioners of Dare County is hereby authorized to call an election to be conducted by the Board of Elections of Dare County in Hatteras voting precinct as described in this subsection for the purpose of submitting to the voters therein the single issue of authorizing the Hatteras Village Community Center District to expand the uses of the ad valorem tax authorized in Chapter 212 of the Session Laws of 1981 to include funding the construction and maintenance of multiuse pathways around the village of Hatteras.

The area of the district is more specifically described as follows: All of the Hatteras Voting Precinct bounded on the west by Hyde County, on the north by Avon Voting Precinct, on the east by Frisco Voting Precinct, and on the south by the Atlantic Ocean, all as shown on the map in the office of the Board of Elections of Dare County, North Carolina, entitled "ELECTION PRECINCT BOUNDARIES – DARE COUNTY" dated July 13, 1978, signed by Orman L. Mann, Chairman, Dare County Board of Elections, which said map is incorporated herein by reference.

SECTION 1.(b) The election provided for in this section shall be conducted in accordance with Chapter 163 of the General Statutes. The Board of Elections of Dare County shall determine and declare the results of the election and certify the same to the Board of County Commissioners of Dare County, and the same shall thereupon be spread upon the minutes of the Board.

SECTION 1.(c) The ballot shall contain the date of the election, the words "Hatteras Village", and shall further be in the following form:

"[ ] FOR allowing the Hatteras Village Community Center District to expand the uses of the ad valorem tax authorized in Chapter 212 of the Session Laws of 1981 to include funding the construction and maintenance of multiuse pathways around the village of Hatteras."

"[ ] AGAINST allowing the Hatteras Village Community Center District to expand the uses of the ad valorem tax authorized in Chapter 212 of the Session Laws of 1981 to include funding the construction and maintenance of multiuse pathways around the village of Hatteras."

The ballot shall contain the facsimile signature of the Chairman of the Board of Elections of Dare County.

SECTION 1.(d) If a majority of the qualified voters voting at the election shall vote in favor of allowing the Hatteras Village Community Center District to expand the uses of the ad valorem tax to include funding the construction and maintenance of multiuse pathways around the village of Hatteras, the Board of County Commissioners of Dare County shall, upon receipt of the certified copy of the results of the election from the Board of Elections, adopt a resolution to that effect and shall file a copy of the resolution with the Clerk of the Superior Court of Dare County.

SECTION 2.(a) Sections 4 and 5 of Chapter 212 of the Session Laws of 1981 read as rewritten:

"**Sec. 4.** If a majority of the qualified voters voting at said election shall vote in favor of creating the Hatteras Village Community Center District and the levying of a tax as aforesaid for the operation, maintenance and repair of a community center building, as provided by this act, the Board of County Commissioners of Dare County shall upon receipt of the certified copy of the results of said election from the Board of Elections adopt a resolution creating the Hatteras Township Community Center District, and shall file a copy of the said resolution so adopted with the Clerk of the Superior Court of Dare County. Upon creation and establishment of the Hatteras Village Community Center District, the Board of County Commissioners of Dare County be and it is hereby authorized and directed to levy and collect an ad valorem tax on all taxable property in said district in such amount as it may deem necessary, not exceeding fifteen cents (15c) on each one hundred dollar ($100.00) taxable valuation of property in said district from year to year, and shall cause the same to be kept in a separate and special fund, to be used only for the maintenance, operation and repair of a community center within said ~~district,~~district and for the construction and maintenance of multiuse pathways around the village of Hatteras, as provided by Section 5 of this act.

"**Sec. 5.** The Hatteras Village Community Center District shall constitute a political subdivision of the State of North Carolina, and shall be a body corporate and politic, exercising public power. The Hatteras Village Community Center District is authorized to establish, operate and maintain the community center for the use and benefit of all the residents of the district by: providing suitable facilities for public meetings; for public agencies providing services to the public; providing recreational park and playground facilities; providing facilities for meetings of civic and fraternal organizations; and providing facilities for the general use of residents of the district in all matters relating to the improvement of the general health and welfare of said district and all matters of community interest. The Hatteras Village Community Center District is also authorized to fund the construction and maintenance of multiuse pathways around the village of Hatteras.

The district and its governing body shall have the following powers:

...

(7) To fund the construction and maintenance of multiuse pathways around the village of Hatteras."

SECTION 2.(b) This section becomes effective only if a majority of the qualified voters voting at the election provided for in Section 1 of this act vote in favor of allowing the Hatteras Village Community Center District to expand the uses of the ad valorem tax to include funding the construction and maintenance of multiuse pathways around the village of Hatteras.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-51 **S.B. 219**

AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF INDIAN BEACH AND TO AMEND THE CHARTER OF THE TOWN OF MOREHEAD CITY.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is added to the corporate limits of the Town of Indian Beach:

Beginning at a point in the Salter Path Road, said point being North 17°15'38" West 179.61 feet from the point where the center line of Hoffman Road intersects the southern margin of the right-of-way line of Salter Path Road, thence North 05°22'51" East 236.57 feet to a point; thence North 43°25'30" West 87.57 feet to an existing concrete monument; thence North 24°03'33" West 61.25 feet to a point; thence North 24°03'33" West 103.75 feet to a point; thence North 10°54'43" West 145.00 feet to a point; thence North 69°50'27" East 17.00 feet to a point; thence North 21°02' 43" West 58.00 feet to a point; thence South 83°59'33" East 140.00 feet to a point; thence North 70°28'42" East 114.54 feet to a point; thence South 15°53'20" East 128.60 feet to a point in a bulkhead; thence along said bulkhead North 77°21'42" East 121.35 feet to a point; thence along the bulkhead South 19°50'58" East 88.99 feet to a point; thence North 89°08'29" East 56.11 feet to a point; thence South 05°21'34" West 121.84 feet to an existing concrete monument; thence South 05°40'32" West 125.11 feet to an existing concrete monument located in the existing municipal limit line of the Town of Indian Beach (see Annexation Ordinance recorded in Deed Book 1356, Page 473, Carteret County Registry); thence running with the existing municipal limits North 84°45'10" West 99.90 feet to an existing concrete monument; thence South 05°47'03" West 278.28 feet to a point in the Salter Path Road; thence along Salter Path Road North 84°53'10" West 199.91 feet to the point and place of BEGINNING, according to a plat of the same prepared by Charles A. Rawls and Associates, dated March 6, 1985, recorded in Book of Maps 22, Page 33, Carteret County Registry.

Being all of Phase I, Phase II, Phase III, and the "Bulkhead and Dock" areas of Mariner's Point Condominiums, as the same are shown on the As-Built Survey for Mariner's Point Partnership prepared by Charles A. Rawls and Associates recorded in Map Book 10J, Page 1A, Carteret County Registry.

SECTION 2. The property added to the corporate limits of the Town of Indian Beach by Section 1 of this act shall be in the Town's General Business District (B-1) zone for purposes of the Town's zoning ordinance.

SECTION 3. Notwithstanding any Town ordinance relating to nonconforming structures or uses, all structures, existing on June 30, 2017, on the property added to the corporate limits of the Town of Indian Beach by Section 1 of this act, shall be deemed conforming to the Town's land use ordinances and may be repaired, restored, or rebuilt at any time after June 30, 2017, regardless of the extent of any damage or destruction unless the Town ordinance prohibiting repair, restoration, or rebuilding is required to maintain eligibility for participation in the National Flood Insurance Program under the laws, rules, or regulations of the United States or the State of North Carolina.

SECTION 4. Article 8 of the revised and consolidated Charter of the Town of Morehead City, as enacted by Chapter 879 of the Session Laws of 1969, is repealed.

SECTION 5. Sections 1 through 3 of this act become effective June 30, 2017. Property in the territory described by Section 1 of this act as of January 1, 2017, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-52 **H.B. 331**

AN ACT TO CORRECT HOW THE TERMS OF BOARD MEMBERS ARE TO EXPIRE DUE TO TRANSITION OF MUNICIPAL ELECTIONS TO EVEN-NUMBERED YEARS IN THE TOWN OF OAKBORO.

The General Assembly of North Carolina enacts:

SECTION 1. Section 15 of the Charter of the Town of Oakboro, being Chapter 51 of the Private Laws of 1915, as amended by ordinance adopted by the Town Board, and Section 7 of S.L. 2015-253, reads as rewritten:

"Sec. 15. That the Mayor of the town of Oakboro shall hold office for the term of two years and until its successor is elected and qualified, except that in 2015, the Mayor elected shall serve a term of three years, but the Mayor's successors shall serve terms of two years. Those members of the Board who have the lowest total number of votes shall serve for a two-year term. At the regular election held in 2011, and every four years thereafter, members of the Board who were elected for two-year terms in the election of 2009, shall be elected to serve for a four-year term. In 2015, ~~three~~ two members of the Board shall be elected for five-year terms, and the ~~two~~ three members whose terms expire in 2017 shall continue to serve until 2018. In 2020, and quadrennially thereafter, ~~three~~ two persons shall be elected to four-year terms. In 2018, and quadrennially thereafter, ~~two~~ three persons shall be elected to four-year terms. That in the absence of any officer of the town, or during sickness of any of the officers, the commissioners may appoint a man to fill the office during his absence or during his inability, and no longer. If the absence be caused by resignation, the board may appoint an officer to fill the unexpired term."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-53 **H.B. 378**

AN ACT AUTHORIZING BERTIE AND GATES COUNTIES TO USE ATTACHMENT OR GARNISHMENT AND LIEN FOR AMBULANCE SERVICE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 44-51.8 reads as rewritten:

"**§ 44-51.8. Counties to which Article applies.**

The provisions of this Article shall apply only to Alamance, Alexander, Alleghany, Anson, Ashe, Beaufort, Bertie, Bladen, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Chatham, Cherokee, Chowan, Cleveland, Columbus, Craven, Cumberland, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gaston, Gates, Graham, Granville, Greene, Guilford, Halifax, Harnett, Haywood, Henderson, Hertford, Hoke, Hyde, Iredell, Johnston, Jones, Lee, Lenoir, Lincoln, McDowell, Macon, Madison, Mecklenburg, Mitchell, Montgomery, Moore, Nash, New Hanover, Onslow, Orange, Pasquotank, Pender, Person, Pitt, Polk, Randolph, Richmond, Robeson, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Surry, Swain, Transylvania, Tyrrell, Union, Vance, Wake, Warren, Washington, Watauga, Wilkes, Wilson, Yadkin and Yancey Counties."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-54 **H.B. 385**

AN ACT TO PROHIBIT HUNTING ON PRIVATE PROPERTY IN ORANGE COUNTY WHILE UNDER THE INFLUENCE OF AN IMPAIRING SUBSTANCE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 5 of S.L. 2007-264 reads as rewritten:

"**SECTION 5.** Sections 1 through 4 of this act apply to Caswell, Johnston, Orange, and Stanly Counties. ~~Sections 1, 3, and 4 of this act apply to Orange County.~~"

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-55 **H.B. 426**

AN ACT TO REVISE THE COMPOSITION OF THE SANFORD-LEE COUNTY REGIONAL AIRPORT AUTHORITY AND TO AUTHORIZE THE AUTHORITY TO ENTER INTO CERTAIN CONTRACTS FOR A PERIOD GREATER THAN TWENTY YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 903 of the 1991 Session Laws, as amended by Section 7(a) of S.L. 2006-171, reads as rewritten:

"Section 1. There is hereby created an airport authority to be known as the "Sanford-Lee County Regional Airport Authority" which shall be a body politic and corporate. The ~~said~~ authority shall be composed of seven members; two appointed by the Board of Commissioners of the County of Lee, two by the City Council of the City of Sanford; and three ex officio voting members: the Sanford City Manager, the Lee County Manager, and ~~the Lee County Economic Development Director.~~an appointee of the Sanford Area Growth Alliance Executive Committee. The ~~said~~ members shall be allowed a reasonable compensation as determined by the joint action of the City Council of the City of Sanford and the Board of Commissioners for the County of Lee, and shall be paid actual expenses incurred in the transaction of business at the instance of the authority; provided, however, that no full-time employee of the city or county, or an elected member of either the City Council of the City of Sanford or the Board of Commissioners of the County of Lee shall be paid for his or her services in connection with ~~said~~the authority, but shall be entitled only to reimbursement of actual expenses.

…

"Section 3. (a) The authority shall, in addition to the powers conferred in Chapter 63 of the General Statutes of North Carolina, have the following powers:

…

(5) To lease for a term of ~~20~~40 years and for purposes not inconsistent with airport purposes or usage, real or personal property or both, under the supervision of or administered by the airport authority.

(6) To contract with persons, firms, or corporations for terms not to exceed ~~20~~40 years, for the operation of passenger and freight flights, scheduled or nonscheduled, and any other plane or flight activities not inconsistent with airport operations and to charge and collect reasonable fees, charges, and rents for the use of such property, and services rendered in the operation thereof.

(7) To operate, own, control, regulate, lease, or grant to others the license to operate amusements or concessions for a term not exceeding ~~20~~40 years.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-56 **H.B. 498**

AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN THE TOWNS OF JONESVILLE, BOONVILLE, AND EAST BEND ARE HELD IN EVEN-NUMBERED YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Article IV of the Charter of the Town of Jonesville, being Chapter 16 of the 2001 Session Laws, reads as rewritten:

"ARTICLE IV. ELECTIONS.

"Section 4.1. **Conduct of Town Elections.** ~~Regular~~ Beginning in 2018, regular municipal elections shall be held in each ~~odd-numbered~~ even-numbered year in accordance with the uniform municipal election laws of the State. Elections are conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292.

"Section 4.2. **Election of Town Council.** ~~In 2001, five members of the Council shall be elected. The two persons receiving the highest numbers of votes are elected for four-year terms, and the three persons receiving the next highest numbers of votes are elected to two-year terms.~~ The Council shall consist of five members. The two Council members whose terms expire in 2017 shall continue to serve until 2018, and the three Council members whose terms expire in 2019 shall continue to serve until 2020. In ~~2003~~ 2020, and quadrennially thereafter, three Council members ~~are~~ shall be elected to four-year terms. In ~~2005~~ 2018, and quadrennially thereafter, two Council members ~~are~~ shall be elected to four-year terms.

"Section 4.3. **Election of Mayor.** A Mayor shall be elected ~~in 2001 and quadrennially thereafter for a four-year term.~~to serve a term of four years. The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected to a four-year term."

SECTION 2. Section 4 of the Charter of the Town of Boonville, being Chapter 44 of the Private Laws of 1895, as amended by Chapter 1143 of the 1981 Session Laws, reads as rewritten:

"Sec. 4. (a) ~~At the regular municipal election~~ Beginning in 2018, regular municipal elections shall be held in each even-numbered year in the Town of ~~Booneville in 1983, there shall be elected a~~ Boonville. The board of town commissioners ~~consisting~~ shall consist of five members. ~~The three persons receiving the highest number of votes shall be elected to four-year terms. The two persons receiving the next highest number of votes shall be elected to two-year terms.~~ The two commissioners whose terms expire in 2017 shall continue to serve until 2018, and the three commissioners whose terms expire in 2019 shall continue to serve until 2020. In ~~1985~~ 2018, and quadrennially thereafter, two commissioners shall be elected for four-year terms. In ~~1987~~ 2020, and quadrennially thereafter, three commissioners shall be elected for four-year terms.

(b) ~~At~~ Beginning in 2018, at the regular municipal ~~election in 1983,~~ election, a mayor shall be elected for a ~~two-year term. In 1985~~ four-year term. The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, a mayor shall be elected for a four-year term.

(c) Elections in the Town of Boonville shall be conducted in accordance with Chapter 163 of the General Statutes, and the results determined by the plurality method as provided in G.S. 163-292."

SECTION 3. Section 4 of the Charter of the Town of East Bend, being Chapter 144 of the Private Laws of 1887, as amended by Chapter 611 of the 1955 Session Laws and Chapter 104 of the 1985 Session Laws, reads as rewritten:

"Sec. 4. (a) Beginning in 2018, regular municipal elections shall be held in even-numbered years. The mayor whose term expires in 2017 shall continue to serve until 2018. In the ~~1985~~ 2018 municipal election and biennially thereafter, a mayor shall be elected for a two-year term.

(b) The persons whose terms expire in 2017 shall continue to serve until 2018. In ~~the 1985 municipal election,~~ 2018 and biennially thereafter, the two persons receiving the highest numbers of votes shall be elected to four-year terms on the board of ~~commissioners. The three persons~~ commissioners, and the person receiving the next highest ~~numbers~~ number of votes shall be elected to a two-year ~~terms~~ term on the board of commissioners.

(c) The persons whose terms expire in 2019 shall continue to serve until 2020. In ~~1987~~ 2020, and biennially thereafter, the two persons receiving the highest numbers of votes shall be elected to four-year terms on the town board of commissioners, and the person receiving the next highest number of votes shall be elected to a two-year term on the board of commissioners.

(d) Elections in the Town of East Bend shall be governed by Chapter 163 of the General Statutes. Elections shall be conducted and the results shall be determined using the nonpartisan plurality method set out in Section 163-292 of the General Statutes."

SECTION 4. No elections shall occur in the Towns of Jonesville, Boonville, or East Bend in 2017. Municipal elections shall next occur in the Towns of Jonesville, Boonville, and East Bend in 2018.

SECTION 5. This act is effective when it becomes law and applies to elections held on or after that date.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-57 **S.B. 257**

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. TITLE OF ACT AND INTRODUCTION

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations Appropriations Act of 2017."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND

CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	**FY 2017-2018**	**FY 2018-2019**
EDUCATION		
Community Colleges System Office	$ 1,121,815,001	$ 1,141,757,845
Department of Public Instruction	9,046,403,622	9,425,109,426
Appalachian State University	134,672,993	134,672,993

East Carolina University		
Academic Affairs	214,598,809	214,598,809
Health Affairs	74,373,798	75,014,745
Elizabeth City State University	31,964,712	31,154,712
Fayetteville State University	52,116,162	52,116,162
NC A&T State University	92,703,482	92,703,482
NC Central University	83,243,559	83,243,559
NC State University		
Academic Affairs	410,148,050	407,648,050
Agricultural Extension	39,095,231	39,195,231
Agricultural Research	52,636,905	52,636,905
UNC-Asheville	38,750,625	38,750,625
UNC-Chapel Hill		
Academic Affairs	252,574,119	251,809,119
Health Affairs	195,665,032	195,305,973
AHEC	48,783,693	48,783,693
UNC-Charlotte	226,376,692	226,376,692
UNC-Greensboro	150,156,774	150,156,774
UNC-Pembroke	53,711,549	53,715,428
UNC-School of the Arts	30,424,499	30,424,499
UNC-Wilmington	120,327,946	120,327,946
Western Carolina University	89,729,461	89,730,641
Winston-Salem State University	64,717,512	64,717,512
General Administration	42,172,369	42,172,369
University Institutional Programs	108,655,110	173,791,646
Related Educational Programs	109,968,501	109,968,501
NC School of Science & Math	20,958,012	20,959,212
Aid to Private Institutions	155,249,754	167,799,754
Total University of North Carolina – Board of Governors	2,893,775,349	2,967,775,032
HEALTH AND HUMAN SERVICES		
Department of Health and Human Services		
Central Management and Support	117,155,209	122,769,405
Division of Aging & Adult Services	46,076,033	45,149,105
Division of Blind Services/Deaf/HH	8,446,767	8,507,081
Division of Child Development & Early Education	268,428,501	278,332,315
Division of Health Service Regulation	18,773,807	19,396,718
Division of Medical Assistance	3,690,755,171	3,801,681,212
Division of Mental Health, Developmental Disabilities, & Substance Abuse Services	696,268,319	705,030,589
NC Health Choice	459,248	396,409
Division of Health Benefits	9,735,051	9,779,090
Division of Public Health	157,394,523	154,985,218
Division of Social Services	200,973,125	205,204,844
Division of Vocational Rehabilitation	38,833,788	39,055,491
Total Health and Human Services	5,253,299,542	5,390,287,477
NATURAL AND ECONOMIC RESOURCES		
Department of Agriculture and Consumer Services	133,669,904	122,853,685
Department of Commerce		
Commerce	140,649,732	130,158,878
Commerce State-Aid	20,100,810	16,155,810

Wildlife Resources Commission	11,178,987	10,843,541
Department of Environmental Quality	78,170,327	77,012,714
Department of Labor	17,614,979	17,819,951
Department of Natural and Cultural Resources	185,613,349	174,477,424
Department of Natural and Cultural Resources – Roanoke Island	555,571	555,571
JUSTICE AND PUBLIC SAFETY		
Department of Public Safety	2,002,700,046	2,020,592,037
Judicial Department	530,239,572	539,023,422
Judicial Department – Indigent Defense	121,304,090	122,280,359
Department of Justice	47,711,294	46,511,531
GENERAL GOVERNMENT		
Department of Administration	63,691,021	63,396,752
Office of Administrative Hearings	5,962,480	6,010,687
Office of State Auditor	13,828,208	13,780,531
Office of State Controller	20,873,868	23,243,476
State Board of Elections	6,624,283	6,686,614
General Assembly	65,975,613	65,973,007
Office of the Governor	5,374,977	4,976,409
Office of the Governor – Special Projects	0	0
Office of State Budget and Management		
Office of State Budget and Management	8,180,546	8,255,244
OSBM – Reserve for Special Appropriations	8,740,000	2,000,000
Housing Finance Agency	14,609,159	30,660,000
Department of Insurance	48,838,212	48,314,700
Office of Lieutenant Governor	793,708	771,497
Department of Military and Veterans Affairs	11,457,358	8,960,743
Department of Revenue	84,645,611	85,483,970
Department of Secretary of State	13,104,311	13,314,943
Department of State Treasurer		
State Treasurer	4,813,596	4,832,053
State Treasurer – Retirement for Fire and Rescue Squad Workers	27,861,861	28,211,861
DEPARTMENT OF INFORMATION TECHNOLOGY	**51,500,581**	**51,646,845**
RESERVES, ADJUSTMENTS, AND DEBT SERVICE		
Contingency & Emergency Fund	0	0
Classification and Compensation System	3,900,000	7,800,000
Workers' Compensation Settlement Reserve	2,000,000	0
Salary Adjustment Fund	5,000,000	5,000,000

Pay Plan Reserve	9,688,494	0
University System Enrollment Reserve	46,571,112	94,734,518
Public Schools Average Daily Membership Reserve	0	48,410,289
NC Promise Tuition Plan	0	11,000,000
Film and Entertainment Grant Fund	15,000,000	31,000,000
Pending Legislation (Supplemental Disaster Recovery Funds and House Bill 589, Competitive Energy Solutions for N.C.)	100,150,000	500,000
Enterprise Resource Planning	3,000,000	10,000,000
Debt Service		
General Debt Service	727,166,339	770,458,736
Federal Reimbursement	1,616,380	1,616,380
TOTAL CURRENT OPERATIONS – GENERAL FUND	**$ 22,975,769,893**	**$ 23,650,253,958**

GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

	FY 2017-2018	**FY 2018-2019**
Unappropriated Balance	$ 208,607,416	$ 499,303,328
Disaster Recovery Appropriations (S.L. 2016-124)	(200,928,370)	0
Transfer From Savings Reserve	100,928,370	0
Revised Unappropriated Balance	**108,607,416**	**499,303,328**
Over Collections FY 2016-17	580,600,000	0
Reversions FY 2016-17	271,000,000	0
Replenish Savings Reserve (S.L. 2016-124)	(100,928,370)	0
Earmarkings of Year End Fund Balance:		
Savings Reserve	(263,000,000)	0
Repairs and Renovations	(125,000,000)	0
Beginning Unreserved Fund Balance	**471,279,046**	**499,303,328**
Revenues Based on Existing Tax Structure	**22,303,700,000**	**23,299,200,000**
Non-tax Revenues		
Investment Income	60,100,000	60,600,000
Judicial Fees	240,900,000	240,500,000
Disproportionate Share	164,700,000	149,600,000
Insurance	75,500,000	75,500,000
Master Settlement Agreement (MSA)	127,200,000	127,200,000
Other Non-Tax Revenues	180,600,000	182,900,000
Subtotal Non-tax Revenues	**849,000,000**	**836,300,000**
Total General Fund Availability	**23,623,979,046**	**24,634,803,328**
Adjustments to Availability: 2017 Session		
Tax Law Changes	(6,900,000)	(521,800,000)
Transfer of Taxes From Short-Term Lease or Rental of Motor Vehicles to Highway Fund	(10,000,000)	(10,000,000)
Transfer to Savings Reserve (S.L. 2017-5)	0	(72,090,000)
Transfer Additional MSA funds to Golden L.E.A.F.	(7,500,000)	(7,500,000)
Transfer to Medicaid Transformation Fund	(75,000,000)	0
Transfer from Contingency and Emergency Fund	7,000,000	0
Transfer from Department of Insurance	3,655,405	4,026,728

Transfer from the Department of the State Treasurer	(5,453,230)	(5,434,773)
Subtotal Adjustments to Availability: 2017 Session	**(94,197,825)**	**(612,798,045)**
Revised General Fund Availability	**$ 23,529,781,221**	**$ 24,022,005,283**
Less General Fund Net Appropriations	(23,030,477,893)	(23,652,171,951)
Unappropriated Balance Remaining	**$ 499,303,328**	**$ 369,833,332**

SECTION 2.2.(b) Notwithstanding the provisions of G.S. 143C-4-3(a), the State Controller shall transfer a total of one hundred twenty-five million dollars ($125,000,000) from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2017. This subsection becomes effective June 30, 2017. Funds transferred under this section to the Repairs and Renovations Reserve are appropriated for the 2017-2018 fiscal year and shall be used in accordance with Section 36.5 of this act.

SECTION 2.2.(c) Notwithstanding G.S. 143C-4-2, the State Controller shall transfer a total of three hundred sixty-three million nine hundred twenty-eight thousand three hundred seventy dollars ($363,928,370) from the unreserved fund balance to the Savings Reserve Account on June 30, 2017. This transfer is not an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. This subsection becomes effective June 30, 2017.

SECTION 2.2.(d) The State Controller shall reserve from funds available in the General Fund the sum of seventy-five million dollars ($75,000,000) in nonrecurring funds for the 2017-2018 fiscal year. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of S.L. 2015-241. Funds deposited in the Medicaid Transformation Fund do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(e) Funds reserved in the Medicaid Contingency Reserve established in Section 12H.38 of S.L. 2014-100 do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(f) G.S. 105-187.9(a) reads as rewritten:

"(a) Distribution. – ~~Taxes~~ Of the taxes collected under this Article at the rate of eight percent ~~(8%)~~ (8%), the sum of ten million dollars ($10,000,000) shall be credited annually to the Highway Fund, and the remainder shall be credited to the General Fund. Taxes collected under this Article at the rate of three percent (3%) shall be credited to the North Carolina Highway Trust Fund."

SECTION 2.2.(g) Subsection (f) of this section is effective when this act becomes law and applies to taxes collected on or after that date.

PART III. CURRENT OPERATIONS/HIGHWAY FUND

CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

SECTION 3.1. Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – Highway Fund	**FY 2017-2018**	**FY 2018-2019**
Department of Transportation		
Administration	$ 96,416,366	$ 94,370,410
Division of Highways		
Administration	34,782,224	34,782,224
Construction	89,600,000	88,250,000
Maintenance	1,353,550,193	1,393,296,676
Planning and Research	0	0

OSHA Program	358,030	358,030
State Aid to Municipalities	147,500,000	147,500,000
Intermodal Divisions		
Ferry	47,983,375	44,983,375
Public Transportation	93,777,592	94,277,592
Aviation	100,495,773	129,012,773
Rail	43,659,362	43,850,362
Bicycle and Pedestrian	724,032	724,032
Governor's Highway Safety	255,367	255,367
Division of Motor Vehicles	130,482,054	127,946,774
Other State Agencies, Reserves, Transfers	39,762,702	41,673,366
Capital Improvements	11,616,700	10,216,707
Total Highway Fund Appropriations	**$ 2,190,963,770**	**$ 2,251,497,688**

HIGHWAY FUND AVAILABILITY STATEMENT

SECTION 3.2. The Highway Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

Highway Fund Availability Statement	**FY 2017-2018**	**FY 2018-2019**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	2,179,096,441	2,237,763,031
Adjustment to Revenue Availability:		
Division of Motor Vehicles Hearing Fees	1,867,329	3,734,657
Highway Use Tax Lease Proceeds	10,000,000	10,000,000
Total Highway Fund Availability	**$ 2,190,963,770**	**$ 2,251,497,688**
Unappropriated Balance	$ 0	$ 0

PART IV. HIGHWAY TRUST FUND APPROPRIATIONS

HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 4.1. Appropriations from the State Highway Trust Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – Highway Trust Fund	**FY 2017-2018**	**FY 2018-2019**
Program Administration	$ 35,156,560	$ 35,156,560
Debt Service	52,160,868	50,036,452
Turnpike Authority	49,000,000	49,000,000
State Ports Authority	45,000,000	45,000,000
Transfer to Highway Fund	400,000	400,000
FHWA State Match	4,640,000	4,640,000
Strategic Prioritization Funding Plan for Transportation Investments	1,360,770,863	1,401,591,150
Total Highway Trust Fund Appropriations	**$ 1,547,128,291**	**$ 1,585,824,162**

HIGHWAY TRUST FUND AVAILABILITY STATEMENT

SECTION 4.2. The Highway Trust Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

Highway Trust Fund Availability	**FY 2017-2018**	**FY 2018-2019**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,547,614,829	1,586,320,316
Adjustment to Revenue Availability:		
Title Fees (Mercury Switch Removal)	(486,538)	(496,154)
Total Highway Trust Fund Availability	**$ 1,547,128,291**	**$ 1,585,824,162**
Unappropriated Balance	$ 0	$ 0

PART V. OTHER APPROPRIATIONS

CASH BALANCES AND OTHER APPROPRIATIONS

SECTION 5.1.(a) Cash balances, federal funds, departmental receipts, grants, and gifts from the General Fund, revenue funds, enterprise funds, and internal service funds are appropriated for the 2017-2019 fiscal biennium as follows:

(1) For all budget codes listed in the Governor's Recommended Budget for the 2017-2019 fiscal biennium, dated March 2017, and in the Budget Support Document, fund balances and receipts are appropriated up to the amounts specified, as adjusted by the General Assembly, for the 2017-2018 fiscal year and the 2018-2019 fiscal year. Funds may be expended only for the programs, purposes, objects, and line items or as otherwise authorized by the General Assembly. Expansion budget funds listed in those documents are appropriated only as otherwise provided in this act.

(2) Notwithstanding the provisions of subdivision (1) of this subsection:

a. Any receipts that are required to be used to pay debt service requirements for various outstanding bond issues and certificates of participation are appropriated up to the actual amounts received for the 2017-2018 fiscal year and the 2018-2019 fiscal year and shall be used only to pay debt service requirements.

b. Other funds, cash balances, and receipts of funds that meet the definition issued by the Governmental Accounting Standards Board of a trust or agency fund are appropriated for and in the amounts required to meet the legal requirements of the trust agreement for the 2017-2018 fiscal year and the 2018-2019 fiscal year.

SECTION 5.1.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by the State Budget Act. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 5.1.(c) Notwithstanding subsections (a) and (b) of this section, there is appropriated from the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for each fiscal year an amount equal to the amount of the distributions required by law to be made from that reserve for that fiscal year.

OTHER RECEIPTS FROM PENDING GRANT AWARDS

SECTION 5.2.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less than two million five hundred thousand dollars ($2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 5.2.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 5.2.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

EDUCATION LOTTERY FUNDS/CHANGES TO REVENUE ALLOCATIONS/NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND

SECTION 5.3.(a) The appropriations made from the Education Lottery Fund for the 2017-2019 fiscal biennium are as follows:

	FY 2017-2018	**FY 2018-2019**
Noninstructional Support Personnel	$383,888,897	$385,914,455
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Needs-Based Public School Capital Fund	30,000,000	75,000,000
Scholarships for Needy Students	30,450,000	30,450,000
UNC Need-Based Financial Aid	10,744,733	10,744,733
LEA Transportation	43,277,192	1,386,090
TOTAL APPROPRIATION	**$676,612,932**	**$681,747,388**

SECTION 5.3.(b) G.S. 18C-163(b) reads as rewritten:

"(b) Expenses of the lottery shall also include ~~a~~ all of the following:

(1) A transfer of two million one hundred thousand dollars ($2,100,000) annually to the Department of Public Safety, Alcohol Law Enforcement Branch, for gambling enforcement activities.

(2) Advertising costs."

SECTION 5.3.(c) G.S. 18C-164 reads as rewritten:

"**§ 18C-164. Transfer of net revenues.**

…

~~(b) From the Education Lottery Fund, the Office of State Budget and Management shall transfer a sum equal to five percent (5%) of the net revenue of the prior year to the Education Lottery Reserve Fund. A special revenue fund for this purpose shall be established in the State treasury to be known as the Education Lottery Reserve Fund, and that fund shall be capped at fifty million dollars ($50,000,000). Monies in the Education Lottery Reserve Fund may be appropriated only as provided in subsection (e) of this section.~~

(b1) Net revenues credited to the Education Lottery Fund shall be appropriated in an amount equal to the amount appropriated from the Education Lottery Fund in the Current Operations and Capital Improvements Appropriations Act of 2017.

(b2) The Office of State Budget and Management shall transfer any net revenues remaining in the Education Lottery Fund after the appropriations made pursuant to subsection (b1) of this section to the Education Lottery Reserve Fund, a special revenue fund, necessary to maintain a minimum balance of twenty-five million dollars ($25,000,000).

(b3) Any net revenues remaining after appropriation pursuant to subsection (b1) of this section and transfer pursuant to subsection (b2) of this section are hereby appropriated to the Needs-Based Public School Capital Fund.

(b4) Notwithstanding subsection (b2) of this section, the minimum balance of the Education Lottery Reserve Fund may be less than twenty-five million dollars ($25,000,000) if funds are necessary to meet the amount of net revenues appropriated pursuant to subsection (b1) of this section.

…

(e) If the actual net revenues are less than the appropriation provided in subsection (b1) of this section for that given year, then the Governor may transfer from the Education Lottery Reserve Fund an amount sufficient to equal the appropriation ~~by the General Assembly.~~provided by subsection (b1) of this section.

~~(f) Actual net revenues in excess of the amounts appropriated in a fiscal year shall remain in the Education Lottery Fund.~~"

SECTION 5.3.(d) It is the intent of the General Assembly to increase the amount of North Carolina Education Lottery net lottery revenue collected that is dedicated to assist local governments in meeting local school capital needs from sixteen and nine-tenths percent (16.9%) of net lottery revenue collected in the 2016-2017 fiscal year to forty percent (40%) of net lottery revenue collected no later than the 2028-2029 fiscal year. To that end, there is created the Needs-Based Public School Capital Fund to be administered by the Superintendent of Public Instruction. The Needs-Based Public School Capital Fund shall be used to award grants to counties designated as a development tier one area or a development tier two area, as defined by G.S. 143B-437.08, to assist with their critical public school building capital needs. The Superintendent of Public Instruction shall award grants to counties in accordance with the following priorities:

(1) Counties designated as development tier one areas.
(2) Counties with greater need and less ability to generate sales tax and property tax revenue.
(3) Counties with a high debt-to-tax revenue ratio.
(4) The extent to which a project will address critical deficiencies in adequately serving the current and future student population.

SECTION 5.3.(e) Grant funds awarded under this section shall be subject to a matching requirement from the recipient county as follows:

(1) For a county designated as a development tier one area, the grant shall not exceed three dollars ($3.00) in grant funds for every one dollar ($1.00) provided by the county. Grant funds awarded to a tier one county shall not exceed fifteen million dollars ($15,000,000).
(2) For a county designated as a development tier two area, the grant shall not exceed one dollar ($1.00) for every one dollar ($1.00) in grant funds provided by the county. Grant funds awarded to a tier two county shall not exceed ten million dollars ($10,000,000).

Grant funds shall be used for new capital projects only. Grant funds shall not be used for real property acquisition or for operational lease agreements. Notwithstanding subdivision (2) of this subsection, grant funds shall only be awarded to development tier one counties until the 2020-2021 fiscal year. Grant funds shall not be awarded to any county that has received over eight million seven hundred fifty thousand dollars ($8,750,000) in funds from the Public School Building Capital Fund from the 2012-2013 fiscal year to the 2016-2017 fiscal year.

SECTION 5.3.(f) G.S. 115C-546.2 is amended by adding a new subsection to read:

"(f) If a county has received a grant fund award from the Needs-Based Public School Capital Fund, that county shall be ineligible to receive allocations from the Public School Building Capital Fund for a period of five years from the date the grant funds were awarded."

SECTION 5.3.(g) On or before April 1 of each year, a grant recipient shall submit to the Superintendent of Public Instruction an annual report for the preceding year that describes the progress of the project for which the grant was received. The grant recipient shall submit a final report to the State Superintendent of Public Instruction within three months of the completion of the project.

SECTION 5.3.(h) On or before May 1 of each year, the Superintendent of Public Instruction shall submit a report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the chairs of the House Appropriations Committee on Education, and the Fiscal Research Division. The report shall contain at least all of the following information for the fiscal year:

(1) Number and description of projects awarded.
(2) Total cost of each project and amount supported by the Needs-Based Public School Capital Fund.
(3) Projections for local school administrative unit capital needs for the next 30 years, based upon present conditions and estimated demographic changes.
(4) Any legislative recommendations for improving the Needs-Based Public School Capital Fund program.

CIVIL PENALTY AND FORFEITURE FUND

SECTION 5.4.(a) Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium ending June 30, 2019, as follows:

	FY 2017-2018	**FY 2018-2019**
School Technology Fund	$18,000,000	$18,000,000
Drivers Education	27,393,768	27,393,768
State Public School Fund	134,784,022	128,341,640
Total Appropriation	**$180,177,790**	**$173,735,408**

SECTION 5.4.(b) Excess receipts realized in the Civil Penalty and Forfeiture Fund in each year of the 2017-2019 fiscal biennium shall remain unspent until appropriated by a further act of the General Assembly.

SECTION 5.4.(c) Notwithstanding Section 5.3(b) of S.L. 2015-241, the sum of six million four hundred forty-two thousand three hundred eighty-two dollars ($6,442,382) of excess receipts realized in the Civil Penalty and Forfeiture Fund for the 2016-2017 fiscal year shall be allocated to the State Public School Fund for the 2017-2018 fiscal year.

SECTION 5.4.(d) G.S. 20-88.03(b) reads as rewritten:

"(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. The clear proceeds of the late fee charged under this section shall be used to provide a dedicated source of revenue for the drivers education program administered by the Department of Public Instruction in accordance with G.S. 115C-215."

INDIAN GAMING EDUCATION REVENUE FUND

SECTION 5.5. Notwithstanding G.S. 143C-9-7, the sum of six million dollars ($6,000,000) in each year of the 2017-2019 fiscal biennium is transferred from the Indian Gaming Education Revenue Fund to the Department of Public Instruction, Textbooks, and Digital Resources Allotment.

PART VI. GENERAL PROVISIONS

CONTINGENCY AND EMERGENCY FUND LIMITATION AND TRANSFER

SECTION 6.1.(a) Limitation. – For the 2017-2019 fiscal biennium, and notwithstanding the provisions of G.S. 143C-4-4(b), funds appropriated to the Contingency and Emergency Fund may be used only for expenditures required (i) by a court or Industrial

Commission order, (ii) to respond to events as authorized under G.S. 166A-19.40(a) of the North Carolina Emergency Management Act, (iii) by the State Treasurer to pay death benefits as authorized under Article 12A of Chapter 143 of the General Statutes, (iv) by the Office of the Governor for crime rewards in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for supplemental awards of compensation, or (vi) by the Department of Justice for legal fees. These funds shall not be used for other statutorily authorized purposes or for any other contingencies and emergencies.

SECTION 6.1.(b) Transfer. – Notwithstanding any provision of law to the contrary, seven million dollars ($7,000,000) from the Contingency and Emergency Fund reserve shall be transferred to the State Controller to be deposited as a nontax revenue in the General Fund. Any funds remaining in the Contingency and Emergency Fund reserve may be used in accordance with the provisions of subsection (a) of this section and G.S. 143C-4-4(c).

ESTABLISHING OR INCREASING FEES

SECTION 6.2.(a) Notwithstanding G.S. 12-3.1, an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in this act.

SECTION 6.2.(b) Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter 150B of the General Statutes.

EXPENDITURES OF FUNDS IN RESERVES LIMITED

SECTION 6.3. Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-4-8. Use of funds appropriated to a reserve.**

All funds appropriated into a reserve by a Current Operations Appropriations Act or other act of the General Assembly may be expended only for the purpose or purposes for which the reserve was established."

CAP STATE-FUNDED PORTION OF NONPROFIT SALARIES

SECTION 6.4. No more than one hundred twenty thousand dollars ($120,000) in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization.

MSA FUND/INCREASE APPROPRIATION TO GOLDEN L.E.A.F.

SECTION 6.5. G.S. 143C-9-3(a1) reads as rewritten:

"(a1) Each year, the sum of ~~ten~~seventeen million five hundred thousand dollars ~~($10,000,000)~~($17,500,000) from the Settlement Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, and these funds shall not be subject to G.S. 143C-6-23. The remainder of the funds credited to the Settlement Reserve Fund each fiscal year shall be transferred to the General Fund and included in General Fund availability as nontax revenue."

CLARIFY BASE BUDGET DEFINITION

SECTION 6.6.(a) G.S. 143C-1-1(d) reads as rewritten:

"(d) Definitions. – The following definitions apply in this Chapter:

(1) Appropriation. – An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

…

(1c) Base Budget. – That part of the recommended State budget that provides the baseline for the next biennium. The base budget for each State agency shall be the authorized budget for that agency with adjustments only for the following:

a. Annualization of programs and positions.
b. Reductions to adjust for items funded with nonrecurring funds during the prior fiscal biennium.
c. Increases to adjust for nonrecurring reductions during the prior fiscal biennium.
d. Adjustments for federal payroll tax changes.
e. Rate increases in accordance with the terms of existing leases of real property.
f. Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c.
g. Reconciliation of intragovernmental and intergovermental transfers.
h. Adjustments for statutory appropriations and other adjustments as directed by the General Assembly.

…

~~(6) Capital Improvements Appropriations Act. – An act of the General Assembly containing appropriations for one or more capital improvement projects.~~

…

(9) Current Operations Appropriations Act. – An act of the General Assembly estimating revenue availability for and appropriating money for the current operations and capital improvement needs of State government during one or more budget years.

…

(28) Statutory appropriation. – An appropriation enacted by the General Assembly in the General Statutes that authorizes the current and future withdrawal of funds from the State treasury during ~~fiscal years extending beyond the current fiscal biennium,~~ current and future fiscal years, without further act of the General Assembly.

…."

SECTION 6.6.(b) G.S. 115C-562.8(b) reads as rewritten:

"(b) The General Assembly finds that, due to the critical need in this State to provide opportunity for school choice for North Carolina students, it is imperative that the State provide an increase of funds of at least ten million dollars ($10,000,000) each fiscal year for 10 years to the Opportunity Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the Reserve the following amounts for each fiscal year to be used for the purposes set forth in this section:

Fiscal Year	**Appropriation**
2017-2018	$44,840,000
2018-2019	$54,840,000
2019-2020	$64,840,000
2020-2021	$74,840,000
2021-2022	$84,840,000
2022-2023	$94,840,000
2023-2024	$104,840,000
2024-2025	$114,840,000
2025-2026	$124,840,000
2026-2027	$134,840,000

For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of one hundred forty-four million eight hundred forty

thousand dollars ($144,840,000) to be used for the purposes set forth in this section. When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director of the Budget shall include the appropriated amount specified in this subsection for that fiscal year."

SECTION 6.6.(c) G.S. 143C-3-5 reads as rewritten:

"**§ 143C-3-5. Budget recommendations and budget message.**

…

(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

…

(3) A Current Operations Appropriations Act that makes appropriations for each fiscal year of the upcoming biennium for the operating and capital expenses of all State agencies as contained in the Recommended State ~~Budget, together with a Capital Improvements Appropriations Act that authorizes any capital improvements projects.~~Budget.

…

(c) Even-Numbered Years. – In even-numbered years, the Governor may recommend changes in the enacted budget for the second year of the biennium. These recommendations shall be presented as amendments to the enacted budget and shall be incorporated in a recommended Current Operations ~~Appropriation Act and a recommended Capital Improvements Appropriations Act as necessary.~~ Appropriations Act. Any recommended changes shall clearly distinguish program reductions, program eliminations, program expansions, and new programs, and shall explain all proposed capital improvements in the context of the Six-Year Capital Improvements Plan and as required by G.S. 143C-8-6. The Governor shall provide sufficient supporting documentation and accounting detail, consistent with that required by G.S. 143C-3-5(b), corresponding to the recommended amendments to the enacted budget.

…."

SECTION 6.6.(d) G.S. 143C-5-1 reads as rewritten:

"**§ 143C-5-1. Rules for the introduction of the Governor's appropriations bills.**

The Current Operations Appropriations Act recommended by the Governor ~~and the Capital Improvements Appropriations Act recommended by the Governor~~ shall be introduced by the chairs of the committee on appropriations in each house of the General Assembly. This section shall be considered and treated as a rule of procedure in the Senate and House of Representatives unless provided otherwise by a rule of either branch of the General Assembly."

SECTION 6.6.(e) G.S. 143C-5-5 reads as rewritten:

"**§ 143C-5-5. Committee report used to construe intent of budget acts.**

A committee report incorporated by reference in the Current Operations Appropriations Act ~~or the Capital Improvements Appropriations Act~~ and distributed on the floor of the House of Representatives and of the Senate as part of the explanation of the act is to be construed with the appropriate act in interpreting its intent. If a report conflicts with the act, the act prevails. The Director of the Fiscal Research Division of the Legislative Services Commission shall send a copy of the reports to the Director."

SECTION 6.6.(f) G.S. 143C-6-1 reads as rewritten:

"**§ 143C-6-1. Budget enacted by the General Assembly; certified budgets of State agencies.**

(a) Governor to Administer the Budget as Enacted by the General Assembly. – In accordance with Section 5(3) of Article III of the North Carolina Constitution, the Governor shall administer the budget as enacted by the General Assembly. All appropriations of State funds now or hereafter made to the State agencies and non-State entities authorize expenditures only for the (i) purposes or programs and (ii) objects or line items enumerated in the Recommended State Budget and the Budget Support Document recommended to the General Assembly by the Governor, as amended and enacted by the General Assembly in the Current

Operations Appropriations ~~Act, the Capital Improvements Appropriations Act,~~ Act or any other act affecting the State budget. The Governor shall ensure that appropriations are expended in strict accordance with the budget enacted by the General Assembly.

(b) Departmental Receipts. – Departmental receipts collected to support a program or purpose shall be credited to the fund from which appropriations have been made to support that program or purpose. A State agency shall expend departmental receipts first, including receipts in excess of the amount of receipts budgeted in the certified budget for the program or purpose, and shall expend other funds appropriated for the purpose or program only to the extent that receipts are insufficient to meet the costs anticipated in the certified budget.

Except as authorized in G.S. 143C-6-4, excess departmental receipts shall not be used to increase expenditures for a purpose or program.

(c) Certification of the Budget. – The Director of the Budget shall certify to each State agency the amount appropriated to it for each program and each object from all funds included in the budget as defined in G.S. 143C-3-5(d). The certified budget for each State agency shall reflect the total of all appropriations enacted for each State agency by the General Assembly in the Current Operations Appropriations ~~Act, the Capital Improvements Appropriations Act,~~ Act and any other act affecting the State budget. The certified budget for each State agency shall follow the format of the Budget Support Document as modified to reflect changes enacted by the General Assembly."

SECTION 6.6.(g) Section 11A.3(i) of S.L. 2016-94 reads as rewritten:

"**SECTION 11A.3.(i)** Subsections (a) and (b) of this section apply beginning with the 2016-2017 school year. ~~Subsections (g) and~~Subsection (h) of this section ~~become~~becomes effective July 1, 2017."

SECTION 6.6.(h) Subsection (a) of this section becomes effective July 1, 2017, and applies beginning with the base budget developed for the 2018-2019 fiscal year. The remainder of this section is effective when it becomes law.

USE OF STATE FUNDS FOR EMPLOYMENT OF OUTSIDE COUNSEL/GENERAL ASSEMBLY RIGHT TO INTERVENE

SECTION 6.7.(a) G.S. 147-17 reads as rewritten:

"**§ 147-17. May employ counsel in cases wherein State is interested.**

(a) No department, officer, agency, institution, commission, bureau or other organized activity of the State which receives support in whole or in part from the State shall employ ~~any~~ private counsel, except with the approval of the Governor. The Governor shall give his approval only if the Attorney General has advised him, as provided in subsection (b) of this section, that it is impracticable for the Attorney General to render the legal services. In any case or proceeding, civil or criminal, in or before any court or agency of this State or any other state or the United States, or in any other matter in which the State of North Carolina is interested, the Governor may employ ~~such special~~ private counsel as he may deem proper or necessary to represent the interest of the State, and may fix the compensation for their ~~services.~~services, subject to the provisions of subsection (c1) of this section.

(b) The Attorney General shall be counsel for all departments, officers, agencies, institutions, commissions, bureaus or other organized activities of the State which receive support in whole or in part from the State. Whenever the Attorney General shall advise the Governor that it is impracticable for him to render legal services to any State agency, officer, institution, commission, bureau or other organized activity, or to defend a State employee or former employee as authorized by Article 31A of Chapter 143 of the General Statutes, the Governor may authorize the employment of ~~such~~ private counsel, as in his judgment, should be employed to render such services, and may fix the compensation for their services.

(c) ~~The~~ Subject to the provisions of subsection (c1) of this section, the Governor may direct that the compensation fixed under this section for ~~special~~ private counsel shall be paid out of appropriations or other funds credited to the appropriate department, agency, institution,

commission, bureau, or other organized activity of the State or out of the Contingency and Emergency Fund.

(c1) Notwithstanding subsection (c) of this section and G.S. 143C-4-4(b), no State funds shall be withdrawn from the State treasury to pay for litigation services provided by private counsel except as expressly authorized by an appropriation of the General Assembly. As used in this subsection, litigation services include legal work conducted in anticipation of, or in preparation for, any suit or action. As used in this section, private counsel includes any licensed attorney retained by, engaged by, or otherwise representing a department, officer, agency, institution, commission, bureau, or other organized activity of the State but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the applicable department, officer, agency, institution, commission, bureau, or other organized activity of the State.

(d) In those instances when a department, officer, agency, institution, commission, bureau, or other organized activity of the State which receives support in whole or in part from the State shall employ private counsel other than the Attorney General as permitted by law, such employed counsel shall allocate authority between counsel and the State client in conformance with Rule 1.2 of the North Carolina Rules of Professional Conduct. In those instances where more than one counsel is providing legal representation, counsel, or service on a legal matter on behalf of a State client, the client shall designate in writing which of its legal counsel possesses final decision-making authority on behalf of the State client, and other co-counsel shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 6.7.(b) G.S. 114-2.3 reads as rewritten:

"**§ 114-2.3. Use of private counsel limited.**

(a) Every agency, institution, department, bureau, board, or commission of the State, authorized by law to retain private counsel, shall obtain written permission from the Attorney General prior to employing private counsel. This section does not apply to counties, cities, towns, other municipal corporations or political subdivisions of the State, or any agencies of these municipal corporations or political subdivisions, or to county or city boards of education.

(b) Article 2A of this Chapter applies to any contract to retain private counsel authorized by the Attorney General under this section.

(c) Except as provided in G.S. 147-17, the Attorney General shall represent the State in any action requiring the State to be a party under G.S. 1-72.3.

(d) No State funds shall be withdrawn from the State treasury to pay for litigation services provided by private counsel except as expressly authorized by an appropriation of the General Assembly. As used in this subsection, litigation services include legal work conducted in anticipation of, or in preparation for, any suit or action. As used in this section, private counsel includes any licensed attorney retained by, engaged by, or otherwise representing a department, officer, agency, institution, commission, bureau, or other organized activity of the State but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the applicable department, officer, agency, institution, commission, bureau, or other organized activity of the State."

SECTION 6.7.(c) G.S. 136-18.03(b) reads as rewritten:

"(b) Authorization. – The Department of Transportation may engage the services of private counsel with the pertinent expertise to provide legal services related to any project undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and, excluding legal services related to workers' compensation claims brought by Department employees, shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3. G.S. 147-17(c1) and G.S. 114-2.3(d) do not apply to this section."

SECTION 6.7.(d) G.S. 20-194(b) reads as rewritten:

"(b) In the event that a member of the Highway Patrol or any other State law-enforcement officer is sued in a civil action as an individual for acts occurring while such

member was alleged to be acting within the course and scope of his office, employment, service, agency or authority, which was alleged to be a proximate cause of the injury or damage complained of, the Attorney General is hereby authorized to defend such employee through the use of a member of his staff or, in his discretion, employ private counsel, subject to the provisions of Article 31A of Chapter 143 of the General Statutes and ~~G.S. 147-17.~~ G.S. 147-17(a) through (c) and (d). Any judgment rendered as a result of said civil action against such member of the Highway Patrol or other State law-enforcement officer, for acts alleged to be committed within the course and scope of his office, employment, service, agency or authority shall be paid as an expense of administration up to the limit provided in the Tort Claims Act."

SECTION 6.7.(e) G.S. 143B-30.1(g) reads as rewritten:

"(g) In the discretion of the Commission, G.S. 114-2.3 and G.S. 147-17(a) through ~~(c)~~ (c1) shall not apply to the Commission if the Commission is being sued by another agency, institution, department, bureau, board, or commission of the State, whether such body is created by the Constitution or by statute. The chairman, upon approval of a majority of the Commission, may retain private counsel to represent the Commission to be paid with available State funds to defend such litigation either independently or in cooperation with the Department of Justice. If private counsel is to be so retained to represent the Commission, the chairman shall designate lead counsel who shall possess final decision-making authority with respect to the representation, counsel, or service for the Commission. Other counsel for the Commission shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 6.7.(f) G.S. 143C-6-9 reads as rewritten:

"**§ 143C-6-9. Use of lapsed salary savings.**

(a) Lapsed salary savings may be expended only for nonrecurring purposes or line items.

(b) Lapsed salary savings shall not be used to pay for litigation services provided by private counsel. As used in this subsection, litigation services and private counsel are as defined in G.S. 147-17(c1) and G.S. 114-2.3(d)."

SECTION 6.7.(g) G.S. 120-32.6(a) reads as rewritten:

"(a) Use of Private Counsel. – ~~G.S. 114-2.3 and G.S. 147-17~~ G.S. 114-2.3, 143C-6-9(b), and 147-17 (a) through ~~(c)~~(c1) shall not apply to the General Assembly."

SECTION 6.7.(h) G.S. 116-11 is amended by adding a new subdivision to read:

"**§ 116-11. Powers and duties generally.**

The powers and duties of the Board of Governors shall include the following:

…

(13b) Subject to the approval required in G.S. 114-2.3(a) and G.S. 147-17(a), the Board may authorize the expenditure of funds to hire private counsel to represent the Board, The University of North Carolina, and any constituent institution. G.S. 114-2.3(d), 143C-6-9(b), and 147-17(c1) shall not apply to these expenditures.

…."

SECTION 6.7.(i) G.S. 1-72.2 reads as rewritten:

"**§ 1-72.2. Standing of legislative officers.**

(a) It is the public policy of the State of North Carolina that in any action in any North Carolina State court in which the validity or constitutionality of an act of the General Assembly or a provision of the North Carolina Constitution is challenged, the General Assembly, jointly through the Speaker of the House of Representatives and the President Pro Tempore of the Senate, constitutes the legislative branch of the State of North Carolina and the Governor constitutes the executive branch of the State of North Carolina, and when the State of North Carolina is named as a defendant in such cases, both the General Assembly and the Governor constitute the State of North Carolina. It is the public policy of the State of North Carolina that in any action in any federal court in which the validity or constitutionality of an act of the

General Assembly or a provision of the North Carolina Constitution is challenged, the General Assembly, jointly through the Speaker of the House of Representatives and the President Pro Tempore of the Senate, constitutes the legislative branch of the State of North Carolina; the Governor constitutes the executive branch of the State of North Carolina; that, when the State of North Carolina is named as a defendant in such cases, both the General Assembly and the Governor constitute the State of North Carolina; and that a federal court presiding over any such action where the State of North Carolina is a named party is requested to allow both the legislative branch and the executive branch of the State of North Carolina to participate in any such action as a party.

(b) The Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State, by and through counsel of their choice, including private counsel, shall jointly have standing to intervene on behalf of the General Assembly as a party in any judicial proceeding challenging a North Carolina statute or provision of the North Carolina Constitution. ~~The procedure for interventions at the trial level in State court shall be that set forth in Rule 24 of the Rules of Civil Procedure. The procedure for interventions at the appellate level in State court shall be by motion in the appropriate appellate court or by any other relevant procedure set forth in the Rules of Appellate Procedure.~~Intervention pursuant to this section shall be effected upon the filing of a notice of intervention of right in the trial or appellate court in which the matter is pending regardless of the stage of the proceeding. Notwithstanding any other provision of law to the contrary, the participation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate in any action, State or federal, as a party or otherwise, shall not constitute a waiver of legislative immunity or legislative privilege of any individual legislator or legislative officer or staff of the General Assembly."

SECTION 6.7.(j) G.S. 1A-1, Rule 19, is amended by adding a new subsection to read:

"(d) Necessary Joinder of House of Representatives and Senate. – The Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State through the General Assembly, must be joined as defendants in any civil action challenging the validity of a North Carolina statute or provision of the North Carolina Constitution under State or federal law."

SECTION 6.7.(k) G.S. 1A-1, Rule 24(c), reads as rewritten:

"(c) Procedure. – A person desiring to intervene shall serve a motion to intervene upon all parties affected thereby. The motion shall state the grounds therefor and shall be accompanied by a pleading setting forth the claim or defense for which intervention is sought. The same procedure shall be followed when a statute gives a right to intervene, except when the statute prescribes a different procedure. Intervention as of right by both the Speaker of the House of Representatives and the President Pro Tempore of the Senate pursuant to G.S. 1-72.2 shall be effected upon the filing of a notice of intervention of right in the trial or appellate court in which the matter is pending regardless of the stage of the proceeding."

SECTION 6.7.(*l*) G.S. 120-32.6, as amended by subsection (g) of this section, reads as rewritten:

"**§ 120-32.6. Certain employment authority.**

(a) Use of Private Counsel. – G.S. 114-2.3, 143C-6-9(b), and 147-17(a) through (c1) shall not apply to the General Assembly.

(b) General Assembly ~~as Client of Attorney General by Operation of Law.~~ Acting on Behalf of the State of North Carolina in Certain Actions. – Whenever the validity or constitutionality of an act of the General Assembly or a provision of the Constitution of North Carolina is the subject of an action in any State or federal court, ~~if the General Assembly hires outside counsel to represent the General Assembly in connection with that action, the General Assembly shall also be~~ the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State through the General Assembly, shall be necessary parties and shall be deemed to be a client of the Attorney General for purposes of that action as

a matter of ~~law. Nothing herein shall (i) impair or interfere with the rights of other named parties to appear in and to be represented by the Attorney General or outside counsel as authorized by law or (ii) impair the right of the Governor to employ counsel on behalf of the State pursuant to G.S. 147-17.~~ law and pursuant to Section 7(2) of Article III of the North Carolina Constitution. In such cases, the General Assembly shall be deemed to be the State of North Carolina to the extent provided in G.S. 1-72.2(a) unless waived pursuant to this subsection. Additionally, in such cases, the General Assembly through the Speaker of the House of Representatives and President Pro Tempore of the Senate jointly shall possess final decision-making authority with respect to the defense of the challenged act of the General Assembly or provision of the North Carolina Constitution. In any such action, the General Assembly, through the Speaker of the House of Representatives and the President Pro Tempore of the Senate, may waive such representation and decline to participate in the action by written notice to the Attorney General.

(c) General Assembly Counsel Shall Be Lead Counsel. – In those instances when the General Assembly employs counsel in addition to or other than the Attorney General, the Speaker of the House of Representatives and the President Pro Tempore of the Senate may jointly designate the counsel employed by the General Assembly as lead counsel ~~for the General Assembly.~~ in the defense of the challenged act of the General Assembly or provision of the North Carolina Constitution. The lead counsel so designated shall possess final decision-making authority with respect to the representation, counsel, or service for the General Assembly. Other counsel for the General Assembly shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel.

(d) The rights provided by this section shall be supplemental to those provided by any other provision of law.

(e) Notwithstanding any other provision of law, the participation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate in any action challenging the validity of a North Carolina statute or provision of the North Carolina Constitution under State or federal law, as a party or otherwise, shall not constitute a waiver of legislative immunity or legislative privilege of any individual legislator or legislative officer or staff of the General Assembly."

SECTION 6.7.(m) G.S. 114-2 reads as rewritten:

"**§ 114-2. Duties.**

~~It~~ Pursuant to Section 7(2) of Article III of the North Carolina Constitution, it shall be the duty of the Attorney General:

…

(9) To notify the Speaker of the House of Representatives and the President Pro Tempore of the Senate whenever an action is filed in State or federal court that challenges the validity of a North Carolina statute or provision of the North Carolina Constitution under State or federal law.

(10) Pursuant to G.S. 120-32.6, to represent upon request and otherwise abide by and defer to the final decision-making authority exercised by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State through the General Assembly, in defending any State or federal action challenging the validity or constitutionality of an act of the General Assembly or a provision of the North Carolina Constitution. If for any reason the Attorney General cannot perform the duty specified herein, the Attorney General may recuse personally from such defense but shall appoint another attorney employed by the Department of Justice to act at the direction of the Speaker of the House of Representatives and the President Pro Tempore of the Senate."

SECTION 6.7.(n) The President Pro Tempore of the Senate and the Speaker of the House of Representative continue to have the authority to represent and articulate the

institutional position of the General Assembly in the action known as *Berger v. Price*, 5:17-cv-00025-FL (E.D.N.C.).

SECTION 6.7.(o) Subsections (i) through (n) of this section are effective when this act becomes law and apply to pending and future actions.

PENDING LITIGATION

SECTION 6.8. Any reference to either the State Board of Elections or the State Ethics Commission in either this act or the Committee Report described in Section 39.2 of this act does not constitute a waiver by the General Assembly regarding the validity and constitutionality of S.L. 2017-6.

REPORT ON USE OF LAPSED SALARY FUNDS

SECTION 6.12.(a) The Office of State Budget and Management (OSBM) in conjunction with State agencies, as defined in G.S. 143C-1-1(d)(24), shall report on the use of lapsed salary funds for fiscal year 2016-2017 and fiscal year 2017-2018. State agencies shall report to the OSBM on the use of lapsed salary, including all of the following:

(1) The total amount of accrued lapsed salary funds by funding source.
(2) The total number of full-time equivalent positions comprising the lapsed salary funds.
(3) The total expenditure of lapsed salaries by purpose.
(4) The legal authorization to expend lapsed salary funds.

S**ECTION 6.12.(b)** The OSBM shall report to the Joint Legislative Oversight Committees on Health and Human Services; Education; Justice and Public Safety; Transportation; Information Technology; General Government; and Agriculture and Natural and Economic Resources and the Fiscal Research Division on the use of lapsed salary funds as prescribed in subsection (a) of this section as follows:

(1) By making a final report on fiscal year 2016-2017, no later than October 1, 2017.
(2) By submitting preliminary reports on fiscal year 2017-2018 data, no later than January 31, 2018, and May 1, 2018, and making a final report on fiscal year 2017-2018 data, no later than September 1, 2018.

NON-STATE ENTITIES/REPORT AND REVERSION REQUIREMENTS

SECTION 6.13.(a) Definition. – For purposes of this section, the term "non-State entity" is as defined in G.S. 143C-1-1.

SECTION 6.13.(b) Reporting Requirement. – Unless required to report on the use of funds under another provision of law, and by no later than June 30, 2018, each non-State entity receiving expansion funds appropriated in this act for the 2017-2018 fiscal year shall submit a report to the Office of State Budget and Management that provides all of the following information:

(1) A description of how the funds are used or are to be used, including outcomes and specific deliverables achieved.
(2) The amount of State funds received and expended during the 2017-2018 fiscal year.
(3) The amount of State funds expended for administrative purposes during the 2017-2018 fiscal year, including the amount of State funds expended for salaries and benefits.
(4) For each employee, the amount of State funds used for the employee's annual salary.

SECTION 6.13.(c) Funds Shall Not Revert. – Notwithstanding the date set forth in G.S. 143C-6-23(f1)(1), expansion funds from the net General Fund appropriations or allocations in this act to a non-State entity shall not be subject to the return requirement set forth in G.S. 143C-6-23(f1)(1) until June 30, 2019.

PART VII. PUBLIC SCHOOLS

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 7.1.(a) The State Board of Education shall allocate additional funds for children with disabilities on the basis of four thousand one hundred twenty-five dollars and twenty-seven cents ($4,125.27) per child for fiscal years 2017-2018 and 2018-2019. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and seventy-five hundredths percent (12.75%) of its 2017-2018 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

SECTION 7.1.(b) G.S. 115C-105.25(b) reads as rewritten:

"(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

(1) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.

(1a) Funds for ~~children with disabilities, career~~career and technical ~~education,~~education and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided through any rules that the State Board of Education adopts to ensure compliance with federal regulations.

(1b) No funds shall be transferred out of the children with disabilities allotment category.

…."

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION 7.2.(a) The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand three hundred fourteen dollars and fifty-six cents ($1,314.56) per child for fiscal years 2017-2018 and 2018-2019. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2017-2018 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

SECTION 7.2.(b) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(3b) No funds shall be transferred out of the academically or intellectually gifted children allotment category."

SECTION 7.2.(c) Subsection (b) of this section becomes effective July 1, 2018.

SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 7.3.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and digital resources and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

SECTION 7.3.(b) Definitions. – As used in this section, the following definitions apply:

(1) Anticipated county property tax revenue availability. – The county-adjusted property tax base multiplied by the effective State average tax rate.

(2) Anticipated total county revenue availability. – The sum of the following:
   a. Anticipated county property tax revenue availability.
   b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
   c. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.

(3) Anticipated total county revenue availability per student. – The anticipated total county revenue availability for the county divided by the average daily membership of the county.

(4) Anticipated State average revenue availability per student. – The sum of all anticipated total county revenue availability divided by the average daily membership for the State.

(5) Average daily membership. – Average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

(6) County-adjusted property tax base. – Computed as follows:
   a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
   b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
   c. Add to the resulting amount the following:
      1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
      2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
      3. Personal property value for the county.

(7) County-adjusted property tax base per square mile. – The county-adjusted property tax base divided by the number of square miles of land area in the county.

(8) County wealth as a percentage of State average wealth. – Computed as follows:
   a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
   b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
   c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
   d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.

(9) Effective county tax rate. – The actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

(10) Effective State average tax rate. – The average of effective county tax rates for all counties.

(11) Local current expense funds. – The most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(12) Per capita income. – The average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.

(13) Sales assessment ratio studies. – Sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(14) State average adjusted property tax base per square mile. – The sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

(15) State average current expense appropriations per student. – The most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(16) Supplant. – To decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(17) Weighted average of the three most recent annual sales assessment ratio studies. – The weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

SECTION 7.3.(c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State Board of Education shall allocate these funds to local school administrative units located in whole or in part in counties in which the county wealth as a percentage of the State average wealth is less than one hundred percent (100%).

SECTION 7.3.(d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount received per average daily membership for a county shall be the difference between the State average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. To derive the current expense appropriations per student that the county could be able to provide given the county's wealth and an average effort to fund public schools, multiply the county's wealth as a percentage of State average wealth by the State average current expense appropriations per student. The funds for the local school administrative units located in whole or in part in the county shall be allocated to each local school administrative unit located in whole or in part in the county based on the average daily membership of the county's students in the school units. If the funds appropriated for supplemental funding are not adequate to fund the formula fully, each local school administrative unit shall receive a pro rata share of the funds appropriated for supplemental funding.

SECTION 7.3.(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only. – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

SECTION 7.3.(f) Minimum Effort Required. – A county shall receive full funding under this section if the county (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that the county's appropriation per student to the school local current expense fund is of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

SECTION 7.3.(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2017-2019 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriations per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriations per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 7.3.(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2017-2019 fiscal biennium, counties containing a base of the Armed Forces of the United States that have an average daily membership of more than 23,000 students shall receive the same amount of supplemental funding for low-wealth counties as received in the 2012-2013 fiscal year.

SECTION 7.3.(i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

SECTION 7.3.(j) Reports. – For the 2017-2019 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

SECTION 7.3.(k) Department of Revenue Reports. – The Department of Revenue shall provide to the Department of Public Instruction a preliminary report for the current fiscal year of the assessed value of the property tax base for each county prior to March 1 of each year and a final report prior to May 1 of each year. The reports shall include for each county the annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of

total real property represented by the present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

SMALL COUNTY SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 7.4.(a) Allotment Schedule for the 2017-2019 Fiscal Biennium. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule:

Allotted ADM	Small County Allotment
0-600	$1,710,000
601-1,300	$1,820,000
1,301-1,700	$1,548,700
1,701-2,000	$1,600,000
2,001-2,300	$1,560,000
2,301-2,600	$1,470,000
2,601-2,800	$1,498,000
2,801-3,200	$1,548,000

SECTION 7.4.(b) Phase-Out Provision for the 2017-2018 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2017-2018 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local school administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2016-2017 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the highest of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

SECTION 7.4.(c) Phase-Out Provision for the 2018-2019 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2018-2019 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2017-2018 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the highest of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

SECTION 7.4.(d) Nonsupplant Requirement for the 2017-2019 Fiscal Biennium. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2017-2019 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 7.4.(e) Reports. – For the 2017-2019 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

SECTION 7.4.(f) Use of Funds. – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 7.5.(a) Funds appropriated in this act for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to do the following:

(1) Provide instructional positions or instructional support positions.

(2) Provide professional development.

(3) Provide intensive in-school or after-school remediation, or both.

(4) Purchase diagnostic software and progress-monitoring tools.

(5) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 7.5.(b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

(1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.

(2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.

(3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.

(4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

SECTION 7.5.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment

ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION 7.6. Funds appropriated in this act for the Uniform Education Reporting System (UERS) for the 2017-2019 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 7.7.(a) Notwithstanding G.S. 143C-6-4, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department, if necessary, to implement the budget reductions for the 2017-2019 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The Department of Public Instruction shall provide a current organization chart and the proposed organization chart clearly identifying the changes for the Department in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization, including any movement of positions and funds between fund codes on a recurring basis.

SECTION 7.7.(b) In implementing budget reductions for the 2017-2019 fiscal biennium, the Department of Public Instruction shall make no reduction to funding (i) for the State Public School Fund, including for the following residential schools: Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, and (ii) for any budget expansion item funded by an appropriation to the Department of Public Instruction by this act for the 2017-2019 fiscal biennium. The Department shall also make no transfers from or reduction to funding or positions for any of the following:

(1) Communities in Schools of North Carolina, Inc.
(2) Teach For America, Inc.
(3) Beginnings for Parents of Children Who are Deaf or Hard of Hearing, Inc.
(4) The Excellent Public Schools Act, Read to Achieve Program, initially established under Section 7A.1 of S.L. 2012-142.
(5) The North Carolina School Connectivity Program.
(6) The North Carolina Center for the Advancement of Teaching.
(7) The North Carolina Innovative School District.
(8) Eastern North Carolina STEM.
(9) Positions appointed by and with a direct report to the State Superintendent of Public Instruction, including those positions described in Section 7.10 of this act.

DPI/ALIGNMENT OF FEDERAL FUNDS

SECTION 7.8. The Department of Public Instruction, in consultation with the Office of State Budget and Management, shall align federal funds to accurately reflect the amount projected to be spent by the Department in each year of the 2017-2019 fiscal biennium in accordance with the State Budget Act, Chapter 143C of the General Statutes, as part of the certification of the budget for the 2017-2019 fiscal biennium.

ADMINISTRATION OF THE EXCELLENT PUBLIC SCHOOLS ACT

SECTION 7.9.(a) From the funds appropriated to implement Section 7A.1 of S.L. 2012-142, as amended, for the 2017-2019 fiscal biennium only, the Department of Public Instruction shall use those funds for the following 13 time-limited positions that support the kindergarten through third grade assessments pursuant to G.S. 115C-174.11:

Position	Title
65017164	Project Administrator
65017165	Project Lead
65017166	Project Lead

65017167	Program Assistant V
65017169	Northeast Consultant
65017170	Southeast Consultant
65017171	North Central Consultant
65017172	Sandhills Consultant
65017173	Piedmont Triad Consultant
65017174	Southwest Consultant
65017250	Northwest Consultant
65017251	Western Consultant
65021990	Project Coordinator

SECTION 7.9.(b) The positions listed in subsection (a) of this section shall be in addition to the 11 permanent, full-time positions authorized by Section 7A.12 of S.L. 2012-142.

SECTION 7.9.(c) This section expires June 30, 2019.

SUPERINTENDENT OF PUBLIC INSTRUCTION SUPPORT STAFF

SECTION 7.10. Of the funds appropriated by this act to the Department of Public Instruction for the 2017-2019 fiscal biennium, the Superintendent of Public Instruction may use up to seven hundred thousand dollars ($700,000) to appoint, in addition to any other personnel appointed by the Superintendent, up to 10 full-time equivalent exempt policy-making positions, as defined in G.S. 126-5(b)(3), to staff the office of the Superintendent and assist in the administration of the Superintendent's duties under Article III and Section 4(2) of Article IX of the North Carolina Constitution as an elected officer and member of the Council of State and as secretary and chief administrative officer of the State Board of Education. Personnel appointed to these positions shall be exempt from the North Carolina Human Resources Act and shall report solely to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall fix the salaries of the personnel for the office of the Superintendent within the funds available as provided by this section. The personnel for the office of the Superintendent of Public Instruction within the Department of Public Instruction shall be in addition to any staff appointed to the Department in accordance with G.S. 115C-21(a)(1). The appointments shall not be subject to approval or disapproval by the State Board of Education.

CARRYFORWARD OF CERTAIN DPI FUNDS

SECTION 7.11.(a) Section 8.7(g) of S.L. 2016-94 reads as rewritten:

"**SECTION 8.7.(g)** Of the funds appropriated to the Department of Public Instruction by this act for the 2016-2017 fiscal year to support teacher compensation models and advanced teaching roles, the Department may use up to two hundred thousand dollars ($200,000) for the State Board of Education to contract with an independent research organization for the pilot evaluations. Any remaining funds may be used to award funds to selected local school administrative units for the implementation of the pilots in accordance with this section. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year for the pilot and for the evaluation of the pilot shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(b) Section 8.27(i) of S.L. 2016-94 reads as rewritten:

"**SECTION 8.27.(i)** Use of Funds. – Of the funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year to implement the LATP programs, the Department may use up to two hundred thousand dollars ($200,000) in nonrecurring funds for the State Board of Education to contract with the independent research organization as required by this section. Any remaining funds shall be used to award one-year grants to each LATP program selected under subsection (c) of this section for the purposes of implementing the program. Each selected LATP program shall be awarded a proportional amount of the funds available. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year to implement the LATP programs and for the evaluation of the LATP programs shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(c) Section 5 of S.L. 2016-110 reads as rewritten:

"**SECTION 5.** There is appropriated from the General Fund to the Department of Public Instruction four hundred thousand dollars ($400,000) in recurring funds for the 2016-2017 fiscal year for salary and benefits for the ~~ASD~~ISD Superintendent, staff, and other expenses associated with the ~~ASD.~~ISD. Any funds appropriated for this purpose that are unexpended at the end of the 2016-2017 fiscal year shall not revert but shall remain available for one-time, start-up expenses of the ISD until the end of the 2017-2018 fiscal year. There is appropriated from the General Fund to the Department of Public Instruction five hundred thousand dollars ($500,000) for the 2016-2017 fiscal year to contract with an independent research organization to conduct the evaluation required in Section 4 of this act. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year for the evaluation shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(d) Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year by S.L. 2016-94 and funds appropriated to the Department by this act for the 2017-2019 fiscal biennium for allocation to local school administrative units and charter schools to bring high-quality, reliable internet connectivity to the classroom level shall not revert at the end of each fiscal year but shall remain available until the end of the 2018-2019 fiscal year.

SECTION 7.11.(e) This section becomes effective June 30, 2017.

PROHIBIT TRANSFER OF LIMITED ENGLISH PROFICIENCY FUNDS

SECTION 7.12. G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(10a) No funds shall be transferred out of the limited English proficiency allotment category."

PROHIBIT TRANSFER OF TEXTBOOKS AND DIGITAL RESOURCES FUNDS

SECTION 7.13.(a) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(12) Funds allotted for textbooks and digital resources may only be used for the purchase of textbooks and digital resources. These funds shall not be transferred out of the allotment for any other purpose."

SECTION 7.13.(b) G.S. 115C-105.25(c)(4) is repealed.

SECTION 7.13.(c) This section becomes effective July 1, 2018.

CLASS SIZE FLEXIBILITY FOR CURRENT PILOT PROGRAMS AND DUAL LANGUAGE IMMERSION CLASSES

SECTION 7.15.(a) Section 8.7(i) of S.L. 2016-94 is repealed.

SECTION 7.15.(b) Notwithstanding G.S. 115C-301 or Section 1(b) of S.L. 2017-9, local school administrative units approved by the State Board of Education to participate in the teacher compensation models and advanced teaching roles pilot program established under Section 8.7 of S.L. 2016-94 may allow a certain number of schools that were identified in their proposals to exceed individual class size requirements in kindergarten through third grade for the duration of the pilot program ending with the 2019-2020 school year as follows:

(1) Chapel-Hill Carrboro City Schools: 20 schools.
(2) Charlotte-Mecklenburg Schools: 46 schools.
(3) Edgecombe County Schools: 14 schools.
(4) Pitt County Schools: four schools.
(5) Vance County Schools: three schools.
(6) Washington County Schools: five schools.

SECTION 7.15.(c) In addition to the schools listed in subsection (b) of this section, schools participating in the following programs may exceed individual class size requirements in kindergarten through third grade for the duration of the programs:

(1) The existing Project LIFT, Inc., program in Charlotte-Mecklenburg Schools (CMS). The schools participating in the Project LIFT, Inc., program are those schools within the feeder area for West Charlotte High School governed by the collaborative agreement between the CMS Board of Education and Project Leadership and Investment for Transformation.

(2) The R3: Career Pathways Program in Pitt County Schools. The schools participating in the R3: Career Pathways Program are funded in part by a multiyear federal Teacher Incentive Fund (TIF) grant.

SECTION 7.15.(d) G.S. 115C-301, as amended by Section 2 of S.L. 2017-9, is amended by adding a new subsection to read:

"(c1) Class size requirements for kindergarten through third grade provided in subsection (c) of this section shall not apply to dual language immersion classes. For the purposes of this subsection, dual language immersion classes are classes in which (i) at least one-third of the students' dominant language is English and (ii) instruction involves both English and a target foreign language with a minimum of fifty percent (50%) of core content taught in the target foreign language in order to promote dual language proficiency for all students."

SECTION 7.15.(e) Subsection (b) of this section expires June 30, 2020. Subsection (d) of this section applies beginning with the 2017-2018 school year.

IMPROVE EDUCATION FINANCIAL AND INFORMATION TRANSPARENCY

SECTION 7.16.(a) The Department of Public Instruction shall implement the School Business System Modernization Plan, as proposed by the State Board of Education in the report required by Section 8.15(b) of S.L. 2016-94, using the funds appropriated by this act for that purpose. It is the intent of the General Assembly to fund a multiphase, multiyear project to (i) modernize State and local education financial, human capital, and school information systems, (ii) provide for a common reporting system and analytics system, (iii) integrate financial, payroll, human resources, and related human capital systems through the use of a new software as a service enterprise resource planning (ERP) solution, make enhancements to existing local systems, or both, and (iv) link the State licensure system with the upgraded local systems. The State Superintendent of Public Instruction (State Superintendent) shall review and improve business processes in the Department of Public Instruction, as appropriate, and modernize State systems at the Department.

SECTION 7.16.(b) The State Superintendent shall work with the Friday Institute for Educational Innovation at North Carolina State University, the Government Data Analytics Center (GDAC), local superintendents, charter school leadership, and local school administrative unit personnel administrators and finance officers to establish common data reporting requirements consistent with the Uniform Education Reporting System established by the State Board of Education. All local school administrative units and charter schools shall comply with the reporting requirements.

SECTION 7.16.(b1) The State Superintendent shall work with the Friday Institute for Educational Innovation at North Carolina State University, GDAC, and other State agencies to improve communication between computer systems. The State Superintendent shall ensure, to the extent practicable, that its modernized computer systems are able to share data with computer systems at other State agencies, community colleges, and constituent institutions of The University of North Carolina.

SECTION 7.16.(c) Of the funds appropriated to the Department of Public Instruction by this act for the school business system modernization plan for the 2017-2019 fiscal biennium, the Department may use the sum of up to one million four hundred thirty thousand dollars ($1,430,000) in the 2017-2018 fiscal year and one million four hundred twenty thousand dollars ($1,420,000) in the 2018-2019 fiscal year to establish positions, to contract for services, or both for business-specific project management. The State Superintendent shall be responsible for the implementation of the activities specified under this subsection and may appoint one of the positions established pursuant to Section 7.10 of this act

to oversee the business-specific project management required to implement the school business system modernization plan and other operating costs as necessary.

SECTION 7.16.(d) Of the funds appropriated to the Department of Public Instruction by this act for the school business system modernization plan for the 2017-2019 fiscal biennium, the Department shall transfer up to three million two hundred fifty thousand dollars ($3,250,000) for the 2017-2018 fiscal year and up to two hundred fifty thousand dollars ($250,000) for the 2018-2019 fiscal year to GDAC to leverage existing public-private partnerships for the development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. Implementation shall also include development and deployment of a modern analytical platform and reporting environment. By December 1, 2017, GDAC shall execute any contractual agreements and interagency data sharing agreements necessary to develop the reporting system established by this section.

SECTION 7.16.(e) As required by Section 8.15(c) of S.L. 2016-94, the State Superintendent shall issue a Request for Proposal for an ERP software as a service solution by October 1, 2017. The State Superintendent may issue additional requests for proposals as needed to complete the requirements of subsection (a) of this section. The State Superintendent shall select the vendors for the development and implementation of the ERP and other enhancement solutions.

SECTION 7.16.(f) Prior to executing any contractual agreements and interagency data sharing agreements necessary to develop the financial reporting system as provided for in this section, the State Superintendent shall submit to the Joint Legislative Education Oversight Committee (Committee) and the Fiscal Research Division an initial report by September 15, 2017, on the progress of GDAC's development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. The State Superintendent shall also submit an interim report to the Committee and the Fiscal Research Division by January 30, 2018, on the selection of a vendor for an ERP software as a service solution. Thereafter, the State Superintendent shall submit annual reports to the Committee and the Fiscal Research Division by March 15 of each year on the expenditure of funds for the project and progress of implementation until the completion of the project.

SECTION 7.16.(g) Funds appropriated to the Department of Public Instruction for the 2017-2019 fiscal biennium to implement the school business modernization system shall not revert at the end of the fiscal year but shall remain available until expended.

OFFICE OF CHARTER SCHOOLS/WEB-BASED RECORD AND DATA MANAGEMENT

SECTION 7.17.(a) The Department of Public Instruction shall use up to two hundred thousand dollars ($200,000) each fiscal year of the 2017-2019 fiscal biennium to support the purchase of a Web-based electronic records and data reporting management system to automate and streamline reporting and accountability requirements to assist the Office of Charter Schools (OCS) in complying with the annual reporting obligations of charter schools from the following available funds:

(1) For the 2017-2018 fiscal year, the Department shall use funds appropriated to the Department for the Uniform Education Reporting System (UERS) by S.L. 2015-241 for the 2016-2017 fiscal year that were unexpended and did not revert at the end of the 2016-2017 fiscal year in accordance with Section 8.7 of that act.

(2) For the 2018-2019 fiscal year, the Department shall use funds appropriated to the Department for UERS by this act for the 2017-2018 fiscal year that are unexpended and do not revert at the end of the 2017-2018 fiscal year in accordance with Section 7.6 of this act.

SECTION 7.17.(b) The Department shall purchase a system pursuant to subsection (a) of this section that meets all of the following requirements:

(1) Allows OCS to develop and assign submission types to manage compliance with applicable law, control document transparency reporting, and create and manage users and roles throughout the system.

(2) Controls collections of documents to assist in core authorizing functions, including the charter school application and charter school renewal processes.

(3) Provides for the visualization of academic, financial, and demographic information for either an individual school or a portfolio of charter schools.

(4) Provides for the safe and secure electronic storage of documents in a Tier 3 datacenter that meets the following standards:

a. Sarbanes-Oxley Act (SOX) compliant, including Statement on Auditing Standards (SAS) No. 70, Statement on Standards for Attestation Engagements (SSAE) No. 16, Service Organization Control (SOC) No. 1, and SOC No. 2.

b. Health Insurance Portability and Accountability Act (HIPAA) compliant, including the Office for Civil Rights (OCR) HIPAA Audit Protocol.

c. Payment Card Industry (PCI) Data Security Standard (DSS) compliant.

d. Safe Harbor certification program compliant.

STATE BOARD OF EDUCATION/USE OF STATE FUNDS

SECTION 7.18.(a) Article 2 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-13.5. Prohibition on use of State funds to employ private counsel in litigation.**

As provided in G.S. 114-2.3(d) and G.S. 147-17(c1), the State Board of Education shall not use any State funds to employ private counsel to provide litigation services to the State Board of Education. As used in this section, litigation services include legal work conducted in anticipation of or in preparation for any suit or action. As used in this section, private counsel includes any licensed attorney retained, engaged, or otherwise representing the State Board of Education but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the State Board of Education."

SECTION 7.18.(b) The State Board of Education may only appoint the following personnel positions to support the meetings and direct operations of the office of the State Board of Education:

	Position number	Title
(1)	65023576	Attorney I.
(2)	60009384	Attorney II.
(3)	65003194	Paralegal II.
(4)	60095070	Administrative Assistant I.
(5)	60009395	Legislative Specialist.
(6)	60009391	Director of State Board Operations.
(7)	65023814	Planning and Development Consultant.
(8)	60009394	Legislative and Community Affairs Director.

The State Board of Education may utilize other staff employed through the Department of Public Instruction to provide administrative and technical assistance to the State Board and to carry out the directives of the State Board.

SECTION 7.18.(c) Subsection (a) of this section shall not apply to State funds that are encumbered for the 2016-2017 fiscal year for the purposes of employing private counsel to represent the State Board of Education.

TEACHERS/ISOLATED K-12 SCHOOLS

SECTION 7.19. G.S. 115C-301, as amended by S.L. 2017-9, is amended by adding a new subsection to read:

"(g1) Notwithstanding any other provision of this section, the State Board of Education shall allot additional classroom teachers to schools containing grades kindergarten through 12 when consolidation is not feasible due to the geographic isolation of the school and the school meets at least one of the following criteria for geographic isolation:

(1) The school is located in a local school administrative unit in which the average daily membership is less than 1.5 per square mile.

(2) The school is located in a local school administrative unit for a county containing more than 150,000 acres of national forest owned by the federal government and managed by the United States Forest Service pursuant to G.S. 104-5.

The State Board shall allot teachers to geographically isolated schools pursuant to this subsection on the basis of one classroom teacher per grade level and shall allot teachers to the remainder of the local school administrative unit in accordance with the formulas for the regular classroom teacher allotment."

TURNING TAS INTO TEACHERS PILOT EXPANSION/STUDENT TEACHER EMPLOYMENT

SECTION 7.20.(a) Section 8.29 of S.L. 2016-94 reads as rewritten:

"**TEACHER ASSISTANT TUITION REIMBURSEMENT PILOT PROGRAM**

"**SECTION 8.29.(a)** Purpose. – The purpose of this section is to establish a pilot program ~~for~~ for, beginning with the 2016-2017 fiscal year, the local boards of education of the Anson County, Franklin County, Moore County, Richmond County, and Scotland County school administrative units and, beginning with the 2017-2018 fiscal year, the local boards of education of the Alamance-Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools to provide tuition assistance awards to part-time or full-time teacher assistants working in those local school administrative units to pursue a college degree that will result in teacher licensure. Tuition assistance awards under the program may be provided for part-time or full-time coursework. A local board of education may grant a teacher assistant academic leave to pursue coursework that may only be taken during working hours. A teacher assistant receiving an award under the program shall fulfill the student teaching requirements of an educator preparation program by working in the teacher assistant's employing local school administrative unit. A teacher assistant shall continue to receive salary and benefits while student teaching in the local school administrative unit in accordance with G.S. 115C-310(b).

…

"**SECTION 8.29.(d)** The local boards of education participating in the pilot program for the 2016-2017 fiscal year shall jointly report to the Joint Legislative Education Oversight Committee by September 1, ~~2017,~~ 2017. All of the local boards of education participating in the pilot program shall jointly report to the Joint Legislative Education Oversight Committee by September 1, 2018, and by September 1 of each year thereafter on the results of the pilot program, including at least the following information:

(1) The number and amount of funds in tuition assistance awards provided to teacher assistants.

(2) The number of teacher assistant recipients who achieved teacher licensure, including the period of time from the issue of an initial tuition assistance award to the time of achieving licensure.

(3) The number of recipients who remained employed in the local school administrative unit after achieving teacher licensure."

SECTION 7.20.(b) G.S. 115C-310 reads as rewritten:

"**§ 115C-310. Teacher assistants engaged in student teaching.**

(a) The State Board of Education shall adopt a program to facilitate the process by which teacher assistants may become teachers.

Teacher assistants who participate in this ~~program:~~program shall meet the following requirements:

(1) ~~Shall be~~Be enrolled in an approved teacher education program in a North Carolina institution of higher ~~education; and~~education.

(2) ~~Shall be~~Be employed in a North Carolina public school.

Local school administrative units are encouraged to assign teacher assistants to a different classroom during student teaching than the classroom they are assigned to as a teacher assistant. To the extent possible, they may be assigned to another school within the same local school administrative unit.

(b) ~~At the discretion of the local school administrative unit, teacher assistants may~~Teacher assistants shall continue to receive their salary and benefits while student teaching in the same local school administrative unit where they are employed as a teacher assistant.

(c) The State Board of Education shall consult with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities in the development of the program. Each approved teacher education program and each local school administrative unit shall administer this program beginning with the 2005-2006 academic year."

SECTION 7.20.(c) Subsection (b) of this section applies beginning with the 2017-2018 school year.

COOPERATIVE INNOVATIVE HIGH SCHOOL FUNDING CHANGES

SECTION 7.22.(a) Legislative Findings. – The General Assembly finds the following in regard to the State's long-term, ongoing investment in providing high school students with opportunities to obtain postsecondary credit and career credentials at no cost to the student in order to maximize cost savings to students in obtaining a postsecondary education:

(1) Dual enrollment opportunities for high school students have been available in the State for many years but began to significantly grow in the early- to mid-2000s as a result of the General Assembly's enactment of the Innovative Education Initiatives Act and the establishment of the cooperative innovative high school program pursuant to Part 9 of Article 16 of Chapter 115C of the General Statutes. This act demonstrated the State's commitment in prioritizing cooperative efforts between secondary schools and institutions of higher education so as to reduce the high school dropout rate, increase high school and college graduation rates, decrease the need for remediation in institutions of higher education, and raise certificate, associate, and bachelor degree completion rates.

(2) To ensure continued efficiency in the investment of State funds to provide postsecondary dual enrollment programs for high school students, the General Assembly directed the State Board of Education and the State Board of Community Colleges to jointly establish the Career and College Promise Program pursuant to Section 7.1A of S.L. 2011-145, effective January 1, 2012, to consolidate existing cooperative efforts between secondary schools and institutions of higher education by providing (i) for specific pathways for obtaining college credit that is transferable to community colleges and institutions of higher education, (ii) for college credit leading to a subject-area certificate, diploma, or degree, and (iii) through enrollment at a

cooperative innovative high school, enabling students to concurrently obtain a high school diploma and to begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.

(3) The recent growth in the establishment of cooperative innovative high school programs has resulted in a steady increase in full-time equivalent (FTE) student enrollment at community colleges due to the maturation of those programs, including an increase of one hundred forty percent (140%) in FTE enrollment for these students between 2008-2009 and 2013-2014.

(4) The implementation of other Career and College Promise pathways enabling certain traditional high school students to concurrently enroll in postsecondary courses leading to a defined academic goal has also resulted in a recent rise in student enrollment at community colleges with a thirty percent (30%) increase in the College Transfer pathway and a twenty-one percent (21%) increase in the Career and Technical Education pathway between 2012-2013 and 2013-2014.

(5) For the 2013-2014 academic year, the General Assembly appropriated fifty-seven million dollars ($57,000,000) in State funds to cover community college FTE for 11,389 students during the first year of full implementation of the Career and College Promise Program.

(6) For the 2015-2016 fiscal year, the General Assembly appropriated the following amounts to cover the cost of cooperative innovative high schools and other Career and College Promise programs:

a. For the cooperative innovative high school allotment, the sum of twenty-five million four hundred eighty-eight thousand seven hundred twenty-five dollars ($25,488,725).

b. For community college FTE for the following:

1. For students enrolled in cooperative innovative high schools, the sum of forty-two million two hundred ninety-one thousand three hundred eighty-six dollars ($42,291,386).

2. For students enrolled in courses that count toward the College Transfer pathway, the sum of twenty-one million three hundred forty-three thousand five hundred seven dollars ($21,343,507).

3. For students enrolled in courses that count toward the Career and Technical Education pathway, the sum of twenty-one million seven hundred eight thousand nine hundred thirty-two dollars ($21,708,932).

c. For the reimbursement of tuition for constituent institutions of The University of North Carolina as a partner institution of higher education to a cooperative innovative high school, the sum of one million nine hundred forty-five thousand two hundred one dollars ($1,945,201).

d. For the reimbursement of tuition for private colleges located in North Carolina that are a partner institution of higher education to a cooperative innovative high school, the sum of four hundred fifty-seven thousand six hundred thirty-nine dollars ($457,639).

(7) Since considerable State funds have been appropriated on an ongoing basis to cover the cost of high school student enrollment at community colleges, constituent institutions, and approved private colleges pursuant to G.S. 115C-238.54 and G.S. 115D-5(b)(12) as part of the Career and College Promise programs, it is necessary to examine the total cost of these programs and prioritize the appropriation of State funds to achieve the General

Assembly's goal of maximizing cost savings to students in obtaining a postsecondary education. This shall include modifying the amount of funds allocated to local school administrative units for the cooperative innovative high school allotment.

SECTION 7.22.(b) Study. – In accordance with the legislative finding set forth in subdivision (7) of subsection (a) of this section, by February 15, 2018, the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Board of Education shall study and report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the costs associated with the Career and College Promise Program, including operation of cooperative innovative high schools and the cost of concurrent enrollment in the high school and the institution of higher education, student outcomes related to the Program, and any legislative recommendations on modifications to the administration and funding for the Program. Legislative recommendations shall also specifically address the use of the funds for the cooperative innovative high school allotment, whether the allotment is necessary for the operation of the schools, and how modification or discontinuation of the allotment would impact the programs.

SECTION 7.22.(c) Cooperative Innovative High Schools Located in Tier I Areas. – Of the funds appropriated to the Department of Public Instruction by this act for the 2017-2019 fiscal biennium, the Department shall allocate the sum of two hundred seventy-five thousand dollars ($275,000) in recurring funds for each fiscal year from the cooperative innovative high school supplemental allotment to a local school administrative unit located, as of July 1, 2017, in a development tier one area as defined in G.S. 143B-437.08, with a cooperative innovative high school that was approved by the State Board of Education under G.S. 115C-238.51A(c), except as follows:

(1) For a virtual cooperative innovative high school, the Department shall allocate the sum of two hundred thousand dollars ($200,000) in recurring funds from the cooperative innovative high school supplemental allotment to the local school administrative unit for each fiscal year.

(2) For the Northeast Regional School of Biotechnology and Agriscience, the Department shall allocate the sum of three hundred ten thousand dollars ($310,000) in recurring funds from the regional school supplemental allotment for the school for each fiscal year.

SECTION 7.22.(d) Cooperative Innovative High Schools Located in Tier II Areas. – Of the funds appropriated to the Department of Public Instruction by this act for the 2017-2019 fiscal biennium, the Department shall allocate the sum of two hundred thousand dollars ($200,000) in recurring funds for each fiscal year from the cooperative innovative high school supplemental allotment to a local school administrative unit located, as of July 1, 2017, in a development tier two area as defined in G.S. 143B-437.08, with a cooperative innovative high school that was approved by the State Board of Education pursuant to G.S. 115C-238.51A(c), including a virtual cooperative innovative high school.

SECTION 7.22.(e) Cooperative Innovative High Schools Located in Tier III Areas. – Of the funds appropriated to the Department of Public Instruction by this act for the 2017-2019 fiscal biennium, the Department shall allocate the following amounts from the cooperative innovative high school supplemental allotment to a local school administrative unit located, as of July 1, 2017, in a development tier three area as defined in G.S. 143B-437.08, with a cooperative innovative high school that was approved by the State Board of Education pursuant to G.S. 115C-238.51A(c):

(1) For the 2017-2018 fiscal year, the Department shall allocate the sum of one hundred eighty thousand dollars ($180,000) in recurring funds and twenty thousand dollars ($20,000) in nonrecurring funds from the cooperative innovative high school supplemental allotment.

(2) For the 2018-2019 fiscal year, the Department shall allocate the sum of one hundred eighty thousand dollars ($180,000) in recurring funds from the cooperative innovative high school supplemental allotment.

SECTION 7.22.(f) Applicability of Funds Allocated Pursuant to This Section. – The allotment of funds to local school administrative units pursuant to the provisions of subsections (c), (d), and (e) of this section shall include a cooperative innovative high school approved by the State Board of Education pursuant to G.S. 115C-238.51A(c) since July 1, 2015, that is operated by a local school administrative unit but that has not received the cooperative innovative high school allotment in a prior fiscal year. Funds shall not be allocated to local school administrative units for cooperative innovative high schools approved by the State Board pursuant to G.S. 115C-238.51A(b).

SECTION 7.22.(g) Reporting Requirement on the Career and College Promise Programs. – G.S. 115D-5 is amended by adding a new subsection to read:

"(x) In addition to the evaluation of cooperative innovative high schools by the State Board of Education pursuant to G.S. 115C-238.55, the State Board of Community Colleges, in conjunction with the State Board of Education and the Board of Governors of The University of North Carolina, shall evaluate the success of students participating in the Career and College Promise Program, including the College Transfer pathway and the Career and Technical Education pathway. Success shall be measured by high school retention rates, high school completion rates, high school dropout rates, certification and associate degree completion, admission to four-year institutions, postgraduation employment in career or study-related fields, and employer satisfaction of employees who participated in the programs. The Boards shall jointly report by January 15 of each year to the Joint Legislative Education Oversight Committee."

PREPARING FUTURE WORKFORCE IN CODING AND MOBILE APP DEVELOPMENT GRANT PROGRAM

SECTION 7.23.(a) Program Purpose. – The Department of Public Instruction shall establish the Coding and Mobile Application Grant Program (Program) to develop industry partnerships with local school administrative units and charter schools to design and implement computer science, coding, and mobile application development curricular programs for middle school and high school students. Funds appropriated for the Program shall be used to award competitive grants of up to four hundred thousand dollars ($400,000) each fiscal year to grant recipients. Grant funds shall be used for the purchase of equipment, digital materials, and related capacity building activities, which may include teacher professional development for coding, computer science, and mobile application development initiatives. Grant recipients shall use no more than five percent (5%) of the grant award each fiscal year for administrative costs.

SECTION 7.23.(b) Program Criteria and Guidelines; Applications. – By August 15, 2017, the Superintendent of Public Instruction shall establish criteria and guidelines for grant applications and Program requirements for local school administrative units and charter schools, including sufficient curricular rigor for courses offered to students. The Department of Public Instruction shall accept applications for the first year of the Program until October 15, 2017. For subsequent fiscal years in which funds are available for new applications to the Program, the Department shall accept applications until May 15 of that year. Grant applicants shall submit at least the following information in their applications:

(1) A description of how the proposed partnership initiative will provide increased career opportunities for students to engage in high-wage, high-skill, and high-demand occupations.

(2) Demonstrated evidence of employer demand for the partnership initiative and related career and technical education (CTE) training, including documentation of industry involvement in the partnership initiative.

(3) A proposed budget for the partnership initiative, including demonstrated commitment of local or regional partners to sustain the programs beyond the initial grant funding.

(4) A description of how the proposed initiative aligns with other programs, including CTE, Career and College Pathways, and postsecondary programs and, if appropriate, how equipment necessary for the initiative will be utilized by partners.

(5) A description of how the project will create innovative, nontraditional, and immediate career pathways for students to enter high demand jobs in the development of mobile software applications.

SECTION 7.23.(c) Selection of Recipients. – In selecting recipients for the Program, the Superintendent of Public Instruction shall consider diversity among the pool of applicants, including geographic location, the positive impact on the community of industry partnerships, and the size of the student population served by the recipient, in order to award funds to the extent possible to grant recipients that represent different characteristics of the State. The Superintendent of Public Instruction shall select initial grant recipients by November 15, 2017, to begin implementation of the partnership initiatives under the Program as early as the spring semester of the 2017-2018 school year. For subsequent fiscal years in which funds are available for new applications to the Program, the Superintendent shall select grant recipients by July 15 of that year.

SECTION 7.23.(d) Reporting Requirements. – By August 1 of each year of the Program, grant recipients shall submit a report to the Department of Public Instruction, beginning with an initial report by August 1, 2018, for the preceding year in which grant funds were expended that provides at least the following information on the partnership initiative:

(1) The use of grant funds.

(2) The number of students by grade level participating in the partnership initiative.

(3) The number of students who subsequently participated in work-based opportunities, internships, or apprenticeship programs and a description of the types of opportunities for those students.

(4) Student outcome data regarding job attainment and postsecondary opportunities as a result of the partnership initiative.

(5) Any other information the Superintendent of Public Instruction deems necessary.

By September 15 of each year of the Program, the Department shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division, beginning with an initial report by September 15, 2018, on grant recipients and implementation of the program, including the information required to be reported to the Department pursuant to this subsection and any legislative recommendations for modifications or expansion of the Program.

EXPAND SCHOOL CONNECTIVITY INITIATIVE/CYBERSECURITY AND RISK MANAGEMENT

SECTION 7.23A.(a) The State Board of Education and the Department of Public Instruction, in collaboration with the Friday Institute at North Carolina State University, shall expand the School Connectivity Initiative client network engineering to include cybersecurity and risk management services supporting local school administrative units and charter schools. The expansion shall include the following:

(1) Continuous monitoring and risk assessment. – Cloud-based solutions to discover assets, assess their security posture, and recommend corrective actions based on real-world risk reduction.

(2) Security advisory and consulting services. – Five regional security consultants working with schools to assess security posture and develop and implement improvement plans. The plans shall include security policy,

building security programs, implementing effective security controls, and ongoing support for operating security governance.

(3) Security training and education services. – Security training and education for teachers, staff, and administrators.

SECTION 7.23A.(b) Of the funds appropriated by this act to the Department of Public Instruction for the Digital Learning Plan for the 2017-2019 fiscal biennium, the Department shall use up to two hundred thousand dollars ($200,000) for each fiscal year of the 2017-2019 fiscal biennium to develop and implement the new cybersecurity and risk management services to support public school cybersecurity and risk management service operations.

REPORT ON CURSIVE WRITING AND MULTIPLICATION TABLES

SECTION 7.23B. The State Board of Education and the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee by March 30, 2018, regarding the measures taken by each local school administrative unit to implement the requirements regarding cursive writing and memorization of the multiplication tables pursuant to G.S. 115C-81(k) and (*l*) and to ensure that those requirements are met.

JOINT LEGISLATIVE TASK FORCE ON EDUCATION FINANCE REFORM

SECTION 7.23D.(a) There is created the Joint Legislative Task Force on Education Finance Reform (Task Force).

SECTION 7.23D.(b) The Task Force shall consist of nine members of the Senate appointed by the President Pro Tempore of the Senate and nine members of the House of Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint a cochair of the Task Force from among its membership. These appointments shall be made no later than September 1, 2017.

It is expected that the makeup of the Task Force reflect geographic and urban/rural diversity. At least one member of the House of Representatives and at least one member of the Senate shall be from the minority party of their respective chambers.

SECTION 7.23D.(c) In consultation with the State Board of Education and the Department of Public Instruction, the Task Force shall study various weighted student formula funding models and develop a new funding model for the elementary and secondary public schools of North Carolina based on a weighted student formula. As a part of this process, the Task Force shall do all of the following:

(1) Review the State's current public school allotment system and undertake an in-depth study of various types of weighted student formula funding models. In its study, the Task Force is encouraged to consider models used by other states.

(2) Determine the base amount of funds that must be distributed on a per student basis to cover the cost of educating a student in the State.

(3) Identify the student characteristics eligible for weighted funding and the associated weights for each of these characteristics.

(4) Resolve the extent to which the base amount of funds to be distributed would be adjusted based on the characteristics of each local school administrative unit.

(5) Decide which funding elements, if any, would remain outside the base of funds to be distributed under a weighted student formula.

(6) Study other funding models for elementary and secondary public schools, including public charter schools, in addition to the weighted student funding formula.

(7) Study funding models to provide children with disabilities with a free appropriate public education. This shall include a consideration of economies of scale, the advisability and practicality of capping additional

funding for children with disabilities, and additional costs associated with services required for particular disabilities.

(8) Study any other issue the Task Force considers relevant.

SECTION 7.23D.(d) The Task Force shall meet upon the call of its cochairs. A quorum of the Task Force is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Task Force, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Task Force may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02. If the Task Force hires a consultant, the consultant shall not be a State employee or a person currently under contract with the State to provide services. Members of the Task Force shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1. The expenses of the Task Force shall be considered expenses incurred for the joint operation of the General Assembly.

SECTION 7.23D.(e) The Legislative Services Officer shall assign professional and clerical staff to assist the Task Force in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support to the Task Force.

SECTION 7.23D.(f) Meetings of the Task Force shall begin no later than October 1, 2017. The Task Force shall submit a final report on the results of its study and development, including proposed legislation, to the Joint Legislative Education Oversight Committee on or before October 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Task Force shall terminate on October 1, 2018, or upon the filing of its final report, whichever comes first.

ELIMINATE ANALYSIS OF STUDENT WORK PROCESS FOR TEACHER EVALUATIONS

SECTION 7.23E.(a) The State Board of Education shall eliminate the use of the analysis of student work process and shall prohibit use of an analysis of student work process to assess teacher performance and professional growth as part of the North Carolina Teacher Evaluation System.

SECTION 7.23E.(b) The consolidated State plan to be submitted by the State Board of Education and the Department of Public Instruction to the U.S. Department of Education as required by the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301, et seq., as amended by the Every Student Succeeds Act, P.L. 114-95, shall reflect the requirements of subsection (a) of this section.

SECTION 7.23E.(c) G.S. 115C-296(e) reads as rewritten:

"(e) The State Board of Education shall develop a mentor program to provide ongoing support for teachers entering the profession. In developing the mentor program, the State Board shall conduct a comprehensive study of the needs of new teachers and how those needs can be met through an orientation and mentor support program. For the purpose of helping local boards to support new teachers, the State Board shall develop and distribute guidelines which address optimum teaching load, extracurricular duties, student assignment, and other working condition considerations. These guidelines shall provide that initially licensed teachers not be assigned extracurricular activities unless they request the assignments in writing and that other noninstructional duties of these teachers be minimized. The State Board shall develop and coordinate a mentor teacher training program. The State Board shall develop criteria for selecting excellent, experienced, and qualified teachers to be participants in the mentor teacher training program, including requiring that mentor teachers have been rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation ~~System and have met expectations for student growth.~~System."

SECTION 7.23E.(d) G.S. 115C-296.11(b)(3) reads as rewritten:

"(3) Educator preparation programs shall ensure clinical educators who supervise students in residencies or internships meet the following requirements:

a. Be professionally licensed in the field of licensure sought by the student.

b. Have a minimum of three years of experience in a teaching role.

c. Have been rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation ~~System and have met expectations as part of student growth~~ System in the field of licensure sought by the student."

SECTION 7.23E.(e) This section applies beginning with the 2017-2018 school year.

SIXTH AND SEVENTH GRADE CTE PROGRAM EXPANSION GRANT PROGRAM

SECTION 7.23F.(a) G.S. 115C-64.15 reads as rewritten:

"**§ 115C-64.15. North Carolina Education and Workforce Innovation Commission.**

…

(d) The Commission shall develop and administer the Education and Workforce Innovation Program, as established under G.S. 115C-64.16, and make awards of grants under the Program. ~~The Commission shall work closely with the North Carolina New Schools in administering the program.~~

(d1) The Commission shall develop and administer, in coordination with the State Board of Education and the Superintendent of Public Instruction, the Career and Technical Education Grade Expansion Program, as established under G.S. 115C-64.17, and shall make awards of grants under the Program.

(e) The Commission shall publish a report on the Education and Workforce Innovation Program and the Career and Technical Education Grade Expansion Program on or before April 30 of each year. The report shall be submitted to the Joint Legislative Education Oversight Committee, the State Board of Education, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina. The report shall include at least all of the following information:

(1) An accounting of how funds and personnel resources were utilized for each program and their impact on student achievement, retention, and employability.

(2) Recommended statutory and policy changes.

(3) Recommendations for improvement of ~~the~~ each program.

(4) For the Career and Technical Education Grade Expansion Program, recommendations on increasing availability of grants after the first two years of the program to include additional local school administrative units or providing additional grants to prior recipients."

SECTION 7.23F.(b) Article 6C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-64.17. The Career and Technical Education Grade Expansion Program.**

(a) Program Establishment. – There is established the Career and Technical Education Grade Expansion Program (Program) to expand career and technical education (CTE) programs by prioritizing the inclusion of students in sixth and seventh grade through grant awards provided to selected local school administrative units for up to seven years. Funds appropriated for the Program shall be allocated to selected local school administrative units as competitive grants of (i) up to seven hundred thousand dollars ($700,000) for the 2017-2018 fiscal year and (ii) to the extent funds are available, up to one million dollars ($1,000,000) for the 2018-2019 fiscal year and subsequent fiscal years. Grant funds shall be used only for employing additional licensed personnel in career and technical education areas, career development coordination areas, and support service areas necessary for expanding the CTE program to sixth and seventh grade students. The funds may be used for CTE programs at one or more schools in the local

school administrative unit. Grant funds allocated to the local school administrative unit each fiscal year under the Program shall not revert but shall be available for the purpose of the grant program until expended.

(b) Consideration of Factors in Awarding of Grants. – Local school administrative units applying for the Program shall submit an application that includes at least the following information:

(1) A plan for expansion of the CTE program to sixth and seventh grade students, including the specific programs that will be expanded, the significance of CTE in the local school administrative unit, and how a grade expansion would enhance the education program and the community.

(2) A request for the amount of funds, a description of how the funds will be used, and any other sources of funds available to accomplish the purposes of this program.

(3) A proposed budget for seven years that provides detail on the use of the amount of funds to add personnel, increase career development efforts, and provide support services.

(4) A strategy to achieve meaningful analysis of program outcomes due to the receipt of grant funds under this section.

(c) Selection of Recipients. – For the 2017-2018 fiscal year, the Commission shall accept applications for a grant until November 1, 2017. For subsequent fiscal years that funds are made available for the Program, the Commission shall accept applications for a grant until August 1 of each year. The Commission shall select recipients in a manner that considers diversity among the pool of applicants, including geographic location, location of industries in the area in which a local school administrative unit is located, and the size of the student population served by the unit, in order to award funds to the extent possible to grant recipients that represent different regions and characteristics of the State. The Commission shall recommend recipients of the grants to the State Board of Education. The State Board, upon consultation with the Superintendent of Public Instruction, shall approve the recipients of grant awards.

(d) Allocation of Funds. – Of the funds available for the Program in each fiscal year, the Commission shall first allocate funds to applicants who received grant funds for the prior fiscal year for up to seven years. After funds are allocated to prior fiscal year grant recipients, any remaining funds may be used by the Commission to select new grant recipients. The Commission, in consultation with the Superintendent of Public Instruction, shall establish rules regarding any requirements for grant recipients to continue eligibility to receive funds each fiscal year, including timely and accurate reporting as required under subsection (e) of this section.

(e) Reporting Requirements. – No later than August 1 of each year, for up to seven years after the initial grant award, a grant recipient shall submit to the Department of Public Instruction, Local Planning Systems Regional Services staff within the Division of Career and Technical Education, an annual report for the preceding year in which grant funds were expended that provides at least the following information on the program for sixth and seventh grade students:

(1) The use of grant funds, including the CTE programs and courses that have been expanded in the local school administrative unit to include sixth and seventh grade students.

(2) The number of students enrolled in CTE courses as part of the expansion.

(3) The number of students who subsequently enrolled in CTE courses in high school.

(4) The number of students who subsequently participated in internships, cooperative education, or apprenticeship programs.

(5) The number of students who subsequently earned (i) college credit and (ii) approved industry certification and credentials.

(6) Any other information the Division of Career and Technical Education deems necessary.

The Superintendent of Public Instruction shall provide a report to the Commission by October 15 of each year based on the information reported to the Local Planning Systems Regional Services staff under this subsection, including how the grant recipients compare to CTE programs statewide and whether the programs are aligned with the Master Plan for Career and Technical Education adopted by the State Board."

SECTION 7.23F.(c) For the 2017-2019 fiscal biennium, the following funds shall be allocated to the North Carolina Education and Workforce Innovation Commission (Commission) established in G.S. 115C-64.15, as amended by Section 7.23G of this act, for the award of grants to grant recipients for the Career and Technical Education Grade Expansion Program in accordance with G.S. 115C-64.17, as enacted by this section:

(1) Of the funds appropriated by this act to the Department of Public Instruction for the 2017-2019 fiscal biennium, the Department shall allocate the sum of seven hundred thousand dollars ($700,000) each fiscal year to the Commission.

(2) Of the funds appropriated by this act to the Department of Public Instruction for the 2017-2018 fiscal year, the Department of Public Instruction shall allocate the sum of three million five hundred thousand dollars ($3,500,000) for the 2017-2018 fiscal year to the Commission.

SECTION 7.23F.(d) The funds allocated to the Commission under subsection (c) of this section shall not revert at the end of each fiscal year but shall remain available until expended.

TRANSFER EDUCATION AND WORKFORCE INNOVATION COMMISSION TO DPI

SECTION 7.23G.(a) The North Carolina Education and Workforce Innovation Commission (Commission) is hereby transferred to the Department of Public Instruction. This transfer shall have all of the elements of a Type II transfer, as described in G.S. 143A-6, except that the management functions of the Commission, except for the provision of technical assistance and administrative assistance, including staff, shall not be performed under the direction and supervision of the Department of Public Instruction.

SECTION 7.23G.(b) G.S. 115C-64.15(a) reads as rewritten:

"(a) There is created the North Carolina Education and Workforce Innovation Commission (Commission). The Commission shall be located administratively in the ~~Office of the Governor~~Department of Public Instruction but shall exercise all its prescribed powers independently of the ~~Office of the Governor.~~Department of Public Instruction. Of the funds appropriated for the Education and Workforce Innovation Program established under G.S. 115C-64.16, up to ~~two hundred thousand dollars ($200,000)~~ten percent (10%) of those funds each fiscal year may be used by the ~~Office of the Governor~~Department of Public Instruction to provide technical assistance and administrative assistance, including staff, to the Commission and for reimbursements and expenses for the ~~Commission.~~Commission for the Education and Workforce Innovation Program and the Career and Technical Education Grade Expansion Program."

SECTION 7.23G.(c) Section 23.1(a) of S.L. 2014-100 is repealed.

FUTURE READY STUDENTS

SECTION 7.23H.(a) G.S. 115C-47 reads as rewritten:

"**§ 115C-47. Powers and duties generally.**

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

…

(30) To Appoint Advisory Councils. – Local boards of education are authorized to appoint advisory councils as provided in ~~G.S. 115C-55.~~G.S. 115C-55 and Article 10 of this Chapter.

…

(34a) To Establish Work-Based Opportunities and Encourage High School to Work Partnerships. – Each local board of education shall offer at least two work-based learning opportunities that are related to career and technical education instruction in the local school administrative unit as required by G.S. 115C-157. Local boards of education shall also encourage high schools and local businesses to partner, specifically to target students who may not seek higher education, and facilitate high school to work partnerships. Local businesses shall be encouraged to work with local high schools to create opportunities for students to complete a job shadow, internship, or apprenticeship. Students may also be encouraged to tour the local business or clinic, meet with employees, and participate in career and technical student organizations. Waiver forms ~~may~~ shall be developed in collaboration with participating businesses for the protection of both the students and the businesses.

Each local board of education shall encourage high schools to designate the Career Development Coordinator or other designee of the local Career and Technical Education administrator to be the point person for local businesses to contact. If the person selected is a teacher, the teacher shall work with the principal and the local Career and Technical Education administrator to find time in the school day to contact businesses and develop opportunities for students. The high school shall include a variety of trades and skilled labor positions for students to interact with and shadow and shall encourage students who may be interested in a job-shadowing opportunity to pursue and set up the job shadow.

Each local board of education shall develop a policy with provisions for students who are absent from school while doing a job shadow to make up the work. Students shall not be counted as absent when participating in these work-based learning opportunities or in Career and Technical Education student organization activities. Local boards may determine maximum numbers of days to be used for job-shadowing activities.

…."

SECTION 7.23H.(b) G.S. 115C-55 reads as rewritten:

"**§ 115C-55. Advisory councils.**

A board of education may appoint an advisory council for any school or schools within the local school administrative unit. The purpose and function of an advisory council shall be to serve in an advisory capacity to the board on matters affecting the school or schools for which it is appointed. ~~The~~ Except as otherwise provided under Part 4 of Article 10 of this Chapter for business advisory councils, the organization, terms, composition and regulations for the operation of such advisory council shall be determined by the board."

SECTION 7.23H.(c) G.S. 115C-81(a1) reads as rewritten:

"(a1) The Basic Education Program shall describe the education program to be offered to every child in the public schools. It shall provide every student in the State equal access to a Basic Education Program. Instruction shall be offered in the areas of arts, communication skills, physical education and personal health and safety, mathematics, media and computer skills, science, second languages, social studies, and ~~vocational~~ career and technical education.

Instruction in ~~vocational~~ career and technical education under the Basic Education Program shall be based on factors including:

(1) The integration of academic and ~~vocational~~ career and technical ~~education;~~education.

(2) A sequential course of study leading to both academic and occupational ~~competencies;~~competencies.

(3) Increased student work skill attainment and job ~~placement;~~placement.

(4) Increased linkages, where geographically feasible, between public schools and community colleges, so the public schools can emphasize academic preparation and the community colleges can emphasize specific job ~~training; and~~training.

(5) Instruction and experience, to the extent practicable, in all aspects of the industry the students are prepared to enter."

SECTION 7.23H.(d) G.S. 115C-81.1 reads as rewritten:

"**§ 115C-81.1. Basic Education Program Funds not to supplant Local funds for schools.**

It is the intent of the General Assembly that budget funds appropriated by the General Assembly for ~~vocational~~ career and technical education programs and clerical personnel to implement the Basic Education Program be used to supplement and not supplant existing State and local funding for the public schools. Therefore, to the extent that local school administrative units receive additional State funds for ~~vocational~~ career and technical education programs and clerical personnel positions that were previously funded in whole or in part with nonstate funds, the local governments shall continue to spend for public school operating or capital purposes in the local school administrative units the amount of money they would have spent to provide the ~~vocational~~ career and technical education programs and the school clerical personnel previously funded with nonstate funds.

Priority shall be given to funding capital needs, particularly those resulting from implementation of the Basic Education Program."

SECTION 7.23H.(e) Article 10 of Chapter 115C of the General Statutes reads as rewritten:

"Article 10.

"~~Vocational~~ Career and Technical Education.

"Part 1. ~~Vocational~~ Career and Technical Education Programs.

"**§ 115C-151. Statement of purpose.**

It is the intent of the General Assembly that ~~vocational~~ career and technical education be an integral part of the educational process. The State Board of Education shall administer through local boards of education a comprehensive program of ~~vocational~~ career and technical education that shall be available to all students, with priority given to students in grades eight through 12, who desire it in the public secondary schools and middle schools of this State. The purposes of ~~vocational~~ career and technical education in North Carolina public secondary schools shall ~~be:~~be as follows:

(1) Occupational Skill Development. – To prepare individuals for paid or unpaid employment in recognized occupations, new occupations, and emerging occupations.

(2) Preparation for Advanced Education. – To prepare individuals for participation in advanced or highly skilled ~~vocational~~ career and technical education.

(3) Career Development; Introductory. – To assist individuals in the making of informed and meaningful occupational choices.

It is also legislative intent to authorize the State Board of Education to support appropriate ~~vocational~~ career and technical education instruction and related services for individuals who have special ~~vocational~~ career and technical education needs which can be fulfilled through a comprehensive ~~vocational~~ career and technical education program as designated by State Board of Education policy or federal ~~vocational~~ career and technical education legislation.

"**§ 115C-152. Definitions.**

The State Board of Education shall provide appropriate definitions to ~~vocational~~ career and technical education programs, services, and activities in grades ~~6-12~~ five through 12 not

otherwise included in this Part. As used in this Part, the following definitions apply, unless the context requires otherwise:

(1) "Career development; ~~introductory"~~ introductory; or career awareness program" means an instructional program, service, or activity designed to familiarize individuals with the broad range of occupations for which special skills are required and the requisites for careers in such occupations. A career awareness program offered to elementary school students shall encourage students to explore career pathways and prepare students for the transition to middle school career planning.

(2) "Comprehensive ~~vocational~~ career and technical education" means instructional programs, services, or activities directly related to preparation for and placement in employment, for advanced technical preparation, or for the making of informed and meaningful educational and occupational choices.

(3) "Occupational skill development" means a program, service, or activity designed to prepare individuals for paid or unpaid employment as semiskilled or skilled workers, technicians, or professional-support personnel in recognized occupations and in new and emerging occupations including occupations or a trade, technical, business, health, office, homemaking, homemaking-related, agricultural, marketing, and other nature. Instruction is designed to fit individuals for initial employment in a specific occupation or a cluster of closely related occupations in an occupational field. This instruction includes education in technology, manipulative skills, theory, auxiliary information, application of academic skills, and other associated ~~knowledges.~~abilities.

(4) "Preparation for advanced education" means a program, service, or activity designed to prepare individuals for participation in advanced or highly skilled post-secondary and technical education programs leading to employment in specific occupations or a cluster of closely related occupations and for participation in ~~vocational~~ career and technical education teacher education programs.

"**§ 115C-153. Administration of ~~vocational~~ career and technical education.**

The State Board of Education shall be the sole State agency for the State administration of ~~vocational~~ career and technical education at all levels, shall be designated as the State Board of ~~Vocational~~ Career and Technical Education, and shall have all necessary authority to cooperate with any and all federal agencies in the administration of national acts assisting ~~vocational~~ career and technical education, to administer any legislation pursuant thereto enacted by the General Assembly of North Carolina, and to cooperate with local boards of education in providing ~~vocational~~ career and technical education programs, services, and activities for youth and adults residing in the areas under their jurisdiction.

"**§ 115C-154. Duties of the State Board of Education.**

In carrying out its duties, the State Board of Education shall develop and implement any policies, rules, regulations, and procedures as necessary to ensure ~~vocational~~ career and technical education programs of high quality. The State Board of Education shall prepare a Master Plan for ~~Vocational~~ Career and Technical Education. The plan, to be updated periodically, shall ensure ~~minimally that:~~that, at a minimum, the following activities are accomplished:

(1) Articulation shall occur with institutions, agencies, councils, and other organizations having responsibilities for work force preparedness.

(2) Business, industrial, agricultural, and lay ~~representatives, including parents of students enrolled in Vocational and Technical Education courses,~~ representatives organized as business advisory ~~committees~~ councils under

Part 4 of this Article have been utilized in the development of decisions affecting ~~vocational~~ career and technical education programs and services.

(3) Public hearings are conducted annually to afford the public an opportunity to express their views concerning the State Board's plan and to suggest changes in the plan.

(4) The plan describes the State's policy for ~~vocational~~ career and technical education and the system utilized for the delivery of ~~vocational~~ career and technical education programs, services, and activities. The policy shall include priorities of curriculum, integration of ~~vocational~~ career and academic education, technical preparation, and youth apprenticeships.

(5) A professionally and occupationally qualified staff is employed and organized in a manner to assure efficient and effective State leadership for ~~vocational~~ career and technical education. Provisions shall be made for such functions as: planning, administration, supervision, personnel development, curriculum development, ~~vocational~~ career and technical education student organization and coordination research and evaluation, and such others as the State Board may direct.

(6) An appropriate supply of qualified personnel is trained for program expansion and replacements through cooperative arrangements with institutions of higher education and other institutions or agencies, including where necessary financial support of programs and curriculums designed for the preparation of ~~vocational~~ career and technical education administrators, supervisors, coordinators, instructors, and support personnel.

(7) Minimum standards shall be prescribed for personnel employed at the State and local levels.

(8) Local boards of education submit to the State Board of Education a local plan for ~~vocational~~ career and technical education that has been prepared in accordance with the procedures set forth in the Master Plan for ~~Vocational~~ Career and Technical Education.

(9) Appropriate minimum standards for ~~vocational~~ career and technical education programs, services, and activities shall be established, promulgated, supervised, monitored, and maintained. These standards shall specify characteristics such as program objectives, competencies, course sequence, program duration, class size, supervised on-the-job experiences, ~~vocational~~ career and technical education student organization, school-to-work transition programs, qualifications of instructors, and all other standards necessary to ensure that all programs conducted by local school administrative units shall be of high quality, relevant to student needs, and coordinated with employment opportunities.

(10) A system of continuing qualitative and quantitative evaluation of all ~~vocational~~ career and technical education programs, services, and activities supported under the provisions of this Part shall be established, maintained, and utilized periodically. One component of the system shall be follow-up studies of employees and former students of ~~vocational~~ career and technical education programs who have been out of school for one year, and for five years to ascertain the effectiveness of instruction, services, and activities.

"**§ 115C-154.1. Approval of local ~~vocational~~ career and technical education plans or applications.**

The State Board of Education shall not approve any local ~~vocational~~ board of education career and technical education plans or applications ~~unless:~~unless the plan or application meets all of the following conditions:

(1) The programs are in accordance with the purposes of ~~G.S. 115C-151;~~G.S. 115C-151.

(2) The ~~vocational~~ career and technical education programs and courses are not duplicated within a local school administrative unit, unless the unit has data to justify the duplication or the unit has a plan to redirect the duplicative programs within three ~~years;~~years.

(3) For all current job skill programs, there is a documented need, based on labor market data or follow-up data, or there is a plan to redirect the program within two ~~years;~~years.

(4) New ~~vocational~~ career and technical education programs show documented need based on student demand, or for new job skill programs, based on student and labor market ~~demand; and~~demand.

(5) All programs are responsive to technological advances, changing characteristics of the work force, and the academic, technical, and attitudinal development of students.

(6) The local board of education establishes a business advisory council in accordance with Part 4 of this Article. The local board of education shall submit information regarding ongoing consultation with the advisory council as part of the career and technical education local planning system maintained by the State Board of Education and the Department of Public Instruction.

Local programs using the cooperative ~~vocational~~ career and technical education method shall be approved subject to students enrolled being placed in employment commensurate with the respective program criteria.

"**§ 115C-154.2. ~~Vocational~~ Career and technical education equipment standards.**

The State Board of Education shall develop equipment standards for each ~~vocational~~ career and technical education program level and shall assist local school administrative units in determining the adequacy of equipment for each ~~vocational~~ career and technical education program available in each local school administrative unit.

The State Board shall also develop a plan to assure that minimum equipment standards for each program are met to the extent that State, local, and federal funds are available for that purpose. The State Board shall consider all reasonable and prudent means to meet these minimum equipment standards and to ensure a balanced ~~vocational~~ career and technical education program for students in the public schools.

"**§ 115C-155. Acceptance of benefits of federal ~~vocational~~ career and technical education acts.**

The State of North Carolina, through the State Board of Education, may accept all the provisions and benefits of acts passed by the Congress of the United States providing federal funds for ~~vocational~~ career and technical education programs: Provided, however, that the State Board of Education shall not accept those funds upon any condition that the public schools of this State shall be operated contrary to any provision of the Constitution or statutes of this State.

"**§ 115C-156. State funds for ~~vocational~~ career and technical education.**

It is the intent of the General Assembly of North Carolina to appropriate funds for each fiscal year to support the purposes of ~~vocational~~ career and technical education as set forth in G.S. 115C-151. From funds appropriated, the State Board of Education shall establish a sum of money for State administration of ~~vocational~~ career and technical education and shall allocate the remaining sum on an equitable basis to local school administrative units, except that a contingency fund is established to correct excess deviations that may occur during the regular school year. In the administration of State funds, the State Board of Education shall adopt such policies and procedures as necessary to ensure that the funds appropriated are used for the purpose stated in this Part and consistent with the policy set forth in the Master Plan for ~~Vocational~~ Career and Technical Education.

…

"**§ 115C-156.2. Industry certifications and credentials program.**

(a) It is the intent of the State to encourage students to enroll in and successfully complete rigorous coursework and credentialing processes in career and technical education to enable success in the workplace. To attain this goal, to the extent funds are made available for this purpose, students shall be supported to earn State Board of Education approved industry certifications and ~~credentials:~~credentials as follows:

(1) Students enrolled in public schools and in career and technical education courses shall be exempt from paying any fees for one administration of examinations leading to industry certifications and credentials pursuant to rules adopted by the State Board of Education.

(2) Each school year, at such time as agreed to by the Department of Commerce and the State Board of Education, the Department of Commerce shall provide the State Board of Education with a list of those occupations in high need of additional skilled employees. If the occupations identified in such list are not substantially the same as those occupations identified in the list from the prior year, reasonable notice of such changes shall be provided to local school administrative units.

(3) Local school administrative units shall consult with their local industries, employers, business advisory councils, and workforce development boards to identify industry certification and credentials that the local school administrative unit may offer to best meet State and local workforce needs.

(b) Beginning in ~~2014,~~2017, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by ~~September~~ November 15 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials.

"**§ 115C-157. Responsibility of local boards of education.**

(a) Each local school administrative unit, shall provide free appropriate ~~vocational~~ career and technical education instruction, activities, and services in accordance with the provisions of this Part for all youth, with priority given to youth in grades eight through 12, who elect the instruction and shall have responsibility for administering the instruction, activities, and services in accordance with federal and State law and State Board of Education policies.

(b) Each local school administrative unit shall offer as part of its career and technical education program at least two work-based learning opportunities that are related to career and technical education instruction. A work-based learning opportunity shall consist of on-the-job training through an internship, cooperative education, or an apprenticeship program meeting the requirements of Chapter 115D of the General Statutes.

(c) Each local board of education is encouraged to implement a career awareness program for students in grade five to educate students on the career and technical education programs offered in the local school administrative unit. A local board of education that adopts a career awareness program for fifth grade students shall report on program activities and student outcomes from the prior school year to the State Board of Education by October 1 of each year. By November 15 of each year, the State Board shall submit a consolidated report to the Joint Legislative Education Oversight Committee on program outcomes and any legislative recommendations based on local board of education reports.

"**§ 115C-157.5. Extended year agriculture education program; evaluation of career and technical education agriculture teacher personnel.**

Except as otherwise provided in G.S. 115C-302.1(b2), local boards of education shall provide career and technical education agriculture teacher personnel with adequate resources to provide a career and technical education agriculture education program for 12 calendar months, which includes work-based learning services and instructional and leadership development. A local board of education shall require that career and technical education agriculture teacher personnel who are employed for 12 calendar months, pursuant to G.S. 115C-302.1, are

evaluated in the same manner as teachers evaluated in accordance with G.S. 115C-333 or G.S. 115C-333.1, as applicable.

"**§ 115C-158. Federal funds division.**

The division between secondary and post-secondary educational systems and institutions of federal funds for which the State Board of ~~Vocational~~ Career and Technical Education has responsibility shall, within discretionary limits established by law, require the concurrence of the State Board of Education and the State Board of Community Colleges on and after January 1, 1981. The portion of the approved State Plan for post-secondary ~~vocational~~ career and technical education required by G.S. 115C-154 shall be as approved by the State Board of Community Colleges.

"Part 2. ~~Vocational~~ Career and Technical Education Production Work Activities.

"**§ 115C-159. Statement of purpose.**

It is the intent of the General Assembly that practical work experiences within the school and outside the school, which are valuable to students and which are under the supervision of a teacher, should be encouraged as a part of ~~vocational~~ career and technical education instruction in the public secondary schools and middle schools when those experiences are organized and maintained to the best advantage of the ~~vocational~~ career and technical education programs. Those activities are a part of the instructional activities in the ~~vocational~~ career and technical education programs and are not to be construed as engaging in business. Those services, products, and properties generated through these instructional activities are exempt from the requirements of ~~G.S. 115C-518; the local board~~ G.S. 115C-518. Local boards of education shall adopt rules for the disposition of these services, products, and properties. Local boards of education may use available financial resources to support that instruction.

"**§ 115C-160. Definitions.**

The State Board of Education shall provide appropriate definitions necessary to this part of ~~vocational~~ career and technical education instruction not otherwise included in this Part. As used in this Part, the following definitions apply, unless the context requires otherwise:

(1) The term "building trades training" means the development of ~~vocational~~ career skills through the construction of dwellings or other buildings and related activities by students in ~~vocational~~ career and technical education programs.

(2) The term "production work" means production activities and services performed by ~~vocational~~ students in career and technical education classes under contract with a second party for remuneration.

"**§ 115C-161. Duties of the State Board of Education.**

The State Board of Education is authorized and directed to establish, maintain, and implement such policies, rules, regulations, and procedures not in conflict with State law or other State Board policies as necessary to assist local boards of education in the conduct of production work experiences performed in connection with approved State Board of Education ~~vocational~~ career and technical education programs.

"**§ 115C-162. Use of proceeds derived from production work.**

Unless elsewhere authorized in these statutes, local boards of education shall deposit to the appropriate school account, no later than the end of the next business day after receipt of funds, all proceeds derived from the sale of products or services from production work experiences. These proceeds shall be established as a revolving fund to be used solely in operating and improving ~~vocational~~ career and technical education programs.

"**§ 115C-163. Acquisition of land for agricultural education instructional programs.**

Local boards of education may acquire by gift, purchase, or lease for not less than the useful life of any project to be conducted upon the premises, a parcel of land suitable for a land laboratory to provide students with practical instruction in soil science, plant science, horticulture, forestry, animal husbandry, and other subjects related to the agriculture curriculum.

Each deed, lease, or other agreement for land shall be made to the respective local board of education in which the school offering instruction in agriculture is located; and title to such land shall be examined and approved by the ~~school~~ local board of education's attorney.

Any land laboratory thus acquired shall be assigned to the agricultural education program of the school, to be managed with the advice of an agricultural education advisory ~~committee.~~committee or a specialized subcommittee of a business advisory council as provided under Part 4 of this Article.

The products of the land laboratory not needed for public school purposes may be sold to the public: Provided, however, that all proceeds from the sale of products shall be deposited in the appropriate school account no later than the end of the next business day after receipt of funds. The proceeds shall be established as a revolving fund to be used solely in operating and improving ~~vocational~~career and technical education programs.

"**§ 115C-164. Building trades training.**

In the establishment and implementation of production work experience policies, the State Board of Education shall be guided as follows:

(1) Local boards of education may use supplementary tax funds or other local funds available for the support of ~~vocational~~ career and technical education to purchase and develop suitable building sites on which dwellings or other buildings are to be constructed by ~~vocational~~ career and technical education trade classes of each public school operated by local boards of education. Local boards of education may use these funds for each school to pay the fees necessary in securing and recording deeds to these properties for each public school operated by local boards of education and to purchase all materials needed to complete the construction of buildings by ~~vocational~~ career and technical education trade classes and for development of site and property by other ~~vocational~~ career and technical education classes. Local boards of education may use these funds to acquire skilled services, including electrical, plumbing, heating, sewer, water, transportation, grading, and landscaping needed in the construction and completion of buildings, that cannot be supplied by the students in ~~vocational~~ career and technical education trade classes.

(2) Local boards of education may, in conjunction with or in lieu of subdivision (1) of this section, contract with recognized building trades educational foundations or associations in the purchase of land for the construction and development of buildings: Provided however, that all contracts shall be in accordance with the requirements set forth by the State Board of Education.

"**§ 115C-165. Advisory committee on production work activities.**

The local board of education of each local school administrative unit in which the proposed production work activities are to be undertaken shall appoint appropriate workforce production advisory committees of no less than three persons residing within that administrative unit for each program (or in the case of Trade and Industrial Education, for each specialty) for the purpose of reviewing and making recommendations on such production work activities. Workforce production advisory committees, including agricultural education advisory committees under G.S. 115C-163, may be established as specialized subcommittees of the business advisory councils as provided under Part 4 of this Article. Respective advisory committee members shall be lay persons who are actively involved in the appropriate business or trade. No production work activity shall be undertaken without the involvement of the appropriate advisory committee.

"Part 3. Eye Safety Devices Required.

"**§ 115C-166. Eye protection devices required in certain courses.**

The governing board or authority of any public or private school or educational institution within the State, wherein shops or laboratories are conducted providing instructional or experimental ~~programs involving:~~programs, shall provide for and require that every student and

teacher wear industrial-quality eye protective devices at all times while participating in a program that involves any of the following:

(1) Hot solids, liquids or molten ~~metals;~~metals.

(2) Milling, sawing, turning, shaping, cutting, or stamping of any solid ~~materials;~~materials.

(3) Heat treatment, tempering, or kiln firing of any metal or other ~~materials;~~materials.

(4) Gas or electric arc ~~welding;~~welding.

(5) Repair or servicing of any ~~vehicle; or~~vehicle.

(6) Caustic or explosive chemicals or ~~materials,~~materials.

~~shall provide for and require that every student and teacher wear industrial-quality eye protective devices at all times while participating in any such program.~~ These industrial-quality eye protective devices shall be furnished free of charge to the student and teacher.

"**§ 115C-167. Visitors to wear eye safety devices.**

Visitors to ~~such~~ shops and laboratories subject to the requirements of G.S. 115C-166 shall be furnished with and required to wear ~~such~~ industrial-quality eye ~~safety~~ protective devices while ~~such~~ instructional or experimental programs are in progress.

…

"Part 4. Business Advisory Councils.

"**§ 115C-170. Business advisory councils established; members; selection; duties.**

(a) Purpose. – Each local board of education shall be assisted by a business advisory council in the performance of its duties to provide career and technical education instruction, activities, and services in accordance with this Article. The business advisory council shall serve local boards of education by identifying economic and workforce development trends related to the training and educational needs of the local community and advocating for strong, local career and technical education programs, including career pathway development that provides work-based learning opportunities for students and prepares students for post-secondary educational certifications and credentialing for high-demand careers. A business advisory council established under this Part may serve more than one local board of education in a region of the State upon the agreement of the members of the council and all of the local boards of education to be served by that council.

(b) Workforce Production Subcommittees. – A business advisory council may form a subcommittee of the council for the purposes of advising a local board of education on workforce production activities under Part 2 of this Article.

(c) Membership. – Each business advisory council shall have at least nine members. The council shall be composed of members who reasonably reflect the education, business, and community makeup of the local school administrative unit that it serves. A majority of the membership of the council shall be composed of business, industry, and community members appointed in accordance with subdivision (2) of this subsection, and the remaining members shall consist of education representatives as follows:

(1) Education representatives. – The following members shall serve ex officio on the council to represent each local school administrative unit that the council serves:

a. The superintendent of the local school administrative unit or his or her designee.

b. The career and technical education program director of the local school administrative unit as a nonvoting member.

c. The president of the community college that serves the area in which the local school administrative unit is located, in whole or in part, or his or her designee.

d. A principal of a school located within the local school administrative unit, as assigned by the superintendent.

(2) Business, industry, and community representatives. – At least five other members shall serve on the council to represent business and industry located within each local school administrative unit that the council serves and the community. Members shall be business, industry, and workforce and economic development stakeholders in the community, and community members, including any of the following:

a. Local business and industry owners.
b. Representatives from local manufacturing centers and factories.
c. Human resource directors employed at businesses and industries in the community.
d. Representatives from community-based organizations.
e. Representatives from economic and workforce development organizations.
f. Parents of students enrolled in career and technical education courses.
g. Representative or manager of the local apprenticeship coalition.

(d) Initial Terms and Appointments. – Each local board of education shall make the initial appointment of members of the business advisory council under subdivision (2) of subsection (c) of this section for terms beginning January 1, 2018. The local board of education shall divide the initial appointments into three groups if there are only three appointments, and into four groups as equal in size as practicable if there are more than three appointments, and shall designate appointments in group one to serve four-year terms, in group two to serve three-year terms, in group three to serve two-year terms, and in group four to serve one-year terms.

(e) Subsequent Terms and Appointments. – As terms expire for members appointed as provided in subsection (d) of this section, the business advisory council shall appoint subsequent members of the business advisory council under subdivision (2) of subsection (c) of this section for four-year terms. The local board of education shall establish a policy on the appointment of subsequent members to the council, including procedures for increasing the number of members serving on the council. Any vacancies in seats appointed to the council shall be filled by the remaining members of the council.

(f) Council Secretary. – The career and technical education program director shall serve as secretary to the council. If the council serves more than one local board of education, the program director of each local school administrative unit shall serve as secretary for a period of time as determined by the members of the council.

(g) Bylaws. – Each business advisory council shall adopt bylaws establishing procedures for conducting the business of the council, which shall include at least the following:

(1) A chair of the business advisory council shall be elected annually by the members of the council from among the business and industry representative members of the council.
(2) A majority of the members shall constitute a quorum.
(3) The business advisory council shall meet at least biannually.
(4) The chair or three of the members may call a special meeting of the council.
(5) Procedures for appointing members to the council that are consistent with the policy adopted by the local board of education under subsection (e) of this section.

(h) Public Records. – A business advisory council is subject to the Public Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes.

(i) Expenses. – The local board of education shall provide for meeting space and assignment of necessary administrative staff to the business advisory council."

SECTION 7.23H.(f) G.S. 115C-174.25 reads as rewritten:

"**§ 115C-174.25. WorkKeys.**

To the extent funds are made available for this purpose, the State Board shall plan for and require local school administrative units to make available the appropriate WorkKeys tests for all students who complete ~~the second level of vocational/career~~ a concentration in career and technical education courses."

SECTION 7.23H.(g) G.S. 115C-302.1 reads as rewritten:

"**§ 115C-302.1. Salary.**

…

(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. Except for career and technical education agriculture teacher personnel positions as provided for in this subsection, State-allotted months of employment for ~~vocational~~career and technical education to local boards shall be used for the employment of teachers of ~~vocational~~career and technical education for a term of employment to be determined by the local boards of education. ~~However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter.~~Beginning with the 2018-2019 school year, career and technical education agriculture teacher personnel positions serving students in grades nine through 12 shall be for a term of employment for 12 calendar months. A local board of education may fund these positions using any combination of State funds, local funds, or any other funds available to the local board.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay.

…

(b2) Waiver of 12 Months of Employment for Career and Technical Education Agriculture Teacher Personnel. – Notwithstanding subsection (b) of this section, a local board of education may apply on an annual basis to the Department of Public Instruction and the North Carolina State University, Agricultural and Extension Education, for a waiver of the months of employment requirement for any upcoming school year when it is impracticable for

the local board to provide adequate funds to support 12 months of employment for career and technical agriculture teachers.

(c) Vacation. – Included within the 10-month term shall be annual vacation leave at the same rate provided for State employees, computed at one-twelfth of the annual rate for State employees for each month of employment. Local boards shall provide at least 10 days of annual vacation leave at a time when students are not scheduled to be in regular attendance. However, instructional personnel who do not require a substitute may use annual vacation leave on days that students are in attendance. ~~Vocational~~ Career and technical education teachers who are employed for 11 or 12 months may, with prior approval of the principal, work on annual vacation leave days designated in the school calendar and may use those annual vacation leave days during the eleventh or twelfth month of employment. Local boards of education may adopt policies permitting instructional personnel employed for 11 or 12 months in year-round schools to, with the approval of the principal, take vacation leave at a time when students are in attendance; local funds shall be used to cover the cost of substitute teachers.

On a day that pupils are not required to attend school due to inclement weather, but employees are required to report for a workday, a teacher may elect not to report due to hazardous travel conditions and to take an annual vacation day or to make up the day at a time agreed upon by the teacher and the teacher's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, a teacher shall work on the scheduled makeup day.

All vacation leave taken by the teacher will be upon the authorization of the teacher's immediate supervisor and under policies established by the local board of education. Annual vacation leave shall not be used to extend the term of employment.

Notwithstanding any provisions of this subsection to the contrary, no person shall be entitled to pay for any vacation day not earned by that person.

…."

SECTION 7.23H.(h) G.S. 115C-426(f)(2) reads as rewritten:

"(2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and ~~vocational~~ career and technical educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance."

SECTION 7.23H.(i) Local school administrative units are encouraged to complete the application process for the NCWorks Work Ready Certified Communities initiative in cooperation with local workforce development boards, local economic development boards, chambers of commerce, business and industry employers, and local community college leaders. The NCWorks Certified Work Ready Communities initiative encourages local participation to assist with the following:

(1) Informing business and industry employers on the foundational skills necessary for a productive workforce and providing a method for employers to communicate their needs.

(2) Providing individuals with an understanding on the skills required by employers and how to prepare for success.

(3) Providing reliable data for the evaluation of the skills gap in a timely manner at the national, State, and local levels.

(4) Informing educators on how to close the skills gap using tools integrated into career pathways with stackable industry-recognized credentials.

(5) Providing economic developers an on-demand reporting tool to market the quality of their workforce.

SECTION 7.23H.(j) Of the funds appropriated by this act to the Department of Public Instruction for the 2017-2019 fiscal biennium, the Department shall establish two new full-time equivalent positions within the Division of Career and Technical Education dedicated to assisting local school administrative units in developing business advisory councils in

accordance with Part 4 of Article 10 of Chapter 115C of the General Statutes, as enacted by subsection (e) of this section, local career pathways, work-based learning opportunities, and elementary school career awareness curriculum.

SECTION 7.23H.(k) Subsections (a) through (h) of this section apply beginning with the 2017-2018 school year.

ESTABLISH B-3 INTERAGENCY COUNCIL

SECTION 7.23I.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 6D.

"B-3 Interagency Council.

"**§ 115C-64.25. Establishment and membership of B-3 Interagency Council.**

(a) There is established the B-3 Interagency Council. The Council is a joint council between the Department of Health and Human Services and the Department of Public Instruction and shall consist of 12 voting members and four nonvoting advisory members as follows:

(1) The Superintendent of Public Instruction or the Superintendent's designee shall serve ex officio, with the same rights and privileges, including voting rights, as other members.

(2) The Associate Superintendent of Early Education at the Department of Public Instruction shall serve ex officio, with the same rights and privileges, including voting rights, as other members.

(3) The Secretary of Health and Human Services or the Secretary's designee shall serve ex officio, with the same rights and privileges, including voting rights, as other members.

(4) The Deputy Secretary of Human Services at the Department of Health and Human Services shall serve ex officio, with the same rights and privileges, including voting rights, as other members.

(5) Four public members appointed by the Speaker of House of Representatives who represent organizations that focus on early childhood education and development, one of whom shall be a representative of Smart Start.

(6) Four public members appointed by the President Pro Tempore of the Senate who represent organizations that focus on early childhood education and development, one of whom shall be a representative of the North Carolina Partnership for Children.

(7) Two members of the House of Representatives appointed by the Speaker of the House of Representatives to serve as nonvoting advisory members.

(8) Two members of the Senate appointed by the President Pro Tempore of the Senate to serve as nonvoting advisory members.

The Deputy Secretary of Human Services and the Associate Superintendent of Early Education shall serve as cochairs of the Council. Members of the Council shall receive per diem, subsistence, and travel allowance, as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

(b) Terms for all public members and advisory members except for the initial appointments shall be for four years. Two of the public members appointed by the Speaker of the House of Representatives pursuant to subdivision (5) of subsection (a) of this section and one of the advisory members appointed by the Speaker of the House of Representatives pursuant to subdivision (7) of subsection (a) of this section shall be appointed for an initial term of two years. Two of the public members appointed by the President Pro Tempore of the Senate pursuant to subdivision (6) of subsection (a) of this section and one of the advisory members appointed by the President Pro Tempore of the Senate pursuant to subdivision (8) of subsection (a) of this section shall be appointed for an initial term of two years. Terms for members shall begin on November 1. Members shall serve until their successors are appointed. Any vacancy

in the membership of the Council shall be filled in the same manner as the original appointment.

(c) The Council shall have as its charge establishing a vision and accountability for a birth through grade three system of early education that addresses all of the following:

(1) Standards and assessment.

(2) Data-driven improvement and outcomes, including shared accountability measures such as the NC Pathways to Grade-Level Reading.

(3) Teacher and administrator preparation and effectiveness.

(4) Instruction and environment.

(5) Transitions and continuity.

(6) Family engagement.

(7) Governance and funding.

"**§ 115C-64.26. Powers and duties of B-3 Interagency Council.**

The B-3 Interagency Council shall have the following powers and duties:

(1) Facilitating the development and implementation of an interagency plan for a coordinated system of early care, education, and child development services with a focus on program outcomes in satisfying the developmental and educational needs of all children from birth to eight years of age that includes at least the following:

a. Any recommendations to the Secretary of Health and Human Services and the Superintendent of Public Instruction on necessary organizational changes needed within the Departments of Health and Human Services and Public Instruction to be more responsive to and supportive of the birth to grade three continuum of early learning and development in an effort to optimize learning gains realized in the prekindergarten years.

b. An early childhood information system that facilitates and encourages the sharing of data between and among early childhood service providers and State agencies.

c. An early childhood accountability plan that includes identification of appropriate population indicators and program and system performance measures of early success of children such as the NC Pathways to Grade-Level Reading.

(2) Implementing a statewide longitudinal evaluation of the educational progress of children from prekindergarten programs through grade 12.

(3) Collaborating with the Department of Public Instruction, the Department of Health and Human Services, the North Carolina Partnership for Children, and other relevant early childhood stakeholders, including members of the North Carolina Early Childhood Advisory Council, to achieve the goal of a coordinated system of early care, education, and child development services for children from birth to eight years of age.

"**§ 115C-64.27. Reporting requirement.**

The Deputy Secretary of Human Services and the Associate Superintendent of Early Education shall report on a quarterly basis to the Secretary of Health and Human Services and the Superintendent of Public Instruction on the progress and implementation of any of the duties and responsibilities of the Council as set forth in this Article.

"**§ 115C-64.28. Establish position of Associate Superintendent of Early Education to serve as chief academic officer of early education.**

(a) There is established within the Department of Public Instruction the position of Associate Superintendent of Early Education who shall serve as the chief academic officer of early education. The Associate Superintendent shall have professional, administrative, technical, and clerical personnel as may be necessary to assist in carrying out his or her duties.

The Associate Superintendent shall co-lead the work of the B-3 Interagency Council and oversee the Department of Public Instruction's prekindergarten through third grade initiatives.

(b) The Associate Superintendent shall be appointed by the Superintendent of Public Instruction at a salary established by the Superintendent of Public Instruction within the funds appropriated for that purpose. The Associate Superintendent may be removed from the position by the Superintendent of Public Instruction in the event of the Associate Superintendent's incapacity to serve. The Associate Superintendent shall be exempt from the provisions of Chapter 126 of the General Statutes, except for Articles 6 and 7 of Chapter 126 of the General Statutes.

All other staff shall be appointed, supervised, and directed by the Associate Superintendent and shall be subject to the provisions of Chapter 126 of the General Statutes. Except for the Associate Superintendent, salaries and compensation of all staff personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies."

SECTION 7.23I.(b) G.S. 126-5(c1) is amended by adding a new subdivision to read:

"(35) The Associate Superintendent of Early Education who serves as chief academic officer of early education."

SECTION 7.23I.(c) The B-3 Interagency Council, established under G.S. 115C-64.25, as enacted by this section, shall undertake a rigorous review of the recommendations developed by the Departments of Health and Human Services and Public Instruction, pursuant to Section 12B.5 of S.L. 2016-94, on (i) the development and implementation of a statewide vision for early childhood education and (ii) the development and implementation of a program for transitioning children from preschool to kindergarten. In its review, the B-3 Interagency Council shall report to the General Assembly and the Governor suggested modifications, if any, to those recommendations. The B-3 Interagency Council shall also, if deemed necessary, make suggestions on alternative organizational structures to achieve greater efficiency and effective delivery of early childhood services, including a consolidation and restructuring of State agency divisions and offices located within the Department of Public Instruction and the Department of Health and Human Services into a centralized agency or office. The Council shall consider at least the following in conducting the review and study:

(1) The delivery of educational services to young children and their families to ensure optimal learning for each young child.

(2) The collaboration and sharing of data elements necessary to perform quality assessments and longitudinal analysis across early childhood education and development services.

(3) The coordination of a comprehensive statewide system of professional development for providers and staff of early care and education and child development programs and services.

(4) Areas of duplication in regulating and monitoring of early care and education and child development programs and services.

(5) The coordination and support of public and private partnerships to aid early childhood initiatives.

SECTION 7.23I.(d) By April 15, 2018, the B-3 Interagency Council shall submit a report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on the initial results of the review and study required under subsection (c) of this section. By February 15, 2019, the B-3 Interagency Council shall submit a report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on (i) the final results of the review and study, including its recommendations and any proposed legislation, and (ii) progress on the development and implementation of a plan for a coordinated system of early care, education, and child

development services and any other activities prescribed under G.S. 115C-64.26, as enacted by this section.

SECTION 7.23I.(e) Notwithstanding G.S. 115C-64.28, as enacted by this section, the Superintendent of Public Instruction shall appoint an Associate Superintendent of Early Education within 60 days of the date this section becomes law.

SECTION 7.23I.(f) Notwithstanding G.S. 115C-64.27, as enacted by this section, the B-3 Interagency Council shall submit its initial quarterly report to the Superintendent of Public Instruction and the Secretary of the Department of Health and Human Services by May 15, 2018.

ALLOTMENT TRANSFER REPORT

SECTION 7.23J.(a) G.S. 115C-105.25 reads as rewritten:

"**§ 115C-105.25. Budget flexibility.**

(a) Consistent with improving student performance, a local board shall provide maximum flexibility to schools in the use of funds to enable the schools to accomplish their goals.

…

(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish ~~the following~~ information from the prior fiscal year on its Web site by October 15 of each ~~year:~~year, as follows:

(1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.

(2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.

(3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent ~~(5%) and the~~ (5%), including all of the following information:

a. The amount of the transfer.

b. The allotment category into which the funds were transferred.

c. The purpose code for the funds following the transfer.

d. A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in the position.

e. The educational priorities that necessitated the transfer.

…

(5) A chart that clearly reflects how the local school administrative unit spent State funds.

(c1) The local school administrative unit shall maintain information published pursuant to subsection (c) of this section on its Web site for at least three years after it is published.

(d) No later than December 1 of each year, the Department of Public Instruction shall collect the information reported by local school administrative units pursuant to subsection (c) of this section and report the aggregated information, including available data from the two previous fiscal years, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division."

SECTION 7.23J.(b) This section applies beginning with the use of funds during the 2014-2015 fiscal year.

DIGITAL LEARNING PLAN/PROGRAMS/FUNDS

SECTION 7.23K.(a) As part of continuing the implementation of the Digital Learning Plan in North Carolina in accordance with Section 8.23 of S.L. 2016-94, the State Board of Education, the Department of Public Instruction, the Friday Institute for Educational

Innovation at North Carolina State University (Friday Institute), and The University of North Carolina educator preparation programs shall collaborate to develop and implement a comprehensive professional development strategy and solution for teachers and for students in UNC educator preparation programs for the use of technology and digital resources as teaching tools for K-12 students. Specifications for any products and services that are required to implement the professional development strategy and solution, including selection of a professional development provider, if necessary, shall be procured through a competitive process. The professional development strategy and solution shall include the following:

(1) Competency-based measurement of the technological and pedagogical skills of each teacher or teacher candidate that identifies strengths and gaps according to the NC Digital Learning Competencies for Educators and informs the use of a personalized professional development plan.

(2) Delivery of professional development that is flexible to ensure the greatest possible coverage and convenience for teachers and teacher candidates.

SECTION 7.23K.(b) The State Board of Education, the Department of Public Instruction, the Friday Institute, UNC educator preparation programs, and local boards of education of local school administrative units located within counties determined to be the most economically distressed by the Department of Commerce shall collaborate to assess current efforts to provide student digital literacy instruction in kindergarten through eighth grade in those local school administrative units and to develop a plan to strengthen such efforts. Specifications for any products and services that are required to implement digital literacy instruction, including selection of a digital literacy curriculum provider, if necessary, shall be procured through a competitive process. The assessment and plan shall address at least the following:

(1) Provide opportunity for students to learn essential digital literacy skills, including computer fundamentals, computational thinking, keyboarding, digital citizenship and online safety, Web browsing, e-mail and online communication, visual mapping, word processing, spreadsheets, databases, and presentations.

(2) Provide teachers with the ability to assess student digital literacy growth.

(3) Facilitate Project-Based Learning (PBL) and other research-based instructional frameworks to enable educators to integrate instruction on digital literacy into core and supplemental subjects, such as mathematics, English language arts, science, social studies, music, and art.

(4) Resources that provide teachers with instructional support and supplemental and extension options to address all students, including students with special needs and students who are English language learners.

(5) Accommodate English language learners with Spanish language instruction.

SECTION 7.23K.(c) Of the six million four hundred twenty thousand dollars ($6,420,000) in recurring funds appropriated to the Department of Public Instruction to accelerate implementation of the State's Digital Learning Plan, as set out in S.L. 2016-94, beginning with the 2017-2018 fiscal year, the Department shall use up to one million eight hundred thousand dollars ($1,800,000) to implement the requirements of this section.

AUDIT OF THE DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 7.23L. The Superintendent of Public Instruction shall select an independent research organization that is a public or private entity or university for the 2017-2018 fiscal year to conduct an organizational, functional, and business-process audit of the Department of Public Instruction. The selected organization shall have experience and special expertise in performing the type of audit described above. No later than May 1, 2018, the Department shall submit a report to the General Assembly, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division with the results of the audit including, at a minimum, all of the following information:

(1) Identification of cost saving measures that could be implemented within the Department.
(2) A statement regarding the minimum funding necessary to ensure that federal grant funds do not constitute more than fifty percent (50%) of the budget of the Department.
(3) All maintenance of effort requirements related to federal grants administered by the Department and the financial impact of failing to meet those requirements.
(4) Any activities for which the Department uses State funds that are not related to federal or State law or policy.
(5) Identification of programs, services, or divisions within the Department that could be consolidated or reorganized.
(6) Any positions within the Department that are unnecessary, duplicative, or unrelated to the implementation of federal or State law or policy.
(7) Any programs that are ineffective, cumbersome, or no longer functioning as intended by federal or State law or policy.
(8) Any recommendations for legislative action.

EXTENDED LEARNING AND INTEGRATED STUDENT SUPPORTS COMPETITIVE GRANT PROGRAM

SECTION 7.24.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2017-2019 fiscal biennium, the Department of Public Instruction shall use up to six million dollars ($6,000,000) for the 2017-2018 fiscal year and up to six million dollars ($6,000,000) for the 2018-2019 fiscal year for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program). Of these funds, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the Program.

SECTION 7.24.(b) The purpose of the Program is to fund high-quality, independently validated extended learning and integrated student support service programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.
(2) Inclusion of rigorous, quantitative performance measures to confirm effectiveness of the program.
(3) Deployment of multiple tiered supports in schools to address student barriers to achievement, such as strategies to improve chronic absenteeism, anti-social behaviors, academic growth, and enhancement of parent and family engagement.
(4) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
(5) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
(6) Minimization of student class size when providing instruction or instructional supports and interventions.
(7) Expansion of student access to high-quality learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.
(8) Utilization of digital content to expand learning time, when appropriate.

SECTION 7.24.(c) Grants shall be used to award funds for new or existing eligible programs for at-risk students operated by (i) nonprofit corporations and (ii) nonprofit corporations working in collaboration with local school administrative units. Grant participants

are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving (i) at-risk students not performing at grade level as demonstrated by statewide assessments, (ii) students at-risk of dropout, and (iii) students at-risk of school displacement due to suspension or expulsion as a result of anti-social behaviors. Priority consideration shall be given to applications demonstrating models that focus services and programs in schools that are identified as low-performing pursuant to G.S. 115C-105.37.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. The Department shall also give priority consideration to an applicant that is a nonprofit corporation working in partnership with a local school administrative unit resulting in a match utilizing federal funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, or Title IV of the Higher Education Act of 1965, as amended, and other federal or local funds. Matching funds may include in-kind contributions for up to fifty percent (50%) of the required match.

SECTION 7.24.(d) A nonprofit corporation may act as its own fiscal agent for the purposes of this Program. Grant recipients shall report to the Department of Public Instruction for the year in which grant funds were expended on the progress of the program, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients shall also submit a final report on key performance data, including statewide test results, attendance rates, graduation rates, and promotion rates, and financial sustainability of the program.

SECTION 7.24.(e) The Department of Public Instruction shall provide an interim report on the Program to the Joint Legislative Education Oversight Committee by September 15, 2018, with a final report on the Program by September 15, 2019. The final report shall include the final results of the Program and recommendations regarding effective program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities, academic and behavioral support services, and potential opportunities for the State to invest in proven models for future grants programs.

LIFE CHANGING EXPERIENCES SCHOOL PILOT PROGRAM

SECTION 7.25.(a) Of the funds appropriated to the Department of Public Instruction by this act for the Life Changing Experiences School Pilot Program for the 2017-2019 fiscal biennium, the Department shall use up to three hundred sixty thousand dollars ($360,000) for each year of the 2017-2019 fiscal biennium to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate a two-year Life Changing Experiences School Pilot Program (Project), beginning with the 2017-2018 school year and ending with the 2018-2019 school year. The Project shall be operated and administered for students in grades six through 11 in the following local school administrative units: Mitchell County Schools, Pitt County Schools, Wayne County Schools, and Winston-Salem/Forsyth County Schools. These contract funds shall not be used for any purpose other than to implement the Project in the local school administrative units, which consists of traveling three-dimensional, interactive, holistic, and evidence-based multimedia education in-school programs. The Project includes theme-specific programs screened as school assemblies and additional follow-up applications that address dangerous life and community threatening activities that negatively impact teenagers, including alcohol and other drugs, dangerous driving, violence, and bullying. The goal of these programs is to increase positive intentions and behavioral outcomes by teaching students the techniques and skills that empower them to reach meaningful life goals, employ positive behaviors, and start businesses and social enterprises.

SECTION 7.25.(b) The Children and Parent Resource Group, Inc., in consultation with the Department of Public Instruction, shall submit an initial report on the Project authorized by subsection (a) of this section by March 1, 2018, and a final report by March 1, 2019, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division. The report shall include an accounting of expenditures and student outcome data related to the operation of the Project.

SCHOOL PERFORMANCE GRADES/ESSA COMPLIANCE

SECTION 7.26.(a) G.S. 115C-12(9)c1. reads as rewritten:

"c1. To issue an annual "report card" for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance based on the growth in performance of the students in each school and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account factors that have been shown to affect student performance and that the State Board considers relevant to assess the State's efforts to improve student performance. ~~As a part of the~~The annual "report card" for each local school administrative ~~unit,~~unit shall include the following:

1. ~~the~~The State Board shall award, in accordance with G.S. 115C-83.15, an overall numerical school achievement, growth, and performance score on a scale of zero to 100 and a corresponding performance letter grade of A, B, C, D, or F earned by each school within the local school administrative unit. The school performance score and grade shall reflect student performance on annual subject-specific assessments, college and workplace readiness measures, ~~and~~ graduation ~~rates.~~rates, and student progress in achieving English language proficiency. In addition, the State Board shall award separate performance scores and grades for the following:
   I. School performance of certain subgroups of students as provided in G.S. 115C-83.15.
   II. For schools serving students in any grade from kindergarten to eighth grade, ~~separate performance scores and grades shall also be awarded based on the~~school performance in reading and mathematics respectively.
2. ~~The annual "report card" for~~For schools serving students in third ~~grade also shall include~~grade, the number and percentage of third grade students who (i) take and pass the alternative assessment of reading comprehension; (ii) were retained in third grade for not demonstrating reading proficiency as indicated in G.S. 115C-83.7(a); and (iii) were exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b).
3. ~~The annual "report card" for~~For high ~~schools shall also include~~schools, measures of Advanced Placement course participation and International Baccalaureate Diploma Programme participation and Advanced Placement and International Baccalaureate examination participation and performance."

SECTION 7.26.(b) G.S. 115C-47(58) reads as rewritten:

"(58) To Inform the Public About the North Carolina School Report Cards Issued by the State Board of Education. – Each local board of education shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. Each local board of education shall ensure that the overall school performance score and grade earned by each school in the local school administrative unit for the current and previous four school years is prominently displayed on the Web site of the local school administrative unit. If any school in the local school administrative unit ~~is awarded a~~ earned an overall school performance grade of D or F, the local board of education shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(c) G.S. 115C-83.15 reads as rewritten:

"**§ 115C-83.15. School achievement, growth, performance scores, and grades.**

(a) School Scores and Grades. – The State Board of Education shall award school achievement, growth, and performance scores and an associated performance grade as required by G.S. 115C-12(9)c1., and calculated as provided in this section. The State Board of Education shall enter all necessary data into the Education Value-Added Assessment System (EVAAS) in order to calculate school performance scores and grades.

(b) Calculation of the School Achievement Score. – In calculating the overall school achievement score earned by schools, the State Board of Education shall total the sum of points earned by a school as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall assign points on ~~all of~~ the following ~~indicators that are measured~~measures available for that school:

~~(1)~~a. One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight. For the purposes of this Part, an annual assessment for mathematics shall include any mathematics course with an end-of-course test.

~~(2)~~b. One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.

~~(3)~~c. One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.

d. One point for each percent of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

(2) For schools serving any students in ninth through twelfth grade, the State Board shall assign points on the following measures available for that school:

~~(4)~~a. One point for each percent of students who score at or above proficient on either the Algebra I or Integrated Math I end-of-course ~~test.~~test or, for students who completed Algebra I or Integrated Math I before ninth grade, another mathematics course with an end-of-course test.

~~(5)~~b. One point for each percent of students who score at or above proficient on the English II end-of-course test.

~~(6)~~c. One point for each percent of students who score at or above proficient on the Biology end-of-course test.

~~(7)~~d. One point for each percent of students who complete Algebra II or Integrated Math III with a passing grade.

~~(8)~~e. One point for each percent of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.

~~(9)~~f. One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

~~(10)~~g. One point for each percent of students who graduate within four years of entering high school.

h. One point for each percent of students who progress in achieving English language proficiency.

In calculating the overall school achievement score earned by schools, the State Board of Education shall (i) use a composite approach to weigh the achievement elements based on the number of students measured by any given achievement element and (ii) proportionally adjust the scale to account for the absence of a school achievement element for award of scores to a school that does not have a measure of one of the school achievement elements annually assessed for the grades taught at that school. The overall school achievement score shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(c) Calculation of the School Growth ~~Score.~~Score as a Measure of School Quality and Student Success. – Using EVAAS, the State Board shall calculate the overall growth score earned by ~~schools.~~schools as a measure of school quality and student success. In calculating the total growth score earned by schools, the State Board of Education shall weight student growth on the achievement indicators as provided in subsection (b) of this section that have available growth values. The numerical values used to determine whether a school has met, exceeded, or has not met expected growth shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(d) Calculation of the Overall School Performance Scores and Grades. – The State Board of Education shall use EVAAS to calculate the overall school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. ~~If a school has met expected growth and inclusion of the school's growth score reduces the school's performance score and grade, a school may choose to use the school achievement score solely to calculate the performance score and grade.~~ For all schools, the total school performance score shall be converted to a 100-point scale and used to determine ~~a~~ an overall school performance ~~grade~~grade. The overall school performance grade shall be based on the following ~~scale:~~scale and shall not be modified to add any other designation related to other performance measures, such as a "plus" or "minus":

(1) A school performance score of at least 90 is equivalent to an overall school performance grade of A.

(2) A school performance score of at least 80 is equivalent to an overall school performance grade of B.

(3) A school performance score of at least 70 is equivalent to an overall school performance grade of C.

(4) A school performance score of at least 60 is equivalent to an overall school performance grade of D.

(5) A school performance score of less than 60 points is equivalent to an overall school performance grade of F.

(d1) Establishment of Subgroups of Students. – The State Board shall establish the minimum number of students in a subgroup served by a school that is necessary to disaggregate information on student performance and to determine a subgroup performance score and grade for the following subgroups of students:

(1) Economically disadvantaged students.

(2) Students from major racial and ethnic groups.

(3) Children with disabilities.

(4) English learners.

(d2) Calculation of the School Performance Scores and Grades for Certain Subgroups of Students Served by a School. – In addition to the overall school performance scores and grades awarded under this section, for each school that serves a minimum number of students in a subgroup of students listed in subsection (d1) of this section, the State Board of Education shall use EVAAS to calculate school performance scores and shall determine a corresponding school performance grade for each subgroup using the same method as set forth in subsection (d) of this section. School performance scores for subgroups of students shall not be included in the calculation of the overall school performance scores and grades under subsection (d) of this section.

(d3) Report of Subgroup Performance Scores and Grades. – The subgroup performance scores and grades shall be reported separately on the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8 in a way that provides the following information:

(1) For the current year and the previous two years, the achievement score for each subgroup of students defined in subsection (d1) of this section for the school.

(2) The statewide average achievement score for each subgroup defined in subsection (d1) of this section.

(3) The difference between the achievement score for all students in the school and the achievement score for each subgroup that meets the minimum number of students defined in subsection (d1) of this section.

(4) Based on the information reported in subdivision (3) of this subsection, the State Board shall determine and identify schools that are closing achievement gaps, experiencing a widening of gaps, or seeing no significant gap changes.

(e) Elementary and Middle School Reading and Math Achievement Scores. – For schools serving students in kindergarten through eighth grade, the school achievement scores in reading and mathematics, respectively, shall be reported separately on the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(f) Indication of Growth. – In addition to awarding the overall school scores for achievement, growth, and performance and the performance grade, using EVAAS, the State Board shall designate that a school has met, exceeded, or has not met expected growth. The designation of student growth shall be clearly displayed in the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(g) Access to Annual Report Card Information on the Department's Web Site. – Beginning with data collected in the 2017-2018 school year, the State Board of Education shall provide user-friendly access to the public on the annual report cards issued for local school administrative units and individual schools provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8 through the Department of Public Instruction's Web site. The annual report card shall be designed and organized to display the following information more prominently than any other information:

(1) A summary for each local school administrative unit and for each individual school of the school performance grades, whether the school has met, exceeded, or has not met expected growth, and any other information required to be provided as part of the annual report card.

(2) The percentage of schools receiving an overall school performance letter grade of A, B, C, D, or F earned by each school located within a local school administrative unit and statewide.

(3) The number of schools that have met, exceeded, or have not met expected growth by each school located within a local school administrative unit and statewide.

(4) A Web page for each individual school that prominently displays the school's performance grades, whether the school has met, exceeded, or has not met expected growth, and the school's performance and growth scores in a way that is easy for the user to read.

(5) The ability to easily compare annual report card information, including school performance grades and whether schools have met, exceeded, or have not met expected growth, for local school administrative units and for individual schools for a time span of at least three years."

SECTION 7.26.(d) Part 1B of Article 8 of Chapter 115C of the General Statutes is amended by adding new sections to read:

"**§ 115C-83.16. School performance indicators for the purpose of compliance with federal law.**

The State Board of Education shall use the school performance scores and grades as calculated under G.S. 115C-83.15 to satisfy the federal requirement under the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESSA), P.L. 114-95, to meaningfully differentiate the performance of schools on an annual basis. The State Board shall weigh the measures in accordance with the requirements of G.S. 115C-83.15. For the purpose of compliance with federal law, the indicators shall be defined as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall define the indicators as follows:

a. Academic indicators. –

1. The academic achievement indicator shall include the following measures:

I. Proficiency on annual assessments for mathematics in grades three through eight.

II. Proficiency on annual assessments for reading in grades three through eight.

2. The other academic indicator shall include the following measures:

I. Proficiency on annual assessments for science in grade five.

II. Proficiency on annual assessments for science in grade eight.

3. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

b. School quality and student success indicator. – The measure of school quality and student success shall be the growth score earned by schools.

(2) For schools serving any students in ninth through twelfth grade, the State Board shall define the indicators as follows:

a. Academic indicators. –

1. The academic achievement indicator shall include the following measures:

I. Proficiency on either the Algebra I or Integrated Math I end-of-course test or, for students who completed

Algebra I or Integrated Math I before ninth grade, another mathematics course with an end-of-course test.

II. Proficiency on the English II end-of-course test.

2. The other academic indicator shall include the following measures:

I. Proficiency on the Biology end-of-course test.

II. The percentage of students who complete Algebra II or Integrated Math III with a passing grade.

III. The percentage of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.

IV. The percentage of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

3. The graduation rate indicator shall be the percentage of students who graduate within four years of entering high school.

4. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency.

b. School quality and student success indicator. – The measure of school quality and student success shall be the growth score earned by schools.

"**§ 115C-83.17. Definitions.**

The following definitions apply in this Part:

(1) Achievement score. – A numerical score on a scale of zero to 100 that is based on the sum of points earned by a school or by a subgroup of students pursuant to G.S. 115C-83.15.

(2) Growth score. – A numerical score measuring student growth calculated for a school or for a subgroup of students pursuant to G.S. 115C-83.15.

(3) Overall school performance grade. – The letter grade earned by a school for all students served by a school pursuant to G.S. 115C-83.15(d).

(4) Overall school performance score. – The numerical score earned by a school that is calculated by adding the school achievement score and the school growth score earned by a school pursuant to G.S. 115C-83.15(d).

(5) Subgroup performance grade. – The letter grade earned by a school for a subgroup of students served by the school pursuant to G.S. 115C-83.15(d2).

(6) Subgroup performance score. – The numerical score earned by a school that is calculated by adding the subgroup achievement score and the subgroup growth score earned by a school pursuant to G.S. 115C-83.15(d2)."

SECTION 7.26.(e) G.S. 115C-75.5(5) reads as rewritten:

"(5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37, that meets one of the following criteria:

a. The school ~~received a~~earned an overall school performance score in the lowest five percent (5%) of all schools in the prior school year that meet all of the following requirements:

1. The school includes all or part of grades kindergarten through fifth.

2. The school did not exceed growth in at least one of the prior three school years and did not meet growth in at least one of the prior three school years.
3. One of the models established in G.S. 115C-105.37B for continually low-performing schools had not been adopted for that school for the immediately prior school year.

…."

SECTION 7.26.(f) G.S. 115C-105.37 reads as rewritten:

"**§ 115C-105.37. Identification of low-performing schools.**

(a) Identification of Low-Performing Schools. – The State Board of Education shall identify low-performing schools on an annual basis. Low-performing schools are those that ~~receive a~~earn an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.

…

(b) Parental Notice of Low-Performing School Status. – Each school that the State Board identifies as low-performing shall provide written notification to the parents and guardians of students attending that school within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that the school has ~~"received" a~~earned an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." The statement shall include an explanation of the school performance grades and growth scores.
(2) The school performance grade and growth score ~~received.~~earned.
(3) Information about the preliminary plan developed under subsection (a1) of this section and the availability of the final plan on the local school administrative unit's Web site.
(4) The meeting date for when the preliminary plan will be considered by the local board of education.
(5) A description of any additional steps the school is taking to improve student performance."

SECTION 7.26.(g) G.S. 115C-105.39A reads as rewritten:

"**§ 115C-105.39A. Identification of low-performing local school administrative units.**

(a) Identification of Low-Performing Local School Administrative Units. – The State Board of Education shall identify low-performing local school administrative units on an annual basis. A low-performing local school administrative unit is a unit in which the majority of the schools in that unit that ~~received a~~earned an overall school performance grade and school growth score as provided in G.S. 115C-83.15 have been identified as low-performing schools, as provided in G.S. 115C-105.37.

…

(c) Parental Notice of Low-Performing Local School Administrative Unit Status. – Each local school administrative unit that the State Board identifies as low-performing shall provide written notification to the parents and guardians of all students attending any school in the local school administrative unit within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that a majority of the schools in the local school administrative unit have ~~"received" a~~earned an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and have been identified as low-performing schools as defined by G.S. 115C-105.37." The statement shall also include an explanation of the school performance grades and school growth scores.

(2) The percentage of schools identified as low-performing.

(3) Information about the preliminary plan developed under subsection (b) of this section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the local school administrative unit and schools are taking to improve student performance.

(6) For notifications sent to parents and guardians of students attending a school that is identified as low-performing under G.S. 115C-105.37, a statement that the State Board of Education has found that the school has "~~received a~~earned an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." This notification also shall include the overall school performance grade and school growth score the school ~~received~~earned and an explanation of the school performance grades and school growth scores."

SECTION 7.26.(h) G.S. 115C-218.65 reads as rewritten:

"**§ 115C-218.65. North Carolina School Report Cards.**

A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school ~~is awarded a~~earned an overall school performance grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(i) G.S. 115C-218.94(a) reads as rewritten:

"(a) Identification of Low-Performing Charter Schools. – The State Board of Education shall identify low-performing charter schools on an annual basis. Low-performing charter schools are those that ~~receive a~~earn an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15."

SECTION 7.26.(j) G.S. 115C-238.66(11) reads as rewritten:

"(11) North Carolina School Report Cards. – A regional school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A regional school shall ensure that the overall school performance score and grade earned by the regional school for the current and previous four school years is prominently displayed on the school Web site. If a regional school ~~is awarded a~~earned an overall school performance grade of D or F, the regional school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(k) G.S. 116-239.8(14) reads as rewritten:

"(14) North Carolina school report cards. – A lab school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A lab school shall ensure that the overall school performance score and grade earned by the lab school for the current and previous four school years is prominently displayed on the school Web site. If a lab school ~~is awarded a~~earned an overall school performance grade of D or F, the lab school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(*l*) This section applies beginning with the 2017-2018 school year.

CLARIFY STUDENT CONSENT TO RECEIVE COLLEGE, UNIVERSITY, AND SCHOLARSHIP INFORMATION

SECTION 7.26A. G.S. 115C-401.2(e) reads as rewritten:

"(e) Permissible Operator Actions. – This section does not prohibit an operator from doing any of the following:

…

(6) Using a student's information, including covered information, solely to identify or display information on nonprofit institutions of higher education or scholarship providers to the student if the provider secures the express written consent of the parent or student who is at least 13 years of age given in response to clear and conspicuous notice."

CAREER AND COLLEGE READY LITERACY SKILLS/READING IMPROVEMENT COMMISSION

SECTION 7.26B.(a) High School Diploma Endorsements. – G.S. 115C-12(40) reads as rewritten:

"(40) To Establish High School Diploma Endorsements. – The State Board of Education shall establish, implement, and determine the impact of adding (i) college, (ii) career, and (iii) college and career endorsements to high school diplomas to encourage students to obtain requisite job skills necessary for students to be successful in a wide range of high-quality careers and to reduce the need for remedial education in institutions of higher education. These endorsements shall reflect courses completed, overall grade point average, reading achievement, and other criteria as developed by the State Board of Education. A student shall only receive a high school diploma endorsement if that student receives on a nationally norm-referenced college admissions test for reading, either administered under G.S. 115C-174.11(c)(4) or as an alternative nationally norm-referenced college admissions test approved by the State Board, at least the benchmark score established by the testing organization that represents the level of achievement required for students to have approximately a fifty percent (50%) chance of obtaining a grade B or higher or a seventy-five percent (75%) chance of obtaining a grade C or higher in a corresponding credit-bearing, first-year college course. A student may retake a nationally norm-referenced test as many times as necessary to achieve the required benchmark score for reading in order to receive a high school diploma endorsement prior to the student's graduation. The State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on (i) the impact of awarding these endorsements on high school graduation, college acceptance and remediation, and post-high school employment ~~rates.~~rates; (ii) the number of students who had to retake a nationally norm-referenced college admissions test to meet the reading benchmark score required by this subdivision to receive a high school diploma endorsement; and (iii) the number of students who were not awarded a high school diploma endorsement solely because of the inability to meet the benchmark score for reading as required by this subdivision."

SECTION 7.26B.(b) Reading Improvement Commission. – The Superintendent of Public Instruction shall establish a Reading Improvement Commission (Commission) within the Department of Public Instruction to study and make recommendations on best practices for public schools in the State to improve reading comprehension, understanding, and application for students in grades four through 12 to ensure that students complete high school with literacy skills necessary for career and college readiness. The Commission shall develop recommendations on appropriate methods to monitor student progress and provide appropriate

and timely remediation to students to ensure success on nationally norm-referenced college admissions tests. The Superintendent of Public Instruction may appoint superintendents, principals, reading instructors, representatives from research institutions, and other individuals as determined by the Superintendent to the Commission. Of the funds appropriated to the Department of Public Instruction for the 2017-2018 fiscal year, the Superintendent of Public Instruction may use up to two hundred thousand dollars ($200,000) in nonrecurring funds for the 2017-2018 fiscal year for the work of the Reading Improvement Commission. The Superintendent may also use these funds to contract with an independent research organization to assist in the study. The Superintendent of Public Instruction shall report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the State Board of Education on the study, including any findings and recommendations, no later than January 15, 2019. The State Board of Education may use the findings and recommendations to inform the State Board's policies and may submit additional comments on the report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives no later than February 15, 2019.

SECTION 7.26B.(c) Subsection (a) of this section applies beginning with high school diploma endorsements awarded in the 2019-2020 school year.

NATIONALLY NORM-REFERENCED COLLEGE ADMISSIONS TEST

SECTION 7.26C.(a) G.S. 115C-174.11(c)(4) reads as rewritten:

"(4) To the extent funds are made available, the State Board of Education shall ~~plan for and require the administration of the ACT test for~~ use a competitive bid process to adopt one nationally norm-referenced college admissions test to make available to local school administrative units, regional schools, and charter schools to administer to all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board. The State Board of Education shall require the administration of an alternate to the ~~ACT~~ nationally norm-referenced college admissions test or an alternate ~~to the PLAN~~ precursor test ~~to the ACT~~to the nationally norm-referenced college admissions test to a student who (i) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors, including communication, daily living skills, and self-care, (ii) is following the extended content standards of the Standard Course of Study as provided in G.S. 115C-81, or is following a course of study that, upon completing high school, may not lead to admission into a college-level course of study resulting in a college degree, and (iii) has a written parental request for an alternate assessment.

The State Board of Education shall ensure that parents of students enrolled in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ~~ACT and the PLAN precursor test to the ACT.~~nationally norm-referenced college admissions test and precursor test.

Alternate assessment and ~~ACT~~nationally norm-referenced college admissions test assessment results of students with disabilities shall be included in school accountability reports, including charter and regional schools, provided by the State Board of Education."

SECTION 7.26C.(b) G.S. 115C-174.22 reads as rewritten:

"**§ 115C-174.22. Tools for student learning.**

To the extent funds are made available for this purpose, and except as otherwise provided in G.S. 115C-174.11(c)(4), the State Board shall plan for and require the administration of diagnostic tests in the eighth and tenth grades that align to the ~~ACT test in order~~ nationally

norm-referenced college admissions test adopted by the State Board through the competitive bid process pursuant to G.S. 115C-174.11(c)(4). The results of the tests shall be used to help diagnose student learning and provide for students an indication of whether they are on track to be remediation-free at a community college or university."

SECTION 7.26C.(c) The State Board of Education shall solicit bids through a competitive bid process to adopt one nationally norm-referenced college admissions test as required by G.S. 115C-174.11(c)(4), as amended by subsection (a) of this section, to be administered beginning with the 2019-2020 school year. The State Board of Education shall report on the results of the competitive bid process to the Joint Legislative Education Oversight Committee and the Fiscal Research Division no later than May 15, 2019.

SECTION 7.26C.(d) Subsections (a) and (b) of this section apply beginning with the 2019-2020 school year.

NORTH CAROLINA INNOVATIVE SCHOOL DISTRICT

SECTION 7.26E.(a) Article 7A of Chapter 115C of the General Statutes reads as rewritten:

"Article 7A.

"~~Achievement~~ North Carolina Innovative School District and Innovation Zones.

"**§ 115C-75.5. Definitions.**

The following definitions apply in this Article:

(1) ~~Achievement~~ Innovative school. – A qualifying school selected by the State Board of Education under the supervision of the ~~Achievement~~ North Carolina Innovative School District.

(2) ~~Achievement~~ North Carolina Innovative School District or ~~ASD.~~ISD. – The statewide school unit established pursuant to this Article.

(3) ~~Achievement~~ Innovative school operator or ~~AS~~ IS operator. – An entity selected by the State Board of Education upon the recommendation of the ~~ASD~~ ISD Superintendent to operate an ~~achievement~~ innovative school. The Department of Public Instruction may not be selected as an ~~AS~~ IS operator.

(4) ~~ASD~~ISD Superintendent. – The superintendent of the ~~ASD~~ISD appointed by the Superintendent of Public Instruction in accordance with ~~G.S. 115C-75.6(b).~~G.S. 115C-75.6.

(5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37, that meets one of the following criteria:

…

b. The school received a school performance score in the lowest ten percent (10%) of all schools that include all or part of grades kindergarten through fifth in the prior school year and has been designated by the local board of education for consideration by the State Board of Education as an ~~achievement~~innovative school.

"**§ 115C-75.6. ~~Achievement~~North Carolina Innovative School District.**

(a) There is established the ~~Achievement~~North Carolina Innovative School District ~~(ASD)~~(ISD) under the administration of the State Board of Education and the Superintendent of Public Instruction. The ~~ASD~~ISD shall assume the supervision, management, and operation of elementary and secondary schools ~~that have been selected~~ as ~~achievement~~innovative schools ~~pursuant to~~as provided in this Article. For the purposes of federal law and administration of State law, the ISD shall be considered a local school administrative unit.

(b) Repealed by Session Laws 2016-126, s. 15.

(c) The Superintendent of Public Instruction shall appoint a superintendent to serve as the executive officer of the ~~ASD.~~ISD. The ~~ASD~~ISD Superintendent shall serve at the pleasure of the Superintendent of Public Instruction at a salary established by the Superintendent of Public Instruction within the funds appropriated for this purpose. The ~~ASD~~ISD Superintendent

shall have qualifications consistent with G.S. 115C-271(a) and report directly to the Superintendent of Public Instruction.

(d) By January 15 annually, the State Board of Education, Superintendent of Public Instruction, and the ~~ASD~~ISD Superintendent shall report to the Joint Legislative Education Oversight Committee on all aspects of operation of ~~ASD,~~the ISD, including the selection of ~~achievement~~innovative schools and their progress.

"**§ 115C-75.7. Selection of ~~achievement~~ innovative schools.**

(a) State Board Selection. – The State Board of Education is authorized to select, upon the recommendation of the ~~ASD~~ ISD Superintendent, no more than five qualifying elementary schools to transfer to the ~~ASD~~ ISD as ~~achievement~~ innovative schools. The five qualifying schools selected for inclusion in the ~~ASD~~ ISD should represent geographic diversity, including urban and rural schools. The State Board of Education shall select no more than one qualifying school per local school administrative unit, unless the local board of education consents.

(b) Selection Process. – The selection of qualifying schools shall be based on an analysis of performance over the most recent three-year period. Prior to recommendation of selection of a qualifying school, the ~~ASD~~ ISD Superintendent shall conduct an evaluation of the school to determine the factors contributing to the school's performance and shall confer with the school principal, local board of education members, the local school superintendent, and the local board of county commissioners to share the findings of the evaluation. The school selection process shall also include a public hearing to allow for parent and community input. The ~~ASD~~ ISD Superintendent shall evaluate and identify the qualifying schools to recommend for selection as prospective ~~achievement~~ innovative schools no later than ~~November~~October 15 prior to the initial school year in which the school may operate as an ~~achievement~~ innovative school and shall notify the local boards of education where prospective ~~achievement~~ innovative schools are located by that date. The State Board of Education shall select the prospective ~~achievement~~ innovative schools no later than ~~January~~December 15.

(c) Local Board Response. – Upon notification by the ~~ASD~~ ISD Superintendent of selection by the State Board of Education of the qualifying school as a prospective ~~achievement~~ innovative school, the local board of education shall determine whether to (i) close the selected qualifying school or (ii) transfer the school into the ~~ASD.~~ ISD. The local board shall not be required to undertake the study required by G.S. 115C-72 before closing the school. Before the adoption of a resolution, the local board of education shall provide for a public hearing in regard to the proposed transfer or closure, at which hearing the public shall be afforded an opportunity to express their views. No later than ~~March~~February 1, the local board of education shall adopt a resolution either (i) consenting to transfer of the selected qualifying school to the ~~ASD~~ ISD as an ~~achievement~~ innovative school or (ii) closing that school at the conclusion of that school year. The State Board of Education may delay the transfer of a selected school to the ~~ASD~~ ISD for one year only upon the recommendation of the ~~ASD~~ ISD Superintendent.

(d) Public Notification. – The list of qualifying schools and selected ~~achievement~~ innovative schools shall be made publically available on a Web site maintained by the ~~ASD.~~ISD.

(e) Waivers for ~~Achievement~~ Innovative Schools. – The ~~ASD~~ ISD Superintendent may ~~waive~~request a waiver from the State Board of Education of State Board of Education rules, regulations, policies, and procedures, or the provisions of this Chapter for ~~achievement~~ innovative schools; however, ~~achievement~~ innovative schools shall be required to comply with, at a minimum, the statutory requirements for charter schools as provided in Article 14A of this Chapter. The goal for each waiver shall be improvement of student performance. All ~~achievement~~innovative schools shall comply with all applicable constitutional and statutory nondiscrimination requirements. Notwithstanding G.S. 115C-105.26, the State Board of Education may grant a requested waiver of State laws or rules for an innovative school pursuant to this subsection, except for a waiver of State laws or rules applicable to children with disabilities and any of the other requirements set forth in this subsection.

"**§ 115C-75.8. Selection of ~~AS~~ IS operators.**

(a) The State Board of Education may select an ~~AS~~ IS operator for a prospective ~~achievement~~ innovative school by January 15 and shall select an ~~AS~~ IS operator for a prospective school no later than February 15.

(b) Upon the recommendation of the ~~ASD~~ ISD Superintendent, the State Board of Education shall only select an entity to contract as an ~~AS~~ IS operator if that entity demonstrates one of the following:

(1) The entity has a record of results in improving performance of persistently low-performing schools or improving performance of a substantial number of persistently low-performing students within a school or schools operated by the entity in this State or other states.

(2) The entity has a credible and specific plan for dramatically improving student achievement in a low-performing school and provides evidence that the entity, or a contractual affiliate of such an entity, is either currently operating a school or schools in this State that provide students a sound, basic education or demonstrating consistent and substantial growth toward providing students a sound, basic education in the prior three school years.

(c) The selected ~~AS~~ IS operator is encouraged to hold public informational sessions and other outreach to the community, prospective ~~achievement~~ innovative school, and local board of education of a prospective ~~achievement~~ innovative school prior to a local board's adoption of the resolution required by G.S. 115C-75.7(c).

(d) The contract between the State Board of Education and ~~AS~~ IS operator shall require, as a minimum, that the ~~AS~~ IS operator meet the same requirements as established for charter schools in the following statutes:

(1) G.S. 115C-218.20 (Civil liability and insurance requirements).

(2) G.S. 115C-218.25 (Open meetings and public records).

(3) G.S. 115C-218.30 (Accountability; reporting requirements to State Board of Education).

(4) G.S. 115C-218.50 (Charter school nonsectarian).

(5) G.S. 115C-218.55 (Nondiscrimination in charter schools).

(6) G.S. 115C-218.60 (Student discipline).

(7) G.S. 115C-218.65 (North Carolina School Report Cards).

(8) G.S. 115C-218.75 (General operating requirements).

(9) G.S. 115C-218.85 (Course of study requirements).

"**§ 115C-75.9. Management of ~~achievement~~ innovative schools.**

(a) Direct Management by ~~AS~~ IS Operator. – An ~~achievement~~ innovative school shall be subject to direct management by an ~~AS~~ IS operator selected by the State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent, for a five-year contract.

(b) Role of ~~AS~~ IS Operator. – The ~~AS~~ IS operator shall be authorized to have a direct role in making decisions about school finance, human capital, and curriculum and instruction for the ~~achievement~~ innovative school while developing the leadership capacity in such schools.

(c) Assignment to ~~Achievement~~ Innovative Schools. – All ~~achievement~~ innovative schools shall remain open to enrollment in the same manner with the same attendance zone as prior to becoming an ~~achievement~~ innovative school. If a local board of education's reassignment of students within the local school administrative unit due to student population changes or openings or closures of other schools impacts the ~~achievement~~ innovative school, the ~~AS~~ IS operator may appeal to the ~~ASD~~ ISD Superintendent and request a hearing before the State Board of Education regarding the reassignment. Notwithstanding G.S. 115C-366, the State Board of Education shall, after hearing from both the local board of education and ~~AS~~ IS operator, determine whether the reassignment of students impacting the ~~achievement~~ innovative school may proceed.

(d) Facility and Capital Expenditures. – Facility and capital expenditures shall be provided as follows:

(1) In addition to the transfer of funds as provided in G.S. 115C-75.10, the local board of education shall be responsible for facility and capital expenditures at the qualifying school.

(2) All ~~AS-~~IS operators and local boards of education shall enter into an occupancy agreement establishing the terms of occupancy for the ~~AS-~~IS operator not otherwise addressed in statute. If the parties are unable to reach agreement, either party may petition the State Board of Education to resolve any issues in dispute.

(3) The ~~AS-~~IS operator shall have first priority in use of the facility for any purpose related to the operation of the ~~achievement-~~innovative school. The local board of education may allow use of the facility by governmental, charitable, civic, or other organizations for activities within the community and may retain any funds received for such use for any time the ~~AS-~~IS operator has not provided written notice to the local board of its use of the facility during that time for a purpose related to the operation of the ~~achievement-~~innovative school.

For the purposes of this subsection, facility and capital expenditures include routine maintenance and repair, and capital expenditures include building repair and maintenance, furniture, furnishings, and equipment.

(e) Transportation. – The local board of education shall provide transportation of all students assigned to the ~~achievement-~~innovative school in the same manner as provided for other schools in the local school administrative unit in that school year.

(f) Memorandums of Understanding for Alternate Arrangements. – Notwithstanding this section, the ~~AS-~~IS operator, in consultation with the ~~ASD-~~ISD Superintendent, may elect to enter into a memorandum of understanding for alternate arrangements with the local board of education to address any of the following:

(1) Facility and capital expenditures.

(2) Transportation services.

(3) Services for Children with Disabilities.

If the ~~AS-~~IS operator elects to use a memorandum of understanding for alternate arrangements, the ~~AS-~~IS operator and local board of education shall finalize the memorandum of understanding within 30 days of the initial request by the ~~AS-~~IS operator. If the parties have not completed the memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

(g) Student Records. – The local board of education shall make available in a timely fashion all student records to the ~~achievement-~~innovative school at no cost for all students of that school.

(h) ~~Achievement-~~Innovative School Employees. – The ~~AS-~~IS operator shall select and hire the school principal for an ~~achievement-~~innovative school. Within the limits of the school budget, the ~~AS~~IS operator or its designee shall select staff members in accordance with guidance from the ~~ASD~~ISD Superintendent. Before finalizing staffing recommendations, the ~~AS~~IS operator and the ~~ASD~~ISD Superintendent or the Superintendent's designee shall interview all existing staff members at the qualifying school and review student growth and performance data for those staff members for whom it is available. Notwithstanding Article 21A of this Chapter, the ~~AS~~IS operator and the ~~ASD~~ISD Superintendent shall be permitted to examine personnel files of existing staff members for the qualifying school. The ~~AS~~IS operator shall have the authority to decide whether any administrator, teacher, or staff member previously assigned to a qualifying school selected to become an ~~achievement~~innovative school shall continue as an employee of the ~~achievement~~innovative school. Any such employees retained shall become employees of the ~~ASD.~~ISD. An employee hired to work in an ~~achievement~~innovative school shall be an employee of the ~~ASD,~~ISD, and the employees shall

be under the exclusive control of the ~~ASD.~~ISD. All employees of the ~~ASD~~ISD shall be eligible for enrollment in the Teachers' and State Employees' Retirement System of North Carolina, the State Health Plan, and other benefits available to State employees. The ~~AS~~IS operator shall provide funds to the ~~ASD~~ISD in an amount sufficient to provide salary and benefits for employees of the ~~ASD~~ISD working in the ~~achievement~~innovative school based on the terms of employment established by the ~~AS~~IS operator.

(i) Criminal History Checks. – The State Board of Education shall require applicants for employment with the ~~ASD~~ ISD to be checked for criminal histories using the process provided in G.S. 115C-297.1. The State Board of Education shall provide the criminal history it receives to the ~~ASD~~ ISD Superintendent and ~~AS~~ IS operator.

(j) Employees of Local Board of Education. – The transfer of a qualifying school shall be deemed a reorganization of the local school administration unit resulting in a reduction in force. If an employee is not given the option to continue as an employee for the ~~achievement~~ innovative school, the local board of education may, in its discretion, do any of the following:

(1) Continue the employee's employment with the local board of education.

(2) Dismiss the employee due to a reduction in force as provided in Article 22 of this Chapter.

(3) Dismiss the employee as otherwise provided in Article 22 of this Chapter.

(k) Liability Insurance. – The ~~AS~~ IS operator shall maintain reasonable amounts and types of liability insurance as established by the State Board of Education. No civil liability shall attach to the State Board of Education, the Department of Public Instruction, the ISD Superintendent, or a local board of education or to any of ~~its~~their members or employees, individually or collectively, for any acts or omissions of the ~~AS~~ IS operator.

(l) School Nutrition Program. – The ~~achievement~~ innovative school shall participate in the National School Lunch Program, as provided in G.S. 115C-264.

(m) Cooperation with ~~ASD~~ ISD Superintendent. – The local board of education shall cooperate with the ~~ASD~~ ISD Superintendent in carrying out his or her powers and duties as necessary in accordance with this Chapter.

"**§ 115C-75.10. ~~Achievement~~ Innovative schools funds.**

(a) Funding Allocation Selection. – State and local funding for an ~~achievement~~ innovative school shall be allocated as provided in subsection (b) or subsection (c) of this section. The ~~AS~~ IS operator shall select one of the allocation methods as the method to be used for the ~~achievement~~ innovative school.

(b) Designated Funding. – Funding shall be allocated to the ~~ASD~~ ISD for the ~~achievement~~ innovative school by the State Board of Education and local board of education as follows:

(1) The State Board of Education shall allocate the following to the ~~ASD~~ ISD for each ~~achievement~~ innovative school:

a. An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the ~~achievement~~ innovative school was located for each child attending the ~~achievement~~ innovative school except for the allocations for (i) children with disabilities, (ii) children with limited English proficiency, and (iii) transportation. The State Board of Education shall provide the allocation for transportation to the local school administrative unit in which the ~~achievement~~ innovative school is located.

b. An additional amount for each child attending the ~~achievement~~ innovative school who is a child with disabilities.

c. An additional amount for children with limited English proficiency attending the ~~achievement~~ innovative school, based on a formula adopted by the State Board of Education.

(2) The local school administrative unit in which the ~~achievement~~ innovative school is located shall transfer to the ~~ASD~~ ISD for the ~~achievement~~ innovative school an amount equal to the per pupil share of the local current expense fund of the local school administrative unit for the fiscal year. The per pupil share of the local current expense fund shall be transferred to the ~~ASD~~ ISD for the ~~achievement~~ innovative school within 30 days of the receipt of monies into the local current expense fund. The local school administrative unit and ~~ASD~~ ISD may use the process for mediation of differences between the State Board of Education and a charter school provided in G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share of the local current expense fund. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to an ~~achievement~~ innovative school located in the tax district for which these taxes are levied and in which the student resides. The local school administrative unit shall also provide the ~~ASD~~ ISD with all of the following information within the 30-day time period provided in this subsection:

a. The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).
b. The student membership numbers used to calculate the per pupil share of the local current expense fund.
c. How the per pupil share of the local current expense fund was calculated.
d. Any additional records requested by the ~~ASD~~ ISD from the local school administrative unit in order for the ~~ASD~~ ISD to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

(c) Funding Memorandum of Understanding. – The ~~AS~~ IS operator, in consultation with the ~~ASD~~ ISD Superintendent, may enter into a funding memorandum of understanding with the local board of education of the local school administrative unit where the ~~achievement~~ innovative school is located for all student support and operational services and instructional services to be provided by the local board of education in the same manner and degree as in the prior school year or funding in an amount equivalent to the amount the local board of education would have expended on those services if provided. For the purposes of this subsection, student support and operational services include cafeteria services, custodial services, broadband and utilities, and student information services, and instructional services include alternative education, special education services, test administration services, textbooks, technology, media resources, instructional equipment, and other resources. The ~~AS~~ IS operator and local board of education shall finalize the funding memorandum of understanding within 30 days of the initial request for the memorandum by the ~~AS~~ IS operator. If the parties have not completed the funding memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

(d) The ~~ASD~~ ISD may seek, manage, and expend federal money and grants, State funding, and other funding with the same authority as a local school administrative unit, including decisions related to allocation of State funds among ~~achievement schools.~~innovative schools, and shall be considered a local school administrative unit for all federal funding purposes.

"**§ 115C-75.11. Accountability and governance for ~~achievement~~ innovative schools.**

(a) The ~~AS~~ IS operator shall set clear goals related to higher academic outcomes for students, safe and positive learning environments for children, parent and community engagement, and the efficient and effective use of taxpayer dollars, empower and equip teachers and school leaders to meet the goals, and hold such teachers and school leaders

accountable to meet the goals. The ~~AS~~ IS operator shall apply to the ~~ASD~~ ISD Superintendent for appropriate waivers for the ~~achievement~~ innovative school pursuant to G.S. 115C-75.7(e).

(b) The ~~AS~~ IS operator shall select, approve, or remove the school principal of an ~~achievement~~ innovative school that it is managing in accordance with this Article.

(c) The ~~AS~~ IS operator shall enter into an agreement with the school principal regarding specific goals for the ~~achievement~~ innovative school related to higher academic outcomes for students, safe and positive learning environments for children, parent and community engagement, and the efficient and effective use of taxpayer dollars. The agreement shall be made publicly available on the ~~ASD~~ ISD Web site.

(d) An ~~achievement~~ innovative school shall not be included in any State evaluation or performance models used for the local school administrative unit in which the school is located but shall be considered a part of the ~~ASD~~ ISD for all evaluation purposes.

"**§ 115C-75.12. Term of supervision for an ~~achievement~~ innovative school.**

(a) An ~~achievement~~ innovative school shall remain under the supervision of the ~~ASD~~ ISD for a minimum of five consecutive years through a contract with an ~~AS~~ IS operator. The following shall apply to the term of a contract with an ~~AS~~ IS operator of an ~~achievement~~ innovative school:

(1) Early termination of contract based on performance. – If, during the five-year contract, the ~~achievement~~ innovative school's annual percentage growth does not exceed the average annual percentage growth of other qualifying schools for three consecutive years, the State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent, may terminate the contract at the conclusion of the academic year and select another ~~AS~~ IS operator in accordance with G.S. 115C-75.8 to assume the remainder of the five-year contract and any occupancy agreements or memorandums of understanding with the local board of education at the beginning of the next academic year.

(2) Nonrenewal of contract based on performance. – If, by the end of the five-year contract, the ~~achievement~~ innovative school's average annual percentage growth during the term of the contract does not exceed the average annual percentage growth of other qualifying schools during the same term, the State Board of Education shall not renew the contract of the ~~AS~~ IS operator and develop a transition plan to return the school to the local school administrative unit.

(3) State Board of Education optional extension of contract for three years. – If, by the end of the five-year contract, the ~~achievement~~ innovative school remains a qualifying school but has exceeded the average annual percentage growth of other qualifying schools and has shown growth over the term of the contract, the State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent in his or her discretion, may continue the contract with the ~~AS~~ IS operator for an additional three-year term. The ~~ASD~~ ISD Superintendent and ~~AS~~ IS operator shall engage the school, the school community, and the school's local board of education in developing a transition plan for the school to leave the supervision of the ~~ASD~~ ISD at the conclusion of the three-year extension of the contract. If the State Board of Education does not elect to continue the contract, the State Board of Education may do any of the following:
   a. Select another ~~AS~~ IS operator for a three-year contract.
   b. Close the school as provided in subdivision (2) of this subsection.
   c. Develop a transition plan to return the school to the local school administrative unit for the next school year.

(4) ~~AS~~ IS operator option to extend contract for three years. – If, by the end of the five-year contract, the ~~achievement~~ innovative school receives a grade of

C or higher under G.S. 115C-12(9)c1., the ~~AS~~ IS operator shall have the option to extend the contract for another three-year term. The ~~ASD~~ ISD Superintendent and ~~AS~~ IS operator shall engage the school, the school community, and the school's local board of education in developing a transition plan for the school to leave the supervision of the ~~ASD~~ ISD at the conclusion of the three-year extension of the contract. Options at the conclusion of the contract shall include the following:

a. Conversion to charter. – If, in the development of the transition plan, a local board of education indicates by resolution to the State Board of Education that the local board of education elects to not receive the transfer of the ~~achievement~~ innovative school back to the local school administrative unit, the ~~AS~~ IS operator may apply to convert the school to a charter school under Article 14A of this Chapter. If a charter is awarded, the charter board of directors may request to use the facility as provided in G.S. 115C-218.35. If the ~~AS~~ IS operator does not seek conversion to a charter school or fails to receive a charter, the State Board of Education may close the school as provided in subdivision (2) of this subsection.

b. Alternate as operator or return to local school administrative unit. – If the ~~AS~~ IS operator does not elect to continue the contract, the State Board of Education may select another ~~AS~~ IS operator for a three-year contract or may develop a transition plan to return the school to the local school administrative unit for the next school year.

(5) Termination of contract on other grounds. – The State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent, may terminate a contract with an ~~AS~~ IS operator at any time during the contract for financial mismanagement, noncompliance with federal or State laws, failure to comply with the terms of the contract, or evidence of criminal activity. The State Board of Education shall develop a transition plan to return the school to the local school administrative unit.

(b) An ~~achievement~~ innovative school shall remain under the supervision of the ~~ASD~~ ISD for no more than eight years.

(c) The State Board of Education shall make all decisions related to contracts for ~~AS~~ IS operators no later than May 1, except as provided in subdivision (5) of subsection (a) of this section.

"**§ 115C-75.13. Innovation zones.**

(a) If a local board of education transfers a qualifying school to the ~~ASD,~~ISD, the local board of education may ask the State Board of Education to be allowed to create an innovation zone (i) for up to three continually low-performing schools within its local school administrative ~~unit.~~or (ii) if the local school administrative unit has more than thirty-five percent (35%) of the schools identified in the unit as low-performing, for all of the low-performing schools located in the unit.

The State Board of Education shall ~~grant~~grant, upon recommendation of the ISD Superintendent, such requests for the creation of an innovation zone. The State Board of Education shall also authorize the local board of education the flexibility to operate the schools within the innovation zone with the same exemptions from statutes and rules as a charter school authorized under Article 14A of this Chapter and with exemptions from local board of education policies as needed to ensure autonomy under the guidance of the innovation zone office for financial, programmatic, staffing, and time allocation decisions.

(b) The innovation zone created by a local board of education must include all of the following:

(1) Development of a clear and specific plan for improving schools within the innovation zone.

(2) Establishment of an innovation zone office with a leader recommended by the ISD Superintendent to be appointed by the local board of education and approved by the State Board of Education to govern and lead the schools in the innovation zone.

(3) Attraction of high-quality staff at schools in the innovation zone through the use of incentives, favorable working conditions, and development of partnerships to develop human capital.

(4) Accountability for those schools based on established benchmarks and goals for student achievement and for support services provided by the local school administrative unit based on metrics established by the innovation zone office for effective and efficient delivery.

(5) Support for those schools by the innovation zone office to ensure priority in services from the local school administrative unit, pursuit of outside funding, and technical support, including support from external partners.

(c) A local board of education may maintain an innovation zone created as provided in subsection (a) for up to five consecutive years. The State Board of Education may terminate the innovation zone as follows:

(1) Early termination of innovation zone based on performance. – If, during the five-year period, the average of the annual percentage growth of the schools within the innovation zone does not exceed the average annual percentage growth of other continually low-performing schools for three consecutive years, the State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent, may terminate the innovation zone at the conclusion of the academic year.

(2) Nonrenewal of innovation zone based on performance. – If, by the end of the five-year period, the average annual percentage growth of the schools within the innovation zone over the five-year period does not exceed the average annual percentage growth of other continually low-performing schools during the same term, the State Board of Education shall not permit the local board of education to continue the innovation zone.

(3) State Board of Education optional extension of innovation zone for three years. – If, by the end of the five-year period, the schools within the innovation zone remain continually low-performing schools but have exceeded the average annual percentage growth of other continually low-performing schools, the State Board of Education, upon the recommendation of the ~~ASD~~ ISD Superintendent in his or her discretion, may allow continuation of the innovation zone for an additional three years.

(4) Local board of education option to extend innovation zone for three years. – If, by the end of the five-year period, the schools within the innovation zone receive a grade of C or higher under G.S. 115C-12(9)c1., the local board of education shall have the option to extend the innovation zone for another three years.

(d) A low-performing school in an innovation zone, created as provided in clause (ii) of subsection (a) of this section, shall become an innovative school if that low-performing school does not exceed expected growth in the last two years of the five consecutive years in the innovation zone."

SECTION 7.26E.(b) G.S. 115C-105.37A(d) reads as rewritten:

"(d) The State Board of Education shall report annually to the Superintendent of the ~~Achievement~~ North Carolina Innovative School District on any schools identified under this section as qualifying schools as defined in G.S. 115C-75.5 for consideration to be selected as ~~achievement~~ innovative schools in accordance with Article 7A of this Chapter."

SECTION 7.26E.(c) G.S. 115C-321(a)(5) reads as rewritten:

"(5) An ~~achievement~~ innovative school operator and the Superintendent of the ~~Achievement~~ North Carolina Innovative School District if the school where the individual is employed has been selected as an ~~achievement~~ innovative school as provided in Article 7A of this Chapter."

SECTION 7.26E.(d) Section 4 of S.L. 2016-110 reads as rewritten:

"**SECTION 4.** Evaluation of the ~~Achievement~~ Innovative School District and Other Innovation Models. – The State Board of Education shall contract during the ~~2016-2017~~2017-2018 school year with an independent research organization to evaluate the implementation and effectiveness of the following:

(1) The ~~Achievement~~ Innovative School District in turning around low-performing schools beginning with the ~~2017-2018~~2018-2019 school year through the ~~2021-2022~~2022-2023 school year, including the innovation zone established in Section 4.5 of this act. The State Board of Education shall require ~~AS~~ IS operators to provide the independent research organization with requested data to conduct the evaluation. The independent research organization shall include an analysis on the impact of public versus private funding in the effectiveness of the ~~Achievement~~ Innovative School District.

(2) Innovation zones in turning around low-performing schools beginning with the ~~2016-2017~~2017-2018 school year through the ~~2021-2022~~2022-2023 school year. The State Board of Education shall require local boards of education granted innovation zones to provide the independent research organization with requested data to conduct the evaluation.

The independent research organization shall report its interim findings to the State Board of Education annually no later than February 15, beginning in ~~2017,~~2018, and shall submit a final report no later than February 15, ~~2023.~~2024. The State Board of Education shall provide the report of the independent research commission, along with any recommended legislative changes, to the Joint Legislative Education Oversight Committee annually no later than March 1, beginning in ~~2017~~2018 until submission of the final report in ~~2023.~~2024."

SECTION 7.26E.(e) Section 6 of S.L. 2016-110 reads as rewritten:

"**SECTION 6.** It is the intent of the General Assembly to appropriate to the Department of Public Instruction four hundred fifty thousand dollars ($450,000) for the 2017-2018 fiscal year and annually thereafter for innovation zone model grants. Upon appropriation of funds, the State Board of Education ~~shall~~shall, upon recommendation of the ISD Superintendent, award innovation zone model grants of up to one hundred fifty thousand dollars ($150,000) per fiscal year for five years to local boards of education who (i) have been authorized to adopt the innovation zone model by the State Board of Education for up to three schools or for a local school administrative unit with more than thirty-five percent (35%) of schools within the unit identified as low-performing and (ii) provide a dollar-for-dollar match with non-State funding for the requested grant amount. Innovation zone model grants shall be directed by local boards of educations to the innovation zone office to address specific issues in innovation zone schools."

SECTION 7.26E.(f) Section 8 of S.L. 2016-110 reads as rewritten:

"**SECTION 8.** This act is effective when it becomes law and supervision of ~~achievement~~ innovative schools by the ~~Achievement~~ Innovative School District shall begin with the ~~2017-2018~~2018-2019 school year. In the discretion of the State Board of Education (i) the ~~ASD~~ ISD Superintendent may not be required during the ~~2016-2017~~2017-2018 school year to recommend qualifying schools for inclusion in the ~~ASD~~ ISD for the ~~2017-2018~~2018-2019 school year and (ii) the time line for selection of ~~achievement~~ innovative schools for the ~~2017-2018~~2018-2019 school year provided in G.S. 115C-75.7 may be varied, but in no event may the local board of education's decision occur later than April 1, ~~2017.~~2018. The State Board of Education may select up to five qualifying schools to transfer to the ~~ASD~~ ISD beginning with the ~~2017-2018~~2018-2019 school year but shall select at least two qualifying

schools to transfer to the ~~ASD~~ ISD no later than the ~~2018-2019~~2019-2020 school year and shall have selected five qualifying schools for transfer to the ~~ASD~~ ISD no later than the ~~2019-2020~~2020-2021 school year."

READ TO ACHIEVE DIAGNOSTIC CHANGES

SECTION 7.27.(a) G.S. 115C-83.6 reads as rewritten:

"**§ 115C-83.6. Facilitating early grade reading proficiency.**

(a) Kindergarten, first, second, and third grade students shall be assessed with valid, reliable, formative, and diagnostic reading assessments made available to local school administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a). Difficulty with reading development identified through administration of formative and diagnostic assessments shall be addressed with instructional supports and services. Parents or guardians of first and second grade students demonstrating reading comprehension below grade level as identified through assessments administered pursuant to this subsection shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student identified as demonstrating reading comprehension below grade level shall make the final decision regarding a student's reading camp attendance.

(a1) ~~To the greatest extent possible, kindergarten~~ Kindergarten through third grade reading assessments shall yield data that can be used with the Education Value-Added Assessment System ~~(EVAAS), or a compatible and comparable system approved by the State Board of Education,~~ (EVAAS) to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them.

(b) Formative and diagnostic assessments and resultant instructional supports and services shall address oral language, phonological and phonemic awareness, phonics, vocabulary, fluency, and comprehension using developmentally appropriate practices. These assessments may be administered by computer or other electronic device.

(c) Local school administrative units are encouraged to partner with community organizations, businesses, and other groups to provide volunteers, mentors, or tutors to assist with the provision of instructional supports and services that enhance reading development and proficiency."

SECTION 7.27.(b) By October 1, 2017, the State Superintendent shall issue a Request for Proposals (RFP) to vendors of diagnostic reading assessment instruments to provide one or more valid, reliable, formative, and diagnostic reading assessment instrument or instruments for use pursuant to G.S. 115C-174.11. At a minimum, the diagnostic reading assessment instrument or instruments provided by the selected vendor shall meet all of the following criteria:

(1) Yield data that can be used with the Education Value-Added Assessment System (EVAAS).

(2) Demonstrate close alignment with student performance on State assessments, including all assessments required in kindergarten through third grade by Part 2 of Article 10A of Chapter 115C of the General Statutes.

(3) Demonstrate high rates of predictability as to student performance on State assessments, including all assessments required in kindergarten through third grade by Part 2 of Article 10A of Chapter 115C of the General Statutes.

SECTION 7.27.(c) The State Superintendent shall form and supervise an Evaluation Panel to review the proposals received pursuant to the RFP issued in accordance with subsection (b) of this section. The Evaluation Panel shall be composed of persons employed within the Department of Public Instruction. By March 1, 2018, the Evaluation Panel, with the approval of the State Superintendent, shall select one vendor to provide the assessment instrument or instruments for the 2018-2019 school year. In determining which vendor to select, the Evaluation Panel shall consider, at a minimum, all of the following factors:

(1) The time required to conduct formative and diagnostic assessments with the intention of minimizing the impact on instructional time.

(2) The level of integration of assessment results with instructional support for teachers and students.

(3) The timeliness in reporting assessment results to teachers and administrators.

(4) The ability to provide timely assessment results to parents and guardians.

SECTION 7.27.(d) Subsection (a) of this section applies beginning with the 2018-2019 school year.

REIMBURSE INITIAL TEACHER LICENSURE FEE FOR CERTAIN NC TEACHING GRADUATES

SECTION 7.28.(a) G.S. 115C-296 is amended by adding a new subsection to read:

"(a4) Notwithstanding subsection (a2) of this section, the State Board of Education shall reimburse the initial teacher licensure application fee for the first time an applicant submits an application for teacher licensure, if the applicant meets all of the following requirements:

(1) The applicant is a graduate of an approved educator preparation program located in North Carolina.

(2) The applicant has successfully earned an initial teaching license in North Carolina.

The State Board shall issue reimbursement to the applicant within 30 days of the date the applicant successfully earns an initial teaching license in North Carolina."

SECTION 7.28.(b) This section applies to applications for licensure received on or after July 1, 2017.

TESTING TRANSPARENCY

SECTION 7.28A.(a) The State Superintendent of Public Instruction shall study and make recommendations regarding the extent to which the SAT and ACT tests align with the English language arts and mathematics portions of the Standard Course of Study. By February 1, 2018, the Superintendent shall report findings and recommendations to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee.

SECTION 7.28A.(b) G.S. 115C-174.12 reads as rewritten:

"**§ 115C-174.12. Responsibilities of agencies.**

…

(d) By ~~September 1~~October 1 of each year, each local board of education shall notify the State Board of Education of any local standardized testing to be administered to students by the local school administrative unit at the direction of the local board of education in its schools and the calendar for administering those tests. The local board of education shall include ~~information on the~~ the following information:

(1) The source of funds supporting the local testing program.

(2) The time allotted to administer each test.

(3) Whether the test is a computer-based test or a paper-based test.

(4) The grade level or subject area associated with the test.

(5) The date the test results are expected to be available to teachers and parents.

(6) The type of test, the purpose of the test, and the use of the test results.

(7) Estimates of average time for administering tests required by the local board of education by grade level.

The local board of education shall meet the requirements of this subsection by inputting the information into the uniform calendar published by the Department of Public Instruction pursuant to subsection (e1) of this section.

(e) By ~~October 15~~November 1 of each year, the State Board of Education shall submit a report to the Joint Legislative Education Oversight Committee containing information regarding the statewide administration of the testing program, including the number and type of tests and the testing schedule, and a summary of any local testing programs reported by local boards of education to the State Board of Education in accordance with subsection (d) of this section.

(e1) By September 1 of each year, the Superintendent of Public Instruction shall publish on the Web site of the Department of Public Instruction a uniform calendar that includes schedules for State-required testing and reporting results of tests for at least the next two school years, including estimates of the average time for administering State-required standardized tests. The uniform calendar shall be provided to local boards of education in an electronic format that allows each local board of education to populate the calendar with, at a minimum, the information required by subsection (d) of this section. The uniform calendar shall be searchable by local school administrative unit and denote whether a test on the calendar is required by the State or required by a local board of education."

SECTION 7.28A.(c) Part 2 of Article 10A of Chapter 115C of the General Statutes is amended by adding two new sections to read:

"**§ 115C-174.15. Report student performance on local standardized tests.**

(a) A local board of education shall provide a student's results on standardized tests required by the local board, as reported pursuant to G.S. 115C-174.12(d), to the following persons and according to the following time lines:

(1) To the student's teachers no later than one week after the standardized test is administered.

(2) To the student's parents no later than 30 days after the standardized test is administered.

(b) If the superintendent of the local school administrative unit determines in writing that extenuating circumstances exist and reports those circumstances to the local board of education, the local board may extend the above time lines in the discretion of the local board of education.

"**§ 115C-174.16. Report student performance on statewide, standardized tests.**

The Department of Public Instruction shall make available to local boards of education a student's results on all statewide, standardized tests in a timely manner and in an easy-to-read and understandable format a minimum of two weeks prior to the first day of attendance of the next school year. Local boards of education shall make those results available to both the student's teacher of record and parent or guardian prior to the first day of student attendance of the school year. These reports shall include all of the following information:

(1) A clear explanation of the student's performance on the applicable statewide, standardized tests.

(2) Information identifying the student's areas of strength and areas in need of improvement.

(3) Intervention strategies and appropriate resources based on the student's areas of strength and areas in need of improvement, when available.

(4) Longitudinal information on the student's progress in each subject area based on previous statewide, standardized test data, when available.

(5) Information showing the student's score compared to other students in the local school administrative unit, in the State, or, if available, in other states.

(6) Predictive information showing the linkage between the scores attained by the student on the statewide, standardized tests and the scores he or she may potentially attain on nationally recognized college entrance examinations, if available. This information shall be provided in a timely manner as it becomes available to the Department of Public Instruction but may be provided later than the beginning of the school year."

SECTION 7.28A.(d) G.S. 115C-81(b) reads as rewritten:

"(b) The Basic Education Program shall include course requirements and descriptions similar in format to materials previously contained in the standard course of ~~study~~ study, and it shall ~~provide:~~provide all of the following:

(1) A core curriculum for all students that takes into account the special needs of ~~children;~~children.

(2) A set of competencies, by grade level, for each curriculum ~~area;~~area.

(3) A list of textbooks for use in providing the ~~curriculum;~~curriculum.

(4) Standards for student performance and promotion based on the mastery of competencies, including standards for graduation, that take into account children with disabilities and, in particular, include appropriate ~~modifications;~~modifications.

(4a) Standards for early promotion based on the mastery of competencies. These standards shall apply when early grade or course promotion based on the mastery of competencies is permitted in a school and shall include requirements for early promotion based on mastery of competencies, at a minimum, in the following subject areas and grade levels:

a. For English language arts, at least grades three through 12.

b. For mathematics, at least grades three through 12.

(5) A program of remedial ~~education;~~education.

(6) Required support ~~programs;~~programs.

(7) A definition of the instructional ~~day;~~day.

(8) Class size recommendations and ~~requirements;~~requirements.

(9) Prescribed staffing allotment ~~ratios;~~ratios.

(10) Material and equipment allotment ~~ratios;~~ratios.

(11) Facilities guidelines that reflect educational program appropriateness, long-term cost efficiency, and safety ~~considerations; and~~considerations.

(12) Any other information the Board considers appropriate and necessary.

The State Board shall not adopt or enforce any rule that requires Algebra I as a graduation standard or as a requirement for a high school diploma for any student whose individualized education program (i) identifies the student as learning disabled in the area of mathematics and (ii) states that this learning disability will prevent the student from mastering Algebra I.

The State Board shall not require any student to prepare a high school graduation project as a condition of graduation from high school; local boards of education may, however, require their students to complete a high school graduation project."

SECTION 7.28A.(e) This section applies beginning with the 2018-2019 school year.

WAIVE FEE FOR CAMBRIDGE AICE PROGRAM COURSE

SECTION 7.28D.(a) G.S. 115C-174.26(a) reads as rewritten:

"(a) It is the intent of the State to enhance accessibility and encourage students to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education for all students. For the purposes of this section, an advanced course is an Advanced Placement ~~or~~ course, an International Baccalaureate Diploma Programme ~~course.~~course, or a Cambridge Advanced International Certificate of Education (AICE) course, including an AS-Level or A-Level course. To attain this goal, to the extent funds are made available for this purpose, students enrolled in public schools shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination."

SECTION 7.28D.(b) Section 8.27(d) of S.L. 2013-360, as amended by Section 8.17 of S.L. 2014-100, reads as rewritten:

"**SECTION 8.27.(d)** Of the funds appropriated to the Department of Public Instruction to implement the requirements of this section, ten million eight hundred thirty-one thousand one hundred eighty-four dollars ($10,831,184) for the 2014-2015 fiscal year shall be used to fund fees for testing in advanced courses and one million five hundred thousand dollars ($1,500,000) for each fiscal year shall be used by the North Carolina Advanced Placement Partnership to carry out its responsibilities as set forth in this section. Funding appropriated for professional development may be used by the State Board of Education to contract with an independent evaluator to assess the implementation and impact of advanced course programs in North

Carolina. For the purposes of this section, until June 30, 2017, the term "advanced courses" means an Advanced Placement or International Baccalaureate Diploma Programme course. Beginning with the 2017-2018 fiscal year, the term "advanced courses" means an Advanced Placement course, an International Baccalaureate Diploma Programme course, or a Cambridge Advanced International Certificate of Education (AICE) course, including an AS-Level or A-Level course.

If the funds appropriated for the 2014-2015 fiscal year and subsequent fiscal years are insufficient, the Department of Public Instruction may use other funds within the State Public School Fund for these purposes."

FINANCIAL LITERACY ELECTIVE COURSE PILOT PROGRAM

SECTION 7.32.(a) Purpose. – The Superintendent of Public Instruction (Superintendent) shall establish a three-year Financial Literacy Elective Course Pilot Program (Program). The purpose of the Program is to determine the value of an in-depth high school elective course on personal financial literacy and the extent to which the course can provide high school students with the detailed knowledge and skills needed to become self-supporting and to make critical decisions regarding their personal finances.

SECTION 7.32.(b) Participation. – The Superintendent shall select local school administrative units to participate in the Program. The selected local school administrative units collectively shall represent the geographic, economic, and social diversity of the State. Each selected local school administrative unit shall participate in the Program for three school years, beginning in the 2017-2018 school year.

SECTION 7.32.(c) Implementation. – The Program shall authorize and assist the selected local school administrative units in the implementation of a high school elective course on personal financial literacy. This course shall serve as an in-depth supplement to the instruction in personal financial literacy required pursuant to G.S. 115C-81(i). The components of the elective course shall include, at a minimum, detailed information on personal banking, credit card finance, student loan financing, mortgages, credit scoring and credit reports, borrowing money for an automobile or other large purchase, and best practices in personal finance.

Prior to selecting the pilot units, the State Board of Education, in consultation with the Superintendent, shall develop a curriculum, materials, qualifications for teaching the course, and guidelines for local boards of education to use in implementing the course.

SECTION 7.32.(d) Reporting Requirement. – By November 15 of each year following the operation of the Program, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the implementation and administration of the Program in the pilot units and any recommendations on the modification, continuation, and potential expansion of the Program statewide.

CHARTER SCHOOL TRANSPORTATION GRANT PILOT PROGRAM

SECTION 7.35.(a) Purpose; Definition. – The Department of Public Instruction (Department) shall establish the Charter School Transportation Grant Pilot Program (Program). The purpose of the Program shall be to award grant funds to a charter school meeting the requirements of subsection (b) of this section for the reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school in accordance with the provisions of this section. For purposes of this section, the term "eligible student transportation costs" means costs incurred by the charter school for (i) transportation fuel, (ii) vehicle maintenance, and (iii) contracted transportation services.

SECTION 7.35.(b) Program Eligibility. – If a charter school has a student enrollment of at least fifty percent (50%) of its students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced price lunch program in a semester of the school year, the charter school may apply to the Department for grant funds under the Program for reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school for that semester.

SECTION 7.35.(c) Applications. – By August 1, 2017, the Department shall establish the criteria and guidelines for the grant application process for the upcoming school year, including any documentation required to be submitted with the application. The Department shall accept applications until December 31, 2017, for eligible student transportation costs incurred during the fall semester of the school year and until May 30, 2018, for eligible student transportation costs incurred during the spring semester of the school year.

SECTION 7.35.(d) Award of Funds. – From funds made available for the Program, the Department shall award grant funds under the Program to the selected charter schools by January 15, 2018, for eligible student transportation costs incurred during the fall semester of the school year and by June 15, 2018, for eligible student transportation costs incurred during the spring semester of the prior school year. The total amount of each grant awarded under the Program shall not exceed one hundred thousand dollars ($100,000).

SECTION 7.35.(e) Reporting. – The Department shall provide a report by March 15, 2018, to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Education Oversight Committee on the administration of the Program, including (i) the number of charter schools that received grant funds, (ii) the amount of grant funds awarded to those charter schools, (iii) whether implementing the Program has led to an increase in charter schools offering lunch, (iv) whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch, (v) whether implementing the Program has increased or expanded the offering of student transportation by charter schools, and (vi) the modes of student transportation offered by charter schools that received grant funds.

PART VIII. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 8.1.(a) The following monthly teacher salary schedule shall apply for the 2017-2018 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2017-2018 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0	$3,500
1	$3,600
2	$3,630
3	$3,730
4	$3,730
5	$3,830
6	$3,830
7	$3,930
8	$3,930
9	$4,055
10	$4,055
11	$4,205
12	$4,205
13	$4,355
14	$4,355
15	$4,555
16	$4,630
17	$4,730
18	$4,730
19	$4,830
20	$4,830
21	$4,930
22	$4,930

23	$5,000
24	$5,000
25+	$5,130.

SECTION 8.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule.–

(1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.

(2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

(3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the supplement provided to them as "M" teachers.

(4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the supplement provided to them as "M" teachers.

(5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

SECTION 8.1.(c) The first step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be equivalent to the sixth step of the "A" salary schedule. These employees shall receive a salary supplement each month of ten percent (10%) of their monthly salary and are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

SECTION 8.1.(d) The twenty-sixth step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

SECTION 8.1.(e) Beginning with the 2014-2015 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

SECTION 8.1.(f) A teacher compensated in accordance with this salary schedule for the 2017-2018 school year shall receive an amount equal to the greater of the following:

(1) The applicable amount on the salary schedule for the applicable school year.

(2) For teachers who were eligible for longevity for the 2013-2014 school year, the sum of the following:

a. The salary the teacher received in the 2013-2014 school year pursuant to Section 35.11 of S.L. 2013-360.

b. The longevity that the teacher would have received under the longevity system in effect for the 2013-2014 school year provided in Section 35.11 of S.L. 2013-360 based on the teacher's current years of service.

c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.

(3) For teachers who were not eligible for longevity for the 2013-2014 school year, the sum of the salary and annual bonus the teacher received in the 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

SECTION 8.1.(g) As used in this section, the term "teacher" shall also include instructional support personnel.

SECTION 8.1.(h) Section 9.1(i) of S.L. 2016-94 is repealed.

SECTION 8.1.(i) It is the intent of the General Assembly to implement the following base monthly teacher salary schedule for the 2018-2019 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule would be based on years of teaching experience.

2018-2019 Teacher Monthly Salary Schedule

Years of Experience	**"A" Teachers**
0	$3,500
1	$3,600
2	$3,700
3	$3,800
4	$3,900
5	$4,000
6	$4,100
7	$4,200
8	$4,300
9	$4,400
10	$4,500
11	$4,600
12	$4,700
13	$4,800
14	$4,900
15-24	$5,000
25+	$5,130.

SUPPORT HIGHLY QUALIFIED NC TEACHING GRADUATES

SECTION 8.2.(a) For purposes of this section, a "highly qualified graduate" or "graduate" is an individual entering the teaching profession who has graduated from an approved educator preparation program located in North Carolina (i) with a grade point average of 3.75 or higher on a 4.0 scale, or its equivalent, and (ii) with a score of 48 or higher on the edTPA assessment or an equivalent score on the nationally normed and valid pedagogy assessment used to determine clinical practice performance. Notwithstanding Section 8.1(a) of this act, a highly qualified graduate who is employed by a local board of education shall receive a salary supplement each month at the highest level for which the graduate qualifies, as follows:

(1) A graduate accepts initial employment at a school identified as low-performing by the State Board of Education pursuant to G.S. 115C-105.37 shall receive a salary supplement during the graduate's first three years of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly situated teacher with three years of experience on the "A" Teachers salary schedule, as long as the graduate (i) remains teaching at the same school or (ii) accepts subsequent employment at another low-performing school or local school administrative unit identified as low-performing.

(2) A graduate licensed and employed to teach in the areas of special education, science, technology, engineering, or mathematics shall receive a salary supplement during the graduate's first two years of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly situated teacher with two years of experience on the "A" Teachers salary schedule, as long as the graduate continues teaching in one of those areas.

(3) All other graduates shall receive a salary supplement during the graduate's first year of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly situated teacher with one year of experience on the "A" Teachers salary schedule.

SECTION 8.2.(b) This section applies to teachers entering the profession in the 2017-2018 fiscal year.

PRINCIPAL SALARY SCHEDULE

SECTION 8.3.(a) The following annual salary schedule for principals shall apply for the 2017-2018 fiscal year, beginning July 1, 2017.

2017-2018 Principal Annual Salary Schedule

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-400	$61,751	$67,926	$74,101
401-700	$64,839	$71,322	$77,806
701-1,000	$67,926	$74,719	$81,511
1,001-1,300	$71,014	$78,115	$85,216
1,301+	$74,101	$81,511	$88,921.

A principal's placement on the salary schedule shall be determined according to the average daily membership of the school supervised by the principal in the current school year and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for each school the principal supervised in at least two of the prior three school years, regardless of a break in service, and provided the principal supervised each school as a principal for at least a majority of the school year, as follows:

(1) A principal shall be paid according to the Exceeded Growth column of the schedule if the school growth scores show the school or schools exceeded expected growth in at least two of the prior three school years.

(2) A principal shall be paid according to the Met Growth column of the schedule if any of the following apply:
   a. The school growth scores show the school or schools met expected growth in at least two of the prior three school years.
   b. The school growth scores show the school or schools met expected growth in at least one of the prior three school years and exceeded expected growth in one of the prior three school years.
   c. The principal supervised a school in at least two of the prior three school years that was not eligible to receive a school growth score.

(3) A principal shall be paid according to the Base column if either of the following apply:
   a. The school growth scores show the school or schools did not meet expected growth in at least two of the prior three years.
   b. The principal has not supervised any school as a principal for a majority of the school year in at least two of the prior three school years.

SECTION 8.3.(b) Beginning with the 2017-2018 fiscal year, in lieu of providing annual longevity payments to principals paid on the principal salary schedule, the amounts of those longevity payments are included in the annual amounts under the principal salary schedule.

SECTION 8.3.(c) A principal compensated in accordance with this section for the 2017-2018 fiscal year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsection (a) of this section.

(2) For principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the following:

a. The salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.2 of S.L. 2016-94.
b. The longevity that the principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 fiscal year based on the principal's current years of service.

(3) For principals who were not eligible for longevity in the 2016-2017 school year, the salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.2 of S.L. 2016-94.

SECTION 8.3.(c1) Subsection (c) of this section applies to the 2017-2018 fiscal year only and shall not apply to subsequent fiscal years.

SECTION 8.3.(d) G.S. 115C-105.25(b)(5c) reads as rewritten:

"(5c) Funds allocated for school building administration may be converted for any purpose authorized by the policies of the State Board of Education. For funds related to principal positions, the salary transferred shall be based on the first step of ~~the Principal III Salary Schedule.~~the Base column of the Principal Salary Schedule. For funds related to assistant principal months of employment, the salary transferred shall be based on the first step of the ~~Assistant Principal Salary Schedule.~~"A" Teachers Salary Schedule at the salary level for assistant principals. Certified position allotments shall not be transferred to dollars to hire the same type of position."

PRINCIPAL BONUSES

SECTION 8.4.(a) The Department of Public Instruction shall administer a bonus in the 2017-2018 fiscal year to any principal who supervised a school as a principal for a majority of the previous school year if that school was in the top fifty percent (50%) of school growth in the State during the previous school year, calculated by the State Board pursuant to G.S. 115C-83.15(c), as follows:

2017-2018 Principal Bonus Schedule

Statewide Growth Percentage	**Bonus**
Top 5%	$5,000
Top 10%	$4,000
Top 15%	$3,000
Top 20%	$2,000
Top 50%	$1,000.

A principal shall receive no more than one bonus pursuant to this subsection. The bonus shall be paid at the highest amount for which the principal qualifies.

SECTION 8.4.(b) In addition to the bonuses provided pursuant to subsection (a) of this section, the Department shall administer a bonus in the 2017-2018 fiscal year to any principal who supervised the same school as a principal for a majority of the 2015-2016 school year and the 2016-2017 school year if the school was designated by the State Board of Education pursuant to G.S. 115C-83.15(f) as having met expected growth or as having not met expected growth in the 2015-2016 school year and was designated by the State Board as having exceeded expected growth in the 2016-2017 school year. The bonus shall be the greater of the following:

(1) Five thousand dollars ($5,000).
(2) Ten thousand dollars ($10,000) for any principal who supervised a school during the 2015-2016 school year with a school performance grade of D or F, as calculated by the State Board pursuant to G.S. 115C-83.15(d).

SECTION 8.4.(c) No principal shall receive more than two bonuses pursuant to this section. The bonus or bonuses awarded to a principal pursuant to this section shall be in addition to any regular wage or other bonus the principal receives or is scheduled to receive.

SECTION 8.4.(d) Notwithstanding G.S. 135-1(7a), the bonuses awarded in accordance with this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.4.(e) The bonuses awarded in accordance with this section do not apply to principals no longer employed as a principal due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2017.

SECTION 8.4.(f) It is the intent of the General Assembly that funds provided to local school administrative units pursuant to this section will supplement principal compensation and not supplant local funds.

SECTION 8.4.(g) The bonuses related to these funds shall be paid no later than October 31, 2017.

ASSISTANT PRINCIPAL SALARIES

SECTION 8.5.(a) For the 2017-2018 fiscal year, commencing July 1, 2017, assistant principals shall receive a monthly salary based on the salary schedule for teachers who are classified as "A" teachers plus seventeen percent (17%). Years of experience for an assistant principal on the salary schedule shall be measured by the total number of years the assistant principal has spent as a teacher, an assistant principal, or both. For purposes of this section, an administrator with a one-year provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

SECTION 8.5.(b) Assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars ($126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars ($253.00) per month.

SECTION 8.5.(c) Participants in an approved full-time master's in-school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the master's program. The stipend shall not exceed the difference between the beginning salary of an assistant principal plus the cost of tuition, fees, and books and any fellowship funds received by the intern as a full-time student, including awards of the Principal Fellows Program. The Principal Fellows Program or the school of education where the intern participates in a full-time master's in-school administration program shall supply the Department of Public Instruction with certification of eligible full-time interns.

SECTION 8.5.(d) Beginning with the 2017-2018 fiscal year, in lieu of providing annual longevity payments to assistant principals on the assistant principal salary schedule, the amounts of those longevity payments are included in the monthly amounts provided to assistant principals pursuant subsection (a) of this section.

SECTION 8.5.(e) An assistant principal compensated in accordance with this section for the 2017-2018 fiscal year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsections (a) through (c) of this section.

(2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the following:
   a. The salary the assistant principal received in the 2016-2017 fiscal year pursuant to Section 9.2 of S.L. 2016-94.
   b. The longevity that the assistant principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 fiscal year based on the assistant principal's current years of service.

(3) For assistant principals who were not eligible for longevity in the 2016-2017 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal year pursuant to Section 9.2 of S.L. 2016-94.

SECTION 8.5.(f) It is the intent of the General Assembly to compensate assistant principals in the 2018-2019 fiscal year based on the salary schedule for teachers who are classified as "A" teachers, plus nineteen percent (19%).

CENTRAL OFFICE SALARIES

SECTION 8.6.(a) The monthly salary ranges that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2017-2018 fiscal year, beginning July 1, 2017:

	2017-2018 Fiscal Year		
	Minimum		Maximum
School Administrator I	$3,525	to	$6,501
School Administrator II	$3,729	to	$6,888
School Administrator III	$3,951	to	$7,300
School Administrator IV	$4,104	to	$7,585
School Administrator V	$4,265	to	$7,887
School Administrator VI	$4,517	to	$8,356
School Administrator VII	$4,693	to	$8,688.

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

SECTION 8.6.(b) The monthly salary ranges that follow apply to public school superintendents for the 2017-2018 fiscal year, beginning July 1, 2017:

	2017-2018 Fiscal Year		
	Minimum		Maximum
Superintendent I	$4,974	to	$9,209
Superintendent II	$5,273	to	$9,758
Superintendent III	$5,586	to	$10,344
Superintendent IV	$5,921	to	$10,965
Superintendent V	$6,277	to	$11,626.

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

SECTION 8.6.(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 8.6.(d) Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the compensation provided for under this section.

SECTION 8.6.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

NONCERTIFIED PERSONNEL SALARIES

SECTION 8.7.(a) For the 2017-2018 fiscal year, the annual salary for noncertified public school employees whose salaries are supported from State funds shall be increased as follows:

(1) For permanent, full-time employees on a 12-month contract, by one thousand dollars ($1,000).

(2) For the following employees, by a prorated and equitable amount based on the amount specified in subdivision (1) of this subsection:

a. Permanent, full-time employees on a contract for fewer than 12 months.

b. Permanent, part-time employees.

c. Temporary and permanent hourly employees.

SECTION 8.7.(b) Of the funds appropriated in this act for salary increases for noncertified personnel in the 2017-2018 fiscal year, in lieu of the salary increases provided in subsection (a) of this section, the sum of sixteen million eight hundred fifty-five thousand eighty-one dollars ($16,855,081) shall be allocated to local boards of education to increase the average rates of pay for all school bus drivers in the local school administrative unit on an equitable basis.

SCHOOL BOARDS CREATE MINIMUM SALARY SCHEDULE FOR OCCUPATIONAL THERAPISTS AND PHYSICAL THERAPISTS

SECTION 8.8. G.S. 115C-316 is amended by adding a new subsection to read:

"(b1) Every local board of education shall adopt a minimum salary schedule for occupational therapists and physical therapists employed in full-time, permanent positions. The minimum salary schedule shall apply to positions paid from State, local, or federal funds. In accordance with the noncertified salary grades and ranges adopted by the State Board of Education, the minimum salary schedule shall differentiate salaries based on years of experience, but experience-based intervals shall be no greater than five years. Local boards of education may compensate occupational therapists and physical therapists above the minimum salary schedule provided all State-funded salaries are within the noncertified salary grades and ranges adopted by the State Board of Education."

VETERAN TEACHER BONUSES

SECTION 8.8A.(a) By October 31 of each year of the 2017-2019 fiscal biennium, the Department of Public Instruction shall administer a one-time, lump sum bonus in the amount of three hundred eighty-five dollars ($385.00) to any teacher with at least 25 years of teaching experience.

SECTION 8.8A.(b) The bonuses awarded pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

SECTION 8.8A.(c) Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

REVISE TEACHER BONUS PROGRAMS

SECTION 8.8B.(a) Section 8.8 of S.L. 2016-94 reads as rewritten:

"**ADVANCED PLACEMENT/INTERNATIONAL ~~BACCALAUREATE~~ BACCALAUREATE/CAMBRIDGE AICE TEACHER BONUS ~~PILOT~~ PROGRAM**

"**SECTION 8.8.(a)** The State Board of Education shall establish the Advanced Placement/International ~~Baccalaureate Pilot~~ Baccalaureate/Cambridge AICE Program ~~(pilot program)~~ (program) to reward advanced course teacher performance and to encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay ~~for two school years~~ to ~~licensed~~ teachers of advanced ~~courses,~~ courses in public schools, including charter schools, beginning with data from the 2015-2016 school year, in accordance with the following:

(1) A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

a. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

b. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

c. For the Cambridge Advanced International Certificate of Education (AICE) program, a score of "E" or higher on the Cambridge AICE program examinations.

(2) No teacher shall be awarded a bonus pursuant to this subsection that exceeds ~~two thousand dollars ($2,000)~~three thousand five hundred dollars ($3,500) in any given school year. The bonus awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(3) ~~For advanced course scores collected from the 2015-2016 school year and the 2016-2017 school year, bonuses~~ Bonuses awarded pursuant to this subsection are payable in ~~January 2017 and January 2018, respectively,~~January, based on data from the previous school year, to qualifying ~~advanced course~~ teachers who remain employed teaching ~~advanced courses~~ in the same local school administrative unit at least from the school year the data is collected until the corresponding school year that the bonus is paid.

"**SECTION 8.8.(b)** For the purposes of this section, an "advanced course" shall mean an Advanced Placement ~~or~~ course, an International Baccalaureate Diploma Programme ~~course.~~course, or a Cambridge AICE course.

"**SECTION 8.8.(c)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded under this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 8.8.(d)** The State Board of Education shall ~~report on and study the pilot program as follows:~~

~~(1)~~ ~~The State Board shall report on~~ study the effect of the program on advanced course teacher performance and retention. The State Board shall report the results of its findings and the amount of bonuses awarded to advanced course teachers, including the amount awarded for Advanced Placement ~~courses and~~ courses, the amount awarded for International Baccalaureate Diploma Programme courses, and the amount awarded for Cambridge AICE program courses, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March ~~15, 2017, and again by March 15, 2018.~~15 of each year.

~~(2)~~ ~~The State Board shall study the effect of the pilot program on advanced course teacher performance and retention. The State Board shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.~~

"**SECTION 8.8.(e)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the base budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~pilot~~ program.

"~~**SECTION 8.8.(f)** This section expires June 30, 2018.~~"

SECTION 8.8B.(b) Section 8.9 of S.L. 2016-94 reads as rewritten:

"**INDUSTRY CERTIFICATIONS AND CREDENTIALS TEACHER BONUS ~~PILOT~~ PROGRAM**

"**SECTION 8.9.(a)** The State Board of Education, in collaboration with the Department of Commerce, shall establish the Industry Certifications and Credentials Teacher Bonus ~~Pilot~~ Program ~~(pilot program)~~(program) to reward the performance of teachers in public schools, including charter schools, who teach students earning approved industry certifications or credentials consistent with G.S. 115C-156.2 and to encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay ~~for two school years~~ to teachers in public schools, including charter schools, who teach students earning approved industry certifications or credentials, beginning with data from the 2015-2016 school year, in accordance with the following:

(1) For teachers who provide direct instruction to students, bonuses shall be provided in the following amounts:
   a. A bonus in the amount of twenty-five dollars ($25.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential with a twenty-five-dollar ($25.00) value ranking as determined under subdivision (3) of this subsection.
   b. A bonus in the amount of fifty dollars ($50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential with a fifty-dollar ($50.00) value ranking as determined under subdivision (3) of this subsection.

(2) No teacher shall be awarded a bonus pursuant to this subsection that exceeds ~~two thousand dollars ($2,000)~~three thousand five hundred dollars ($3,500) in any given school year. The bonus awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(3) The Department of Commerce, in consultation with the State Board, shall assign a value ranking for each industry certification and credential based on academic rigor and employment value in accordance with this subdivision. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent (50%) on employment value. Academic rigor and employment value shall be based on the following elements:
   a. Academic rigor shall be based on the number of instructional hours, including work experience or internship hours, required to earn the industry certification or credential, with extra weight given for coursework that also provides community college credit.
   b. Employment value shall be based on the entry wage, growth rate in employment for each occupational category, and average annual openings for the primary occupation linked with the industry certification or credential.

(4) ~~For data on courses leading to student attainment of industry certifications and credentials collected from the 2015-2016 school year and the 2016-2017 school year, bonuses~~Bonuses awarded pursuant to this subsection are payable in January ~~2017 and January 2018, respectively,~~ to qualifying teachers who remain employed teaching ~~students earning approved industry certifications or credentials~~ in the same local school administrative unit at least from the school year the data is collected until the corresponding school year that the bonus is paid.

"**SECTION 8.9.(b)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded under this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 8.9.(c)** The State Board of Education shall ~~report on and study the pilot program as follows:~~

~~(1)~~ ~~The State Board shall~~ study the effect of the program on teacher performance and retention. The State Board shall report ~~on~~ the results of its findings, the amount of bonuses awarded to teachers who teach students earning approved industry certifications or ~~credentials~~ credentials, and the type of industry certifications and credentials earned by their students to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March ~~15, 2017, and again by March 15, 2018.~~15 of each year.

~~(2)~~ ~~The State Board shall study the effect of the pilot program on teacher performance and retention. The State Board shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.~~

"**SECTION 8.9.(d)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the base budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~pilot~~ program.

"~~**SECTION 8.9.(e)** This section expires June 30, 2018.~~"

SECTION 8.8B.(c) Section 9.7 of S.L. 2016-94 reads as rewritten:

"**THIRD GRADE ~~READING~~ READ TO ACHIEVE TEACHER ~~PERFORMANCE PILOT~~BONUS PROGRAM**

"**SECTION 9.7.(a)** The State Board of Education shall establish the Third Grade ~~Reading~~ Read to Achieve Teacher ~~Performance Pilot~~Bonus Program (program) to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay to ~~licensed third grade~~ teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, beginning with the data from the 2015-2016 school year, as follows:

(1) Of the funds appropriated for ~~this~~ the program, five million dollars ($5,000,000) shall be allocated for bonuses to ~~licensed third grade~~ teachers who are in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be allocated equally among qualifying teachers.

(2) Of the funds appropriated for ~~this~~ the program, five million dollars ($5,000,000) shall be allocated to pay bonuses to ~~licensed third grade~~ teachers who are in the top twenty-five percent (25%) of teachers in their respective local school administrative units according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be split proportionally based on average daily membership for each local school administrative unit and then distributed equally among qualifying teachers in each local school administrative unit, subject to the following conditions:

a. Teachers employed in charter schools and regional schools are not eligible to receive a bonus under this subdivision.

b. Any teacher working in a local school administrative unit that employs three or fewer third grade teachers shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for third grade reading from the previous school year that exceeds expected growth.

(3) For EVAAS student growth index score data collected during the 2015-2016 school year and the 2016-2017 school year, bonuses awarded pursuant to subdivisions (1) and (2) of this subsection are payable in January of 2017 and January of 2018, respectively, to qualifying ~~third grade~~ teachers who remain employed teaching ~~third grade~~ in the same local school administrative unit at least from the school year the data is collected until the corresponding school year that the bonus is paid.

(4) A teacher who is eligible to receive a bonus under both subdivisions (1) and (2) of this subsection shall receive both bonuses. The bonus or bonuses awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

"**SECTION 9.7.(b)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 9.7.(c)** The State Board of Education shall ~~report on and study the Third Grade Reading Teacher Performance Pilot Program (Program) as follows:~~study the effect of the program on teacher performance and retention. The State Board shall report the results of its findings,

~~(1)~~ ~~The State Board of Education shall report on~~ the distribution of statewide bonuses as among local school administrative ~~units~~ units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on March ~~1, 2017, and again on March 1, 2018.~~15 of each year.

~~(2)~~ ~~The State Board of Education shall study the effect of the Program on teacher performance and retention. The State Board of Education shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee no later than March 1, 2018.~~

"**SECTION 9.7.(d)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the Base Budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~Program.~~program.

"**SECTION 9.7.(e)** This section expires June 30, 2018."

SECTION 8.8B.(d) This section applies beginning with bonuses awarded in January 2018.

THIRD GRADE READ TO ACHIEVE TEACHER BONUS PROGRAM FOR 2018-2019

SECTION 8.8C.(a) It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Third Grade Read to Achieve Teacher Bonus Program (program) for the 2018-2019 fiscal year to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, as follows:

(1) For purposes of this section, the following definitions shall apply:

a. Eligible Teacher. – A teacher who meets one or both of the following criteria:

1. Is in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year.
2. Is in the top twenty-five percent (25%) of teachers in the teacher's respective local school administrative unit according

to the EVAAS student growth index score for third grade reading from the previous school year.

b. Qualifying Teacher. – An eligible teacher who remains teaching in the same local school administrative unit at least from the school year the data for the EVAAS student growth index score for third grade reading is collected until the school year a bonus provided under this subsection is paid.

(2) Of the funds appropriated for this program, the sum of five million dollars ($5,000,000) shall be allocated for bonuses to eligible teachers under sub-sub-subdivision (1)a.1. of this subsection. Funds appropriated for this purpose shall be distributed equally among qualifying teachers.

(3) Of the funds appropriated for this program, the sum of five million dollars ($5,000,000) shall be allocated for bonuses to eligible teachers under sub-sub-subdivision (1)a.2. of this subsection. Funds allocated for this bonus shall be divided proportionally based on average daily membership in third grade for each local school administrative unit and then distributed equally among qualifying teachers in each local school administrative unit, subject to the following conditions:

a. Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this subdivision.

b. Any qualifying teacher who taught in a local school administrative unit that employed in the previous school year three or fewer total third grade teachers shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for third grade reading from the previous school year of exceeded expected growth.

(4) Bonuses awarded pursuant to subdivisions (2) and (3) of this subsection are payable in January to qualifying teachers based on EVAAS student growth index score data from the previous school year.

(5) A qualifying teacher may receive a bonus under both subdivisions (2) and (3) of this subsection.

(6) The bonus or bonuses awarded to a qualifying teacher pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(7) A bonus awarded pursuant to either subdivision (2) or subdivision (3) of this subsection shall not exceed three thousand five hundred dollars ($3,500) in any given school year. No teacher shall receive more than seven thousand dollars ($7,000) in total bonus compensation for any given school year.

SECTION 8.8C.(b) Notwithstanding G.S. 135-1(7a), the bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.8C.(c) The State Board of Education shall study the effect of the bonuses awarded pursuant to this section and Section 9.7 of S.L. 2016-94, as amended by Section 8.8B of this act, on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2019.

FOURTH AND FIFTH GRADE READING TEACHER BONUS PROGRAM FOR 2017-2018

SECTION 8.8D.(a) It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Fourth and Fifth Grade Reading Teacher Bonus Program (program) for the 2017-2018 fiscal year to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for fourth or fifth grade reading from the previous school year, as follows:

(1) For purposes of this section, the following definitions shall apply:
   a. Eligible Teacher. – A teacher who meets one or both of the following criteria:
      1. Is in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for fourth or fifth grade reading from the previous school year.
      2. Is in the top twenty-five percent (25%) of teachers in the teacher's respective local school administrative unit according to the EVAAS student growth index score for fourth or fifth grade reading from the previous school year.
   b. Qualifying Teacher. – An eligible teacher who remains teaching in the same local school administrative unit at least from the school year the data for the EVAAS student growth index score is collected until the school year a bonus provided under this subsection is paid.

(2) Of the funds appropriated for this program, the Department of Public Instruction shall allocate the sum of four million seven hundred thirty-five thousand four hundred sixteen dollars ($4,735,416) to award a bonus in the amount of two thousand one hundred fifty dollars ($2,150) to each qualifying teacher who is an eligible teacher under sub-sub-subdivision (1)a.1. of this subsection.

(3) Of the funds appropriated for this program, the Department of Public Instruction shall allocate the sum of four million seven hundred thirty-five thousand four hundred sixteen dollars ($4,735,416) to award a bonus in the amount of two thousand one hundred fifty dollars ($2,150) to each qualifying teacher who is an eligible teacher under sub-sub-subdivision (1)a.2. of this subsection, subject to the following conditions:
   a. Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this subdivision.
   b. Any qualifying teacher who taught in a local school administrative unit that employed in the previous school year three or fewer total teachers in the qualifying teacher's grade level shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for fourth or fifth grade reading from the previous school year of exceeded expected growth.

(4) Bonuses awarded pursuant to subdivisions (2) and (3) of this subsection are payable in January to qualifying teachers based on EVAAS student growth index score data from the previous school year.

(5) A qualifying teacher may receive a bonus under both subdivisions (2) and (3) of this subsection.

(6) The bonus or bonuses awarded to a qualifying teacher pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(7) No teacher shall receive more than two bonuses pursuant to this section.

SECTION 8.8D.(b) Notwithstanding G.S. 135-1(7a), the bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.8D.(c) The State Board of Education shall study the effect of the bonuses awarded pursuant to this section on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

FOURTH TO EIGHTH GRADE MATH TEACHER BONUS PROGRAM FOR 2017-2018

SECTION 8.8E.(a) It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Fourth to Eighth Grade Mathematics Teacher Bonus Program (program) for the 2017-2018 fiscal year to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for fourth, fifth, sixth, seventh, or eighth grade mathematics from the previous school year, as follows:

(1) For purposes of this section, the following definitions shall apply:
   a. Eligible Teacher. – A teacher who meets one or both of the following criteria:
      1. Is in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for fourth, fifth, sixth, seventh, or eighth grade mathematics from the previous school year.
      2. Is in the top twenty-five percent (25%) of teachers in the teacher's respective local school administrative unit according to the EVAAS student growth index score for fourth, fifth, sixth, seventh, or eighth grade mathematics from the previous school year.
   b. Qualifying Teacher. – An eligible teacher who remains teaching in the same local school administrative unit at least from the school year the data for the EVAAS student growth index score is collected until the school year a bonus provided under this subsection is paid.

(2) Of the funds appropriated for this program, the Department of Public Instruction shall allocate the sum of seven million nine hundred thirty-five thousand one hundred seventy-eight dollars ($7,935,178) to award a bonus in the amount of two thousand one hundred fifty dollars ($2,150) to each qualifying teacher who is an eligible teacher under sub-sub-subdivision (1)a.1. of this subsection.

(3) Of the funds appropriated for this program, the Department of Public Instruction shall allocate the sum of seven million nine hundred thirty-five thousand one hundred seventy-eight dollars ($7,935,178) to award a bonus in the amount of two thousand one hundred fifty dollars ($2,150) to each qualifying teacher who is an eligible teacher under sub-sub-subdivision (1)a.2. of this subsection, subject to the following conditions:
   a. Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this subdivision.
   b. Any qualifying teacher who taught in a local school administrative unit that employed in the previous school year three or fewer total teachers in the qualifying teacher's grade level shall receive a bonus

under this subdivision if that teacher has an EVAAS student growth index score for fourth, fifth, sixth, seventh, or eighth grade mathematics from the previous school year of exceeded expected growth.

(4) Bonuses awarded pursuant to subdivisions (2) and (3) of this subsection are payable in January to qualifying teachers based on EVAAS student growth index score data from the previous school year.

(5) A qualifying teacher may receive a bonus under both subdivisions (2) and (3) of this subsection.

(6) The bonus or bonuses awarded to a qualifying teacher pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(7) No teacher shall receive more than two bonuses pursuant to this section.

SECTION 8.8E.(b) Notwithstanding G.S. 135-1(7a), the bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.8E.(c) The State Board of Education shall study the effect of the bonuses awarded pursuant to this section on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

SCHOOL BUS DRIVER COMPENSATION AND EMPLOYMENT STUDY

SECTION 8.10. The Department of Public Instruction shall study the compensation of school bus drivers in the public schools and the challenges of recruiting and retaining school bus drivers. No later than April 1, 2018, the Department shall submit to the Joint Legislative Education Oversight Committee and the Fiscal Research Division a report containing, at a minimum, all of the following information:

(1) A detailed explanation of how school bus drivers are compensated and employed in the public schools, including, at a minimum, the following information:

a. Average driving experience of school bus drivers.

b. Rates of retention of school bus drivers in local school administrative units.

c. Average term of service for school bus drivers.

d. Average hours worked by school bus drivers, per week.

e. Career paths for school bus drivers within a local school administrative unit.

f. Percentage of school bus drivers who work in the local school administrative unit in another capacity.

(2) The challenges of recruiting and retaining school bus drivers faced by local school administrative units.

(3) Recommendations, including input from local school administrators, on improving the process of recruiting and retaining school bus drivers.

PART IX. COMMUNITY COLLEGES

REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

SECTION 9.1.(a) Notwithstanding any other provision of law and consistent with the authority established in G.S. 115D-3, the President of the North Carolina Community College System may reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges.

SECTION 9.1.(b) By April 1, 2018, the President of the North Carolina Community Colleges shall report any reorganization, including any movement of positions and funds between fund codes on a recurring basis, to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division.

SECTION 9.1.(c) Subsection (a) of this section expires June 30, 2018.

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION 9.2.(a) Of the funds appropriated to the Community Colleges System Office for the 2017-2019 fiscal biennium for the College Information System, up to one million two hundred fifty thousand dollars ($1,250,000) shall not revert at the end of each fiscal year but shall remain available until expended. These funds may be used only to purchase periodic system upgrades and modernize the North Carolina Community College System's enterprise resource planning (ERP) system.

SECTION 9.2.(b) The President of the North Carolina Community Colleges System shall work with the Friday Institute for Educational Innovation at North Carolina State University, the Government Data Analytics Center, and other State agencies to improve communication between computer systems. The President shall ensure, to the extent practicable, that its updated computer systems are able to share data with computer systems at the Department of Public Instruction, other State agencies, and constituent institutions of The University of North Carolina.

COMMUNITY COLLEGE WORKFORCE STUDY

SECTION 9.3.(a) The State Board of Community Colleges shall study the costs of workforce training and academic instruction delivered by the community colleges. The study shall assess, at minimum, the various factors that affect instructional costs in these courses, including specialized equipment requirements, faculty salaries, and space requirements.

SECTION 9.3.(b) By September 1, 2018, the State Board shall submit a report to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the results of the study, including any recommendations on the calculation of tiered funding rates and the classification of courses by tier.

START-UP FUNDS FOR HIGH-COST WORKFORCE COURSES

SECTION 9.5.(a) The State Board of Community Colleges shall establish the Community College High-Cost Workforce Program Grant to allocate funds to community colleges to establish new high-cost workforce Tier 1A and Tier 1B courses that require significant start-up funds. The State Board shall adopt an application process for community colleges to apply for the award of funds to establish new courses beginning with the 2018-2019 fiscal year. To be eligible to receive the funds, community colleges shall submit to the State Board a completed application, which shall include at least the following information:

(1) A description of the proposed program of study.
(2) An impact assessment of implementing the proposed course on existing programs at contiguous colleges.
(3) Documentation of student interest in the course.
(4) Alignment of the course with the future employment needs within the area served by the community college and the State.

SECTION 9.5.(b) The State Board of Community Colleges shall submit a report to the Joint Legislative Education Oversight Committee by March 1, 2019, on the implementation of the new high-cost workforce Tier 1A and Tier 1B courses, including at least the following information:

(1) The use of funds by community colleges participating in the grant program, including:
    a. Start-up costs to establish new courses.

b. Costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.

(2) Evaluation of the success of the community college courses, including:

a. Student enrollment numbers.

b. Student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.

SELECTION OF LOCAL COMMUNITY COLLEGE PRESIDENTS/CONSULTANT CONTRACTS

SECTION 9.7.(a) G.S. 115D-20(1) reads as rewritten:

"(1) To elect a president or chief administrative officer of the institution for such term and under such conditions as the trustees may ~~fix, such~~ fix. If the board of trustees chooses to use a search consultant to assist with the election process, the board of trustees shall select the search consultant through a competitive request for proposals process. A search consultant selected pursuant to this subdivision who is collecting a fee for the consultant's services shall not be (i) an employee of a State agency, department, or institution, an appointed member of a State commission or board, or an elected official whose responsibilities include oversight or budgetary aspects of the Community College System, (ii) a lobbyist or lobbyist principal as defined in G.S. 120C-100, or (iii) a State-level community college board of trustees association or organization. A contract with a search consultant pursuant to this subdivision shall not be subject to Article 3C of Chapter 143 of the General Statutes. The election ~~to~~ of a president or chief administrative officer shall be subject to the approval of the State Board of Community Colleges."

SECTION 9.7.(b) This section applies to consultant contracts entered into on or after the date this act becomes law.

CLARIFY YOUTH APPRENTICESHIP PROGRAM

SECTION 9.8.(a) G.S. 115D-5(b)(16) reads as rewritten:

"(16) Courses provided to students who are participating in ~~an~~ a pre-apprenticeship or apprenticeship program that meets all of the following criteria:

a. Meets one of the following:

1. Is a registered apprenticeship program recognized by the United States Department of Labor.

2. Is a pre-apprenticeship program recognized and approved by the State agency administering the statewide apprenticeship program.

b. Has a documented plan of study with courses relating to a job-specific occupational or technical skill.

c. Requires the participants in the program to be North Carolina high school students when entering the program."

SECTION 9.8.(b) This section applies retroactively beginning with the 2016 fall academic term.

CATAWBA VALLEY CC/MANUFACTURING CENTER

SECTION 9.9. Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 5B.

"Manufacturing Solutions Center at Catawba Valley Community College.

"**§ 115D-67.10. Purpose of the Center.**

The purpose of the Manufacturing Solutions Center at Catawba Valley Community College is to create and maintain jobs in North Carolina through support of traditional and emerging industries. The Center's services include training, testing, market development, entrepreneur support, product sourcing, prototyping, applied research, and managing a manufacturing business incubator.

"**§ 115D-67.11. Director and other Center personnel.**

The president of the Catawba Valley Community College shall appoint an individual to serve as the executive director of the Manufacturing Solutions Center. The executive director shall select other personnel of the Center, subject to the approval by the president of the Catawba Valley Community College. The executive director and other personnel of the Center are employees of Catawba Valley Community College and are subject to the personnel policies of the community college.

"**§ 115D-67.12. Fees collected by the Center; use of Center funds.**

Notwithstanding any other provision of law, all fees collected by the Manufacturing Solutions Center for services to industry, except for regular curriculum and continuing education tuition receipts, shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall (i) notify the Secretary of the Department of Administration or the Secretary's designee of the intent to enter into a contract for supplies, materials, printing, equipment, and contractual services that exceeds one million dollars ($1,000,000) as provided in G.S. 114-8.3 and (ii) include in all agreements or contracts to be awarded by the Center under this section a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center shall not award a cost plus percentage of cost agreement or contract for any purpose."

HS STUDENTS/NON-CREDIT COURSES LEADING TO INDUSTRY CREDENTIALS

SECTION 9.10.(a) G.S. 115D-5(b)(12) reads as rewritten:

"(12) All ~~curriculum~~ courses taken by high school students at community colleges, in accordance with G.S. 115D-20(4) and this section."

SECTION 9.10.(b) G.S. 115D-20(4)a.2. reads as rewritten:

"2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education ~~certificate or diploma~~ certificate, diploma, or State or industry-recognized credential and academic transition pathways for qualified freshmen and sophomore high school students that lead to a career technical education certificate or diploma in (i) industrial and engineering technologies, (ii) agriculture and natural resources, or (iii) transportation technology."

SECTION 9.10.(c) G.S. 115D-5 is amended by adding a new subsection to read:

"(b2) Beginning February 1, 2018, and annually thereafter, the State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee on the number and type of waivers granted pursuant to subsection (b) of this section."

SECTION 9.10.(d) This section applies beginning with the 2017-2018 academic year.

ESTABLISH BOARD OF POSTSECONDARY EDUCATION CREDENTIALS

SECTION 9.11.(a) Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 9.

"Postsecondary Education Credentials.

"**§ 115D-100. Board of Postsecondary Education Credentials.**

(a) Findings. – The General Assembly finds that, in today's economy, opportunities for North Carolina's citizens to reach the middle class with a high school level education or even less have significantly decreased. To be competitive and obtain better paying jobs that lead to a better quality of life in the State's current and future economy, most citizens will need some type of postsecondary education that qualifies them for employment. The General Assembly recognizes the importance of bringing together potential employers and providers of postsecondary education for the purpose of identifying workforce skills and training needs and developing courses of study and vocational training that meet the standards expected and required by industries, corporations, and other employers. The General Assembly further finds that the establishment of a permanent board with members who are knowledgeable about postsecondary education and workforce training needs will enable providers of postsecondary education to prepare and design training programs that are responsive to workforce needs and that will assist the State's citizens in securing the credentials required to obtain better paying jobs.

The General Assembly recognizes that postsecondary education opportunities should be easily available and accessible to all citizens. Therefore, the General Assembly encourages State educators, when designing the method and manner for delivering postsecondary educational programs, to take into account the varying income levels and economic circumstances of the State's citizens, transportation needs, and other unique challenges in both urban and rural areas of the State that affect accessibility to postsecondary education opportunities and to make genuine efforts to accommodate and address those factors.

The General Assembly also finds that most employers consider postsecondary credentials such as academic degrees and high-quality, nondegree certifications awarded by institutions of higher education when determining whether a person has the expertise and skills required for a job. However, high-quality credentials may also be obtained through other alternative models such as open-source online programs, on-the-job training, and military experience. Therefore, it is essential that a system also be devised in which the meaning and validity of postsecondary credentials is clear and understandable to educators, employers, and students and that accurately conveys the knowledge, skills, and training obtained by an individual however and wherever it is obtained.

(b) Board Established. – There is established the Board of Postsecondary Education Credentials to be located administratively under the Community Colleges System Office; however, the Board shall exercise all its prescribed powers independently of the Community Colleges System Office. The Board shall consist of the following members:

(1) The Lieutenant Governor.
(2) The President of The University of North Carolina or the President's designee.
(3) The President of the North Carolina Community College System or the President's designee.
(4) The Superintendent of Public Instruction or the Superintendent's designee.
(5) The Commissioner of Labor or the Commissioner's designee.
(6) The Secretary of Commerce or the Secretary's designee.
(7) The President of North Carolina Independent Colleges and Universities or the President's designee.
(8) The Executive Director of the Office of Proprietary Schools or the Executive Director's designee.
(9) The President of the North Carolina Hospital Association or the President's designee.
(10) The Executive Director of the North Carolina State Education Assistance Authority or the Executive Director's designee.

(c) Purpose. – The purpose of the Board is to review and make recommendations for the development of a statewide system of postsecondary education that links industry,

corporations, and businesses in this State with educators, government, and community organizations to identify workforce skills and training needs and to ensure that appropriate courses of study and vocational training are available to North Carolinians, including those preparing to pursue postsecondary education, entering the workforce, or seeking to update skills and training for purposes of retaining employment and advancing in the workforce.

In addition, the Board shall identify alternative ways in which people gain valuable workforce skills and experience, such as on-the-job training, that are not represented by four-year or two-year degrees and the types of credentials used to signify competence of a certain level upon successful completion of the alternative training experience. The Board shall review and make recommendations on those criteria to be used to determine the value of a nondegree credential, the competencies that it represents, and how it should be compared and valued with regard to other types of postsecondary credentials.

(d) Duties. – The duties of the Board include the following:

(1) Recommend State goals and a framework for achieving those goals among educators to ensure that, by 2025, the appropriate percentage, as recommended by the Board, of the State's adult citizens will hold degrees, certificates, or other high-quality postsecondary credentials. The Board shall recommend a division of responsibility among The University of North Carolina System, the State's Community College System, and any other providers of postsecondary education credentials for achieving the goals recommended by the Board. The Board shall periodically review the progress made toward the recommended goals, evaluate the strategies developed and used toward attaining those goals, and may make additional recommendations.

(2) Identify the credentials that are acceptable for meeting those recommended goals and recommend how the responsibility for providing the courses of study and training for those credentials should be assigned among the State's educators and others. In making these recommendations, consideration shall be given to the fact that the individuals who need these courses of study and training are of various economic levels and are also located in rural areas and metropolitan areas across the State. These factors shall be taken into account with regard to the location and delivery of the courses of study and training programs.

(3) Address the issue of postsecondary credentials, the various levels of skill and knowledge those credentials signify, and how to accurately convey that information to employers, students and trainees, and providers of postsecondary education. The Board shall consider procedures and methods for recognizing skills and training needed in the workforce that an individual may have obtained through military experience, through on-the-job and employee-proved training, or through other life experiences.

(e) Chair. – The Lieutenant Governor shall serve as Chair of the Board.

(f) Hire Staff and Consultants. – To the extent of funds available, the Chair of the Board may, with the approval of the Board, hire staff or consultants to assist the Board in carrying out its purpose and duties.

(g) Travel and Subsistence. – Members, staff, and consultants of the Board shall receive travel and subsistence expenses in accordance with the provisions of G.S. 138-5 or G.S. 138-6, as appropriate.

(h) Meeting Space. – With the approval of the Legislative Services Commission, space in the Legislative Building and the Legislative Office Building may be made available to the Board.

(i) Frequency of Meetings and Quorum. – The Board shall meet upon the call of the Chair and shall have its first meeting no later than October 1, 2017. The Board shall meet at

least quarterly. A majority of the members of the Board shall constitute a quorum for the transaction of business.

(j) Reporting Requirement. – The Board shall submit to the Joint Legislative Education Oversight Committee an initial report no later than March 1, 2018, regarding the goals recommended by the Board pursuant to this section and the progress made toward meeting those goals. The Board shall submit a progress report to the Committee no later than March 1, 2019, regarding the progress made toward meeting the goals. The reports shall include any recommendations by the Board regarding legislation needed to implement this section."

SECTION 9.11.(b) Subsection (a) of this section expires June 30, 2019.

SECTION 9.11.(c) Of the funds appropriated by this act for the 2017-2019 fiscal biennium to the Community Colleges System Office, the sum of three hundred fifty thousand dollars ($350,000) for the 2017-2018 fiscal year and the sum of three hundred fifty thousand dollars ($350,000) for the 2018-2019 fiscal year shall be allocated to the Board of Postsecondary Education Credentials to be used to cover operating expenses of the Board, including expenses for staff and consultants to assist the Board in carrying out its purpose and duties.

INVEST IN SHORT-TERM WORKFORCE TRAINING

SECTION 9.14.(a) Of the funds appropriated by this act to the Community Colleges System Office for the 2017-2018 fiscal year, the System Office shall allocate funds to community colleges to support short-term workforce training courses leading to industry credentials. The State Board of Community Colleges shall adopt an application process for community colleges to apply to receive these funds. These funds shall be allocated at the same full-time equivalent (FTE) value as curriculum courses.

SECTION 9.14.(b) By April 1, 2018, the State Board of Community Colleges shall submit a report on the implementation of this section to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, the Fiscal Research Division, and the Office of State Budget and Management.

RESTRICTION ON A CULINARY SCHOOL OR PROGRAM LOCATED OFF THE MAIN CAMPUS OF STANLY COMMUNITY COLLEGE

SECTION 9.15.(a) G.S. 115D-31(b1) reads as rewritten:

"(b1) A local community college may use all State funds allocated to it, except for Literacy funds and Customized Training funds, for any authorized purpose that is consistent with the college's Institutional Effectiveness ~~Plan.~~Plan, except that the State funds shall not be used to fund a culinary program located at a site other than the main campus of the college. The State Board of Community Colleges may authorize a local community college to use up to twenty percent (20%) of the State Literacy funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in an eligible community college literacy course.

Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs."

SECTION 9.15.(b) Beginning with the 2017-2018 fiscal year and subsequent fiscal years thereafter, the Stanly Community College Board of Trustees shall not operate a culinary school or program at a site other than on the main campus of Stanly Community College.

SECTION 9.15.(c) Subsection (a) of this section applies only to Stanly Community College.

PART X. UNIVERSITIES

FULL-TIME STAFF FOR BOARD OF GOVERNORS

SECTION 10.1. G.S. 116-11 is amended by adding a new subdivision to read:

"(2a) The Board of Governors of The University of North Carolina may hire staff members deemed necessary by the Board to report directly to the Board. The Board of Governors shall determine the job titles, responsibilities, and salaries and benefits for all staff members hired by and reporting directly to the Board. Salaries and benefits for staff members hired pursuant to this subdivision shall be competitive with other positions of similar level and authority within The University of North Carolina System.

When the Board of Governors hires a staff member pursuant to this subdivision, the Board shall submit a report within 60 days of the date of employment to the Joint Legislative Education Oversight Committee that provides at least the following information regarding the position: job title, description of the position, responsibilities that accompany the position, salary and benefits, and supervisor, if any, of the position."

ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

SECTION 10.2. The President of The University of North Carolina shall report each quarter of the 2017-2019 fiscal biennium to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the status of budget stabilization funds appropriated to Elizabeth City State University by this act for the purpose of supporting temporary faculty, aviation science programs, and student success initiatives. The reports shall provide detailed descriptions of the scope of work that has been completed to date, anticipated activities for the next quarter, and a plan with time lines to complete the full scope of work. The reports shall also include outcomes achieved from improvements implemented using these funds. The first quarterly report required by this section shall be made no later than January 1, 2018.

INCREASE NUMBER OF MEDICAL STUDENT SLOTS

SECTION 10.3. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2017-2018 fiscal year, a sum of at least one million dollars ($1,000,000) shall be used to increase the number of available medical student slots at the School of Medicine.

EXTEND CHALLENGE GRANT FOR COLLABORATORY AT UNC-CHAPEL HILL

SECTION 10.4.(a) Section 27.5 of S.L. 2016-94 reads as rewritten:

"**SECTION 27.5.** Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, up to the sum of three million five hundred thousand dollars ($3,500,000) in nonrecurring funds for the 2016-2017 fiscal year shall be allocated to the Board of Trustees of the University of North Carolina at Chapel Hill for operation of the North Carolina Policy Collaboratory. Allocations made pursuant to this section shall be matched by the Board of Trustees on the basis of one dollar ($1.00) in allocated funds for every one dollar ($1.00) in non-State funds that the ~~Board of Trustees raises by June 30, 2017,~~North Carolina Policy Collaboratory raises, or for every one dollar ($1.00) of fair market value for donations-in-kind of goods or services from non-State entities to the Collaboratory, by June 30, 2019, for the purposes of operating the Collaboratory. Allocations made pursuant to this section shall also be eligible to match non-State funds for research to be conducted by the Collaboratory so long as the non-State-to-State ratio is equal to or greater than 2:1. These funds shall be in addition to any other funds appropriated in this act for the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill. Availability of these matching funds shall not revert but shall continue to be available as provided by this section, and any funds disbursed as a match to the Collaboratory shall not revert and shall continue to remain available."

SECTION 10.4.(b) This section becomes effective June 30, 2017.

WESTERN SCHOOL OF ENGINEERING AND TECHNOLOGY FUNDS

SECTION 10.5.(a) Funds appropriated for project management and curriculum development at the Western School of Engineering and Technology which was funded in the Connect NC Bond for the 2016-2017 fiscal year shall not revert and shall remain available for the 2017-2019 fiscal biennium for the purpose of project management and curriculum development.

SECTION 10.5.(b) This section becomes effective June 30, 2017.

ENHANCE UNC DATA SYSTEMS TO IMPROVE INSTITUTIONAL PERFORMANCE AND STUDENT SUCCESS

SECTION 10.6.(a) The Board of Governors of The University of North Carolina shall use funds appropriated to the Board by this act to modernize business processes, increase standardization, and maximize State resources. The investment will enable better financial management of The University of North Carolina and should yield, at a minimum, but not limited to, cost-per-unit analysis, predictive modeling, and more timely access to actionable information. Funds shall also be used to enhance data systems for the following purposes: integrating financial, human resource, and student account systems across The University of North Carolina System; developing new data collections systems that track faculty and staff retention rates and post-graduation student outcomes; and expanding "Know Before You Go" data reporting.

SECTION 10.6.(b) The President of The University of North Carolina shall submit an initial report to the Joint Legislative Education Oversight Committee by March 1, 2018, regarding the plan to implement subsection (a) of this section and a progress report by March 1, 2019, regarding the status of the implementation of the projects. The initial report shall include at least the information set out in subdivisions (1) through (6) of this subsection for both the data modernization and integration (DMI) project and for the enterprise resource planning (ERP) modernization project. The following information shall be set out separately for each project.

(1) The challenges and specific goals of the project. In addition, the outcomes expected from the project shall be specifically identified.

(2) The management structure to be used in managing, operating, and executing the project. The report shall indicate whether a post-project completion governance structure is needed to provide (i) oversight for the systems created for each project and (ii) service of the systems for each project. The report shall also indicate whether any additional funds may be needed to maintain the DMI systems created after initial completion and to maintain the ERP systems created after initial completion.

(3) The sources and target for movement and transformation of data being sought to achieve the project's goals.

(4) The proposed technical implementation plan for the project, including a description of the technical details of how the project will be implemented in the context of a specific set of vendor products and platforms. The proposed technical implementation plan shall also outline documented industry- and product-specific best practices.

(5) A detailed schedule for implementation and completion of the project.

(6) Any additional information deemed relevant by the President or by the Committee.

UNC/ESCHEATS FUND FOR STUDENT FINANCIAL AID PROGRAMS

SECTION 10.7.(a) The funds appropriated by this act from the Escheat Fund for the 2017-2019 fiscal biennium for student financial aid shall be allocated in accordance with G.S. 116B-7. Notwithstanding any other provision of Chapter 116B of the General Statutes, if the interest income generated from the Escheat Fund is less than the amounts referenced in this act, the difference may be taken from the Escheat Fund principal to reach the appropriations

referenced in this act; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat Fund by this act for student financial aid remain uncommitted aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION 10.7.(b) The State Education Assistance Authority (SEAA) shall conduct periodic evaluations of expenditures of the student financial aid programs administered by SEAA to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. The SEAA may make recommendations for redistribution of funds to the President of The University of North Carolina and the President of the Community College System regarding their respective student financial aid programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION 10.8.(a) The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method but shall be done in a manner that recognizes the importance of the academic missions and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

(1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
(2) Faculty workload adjustments.
(3) Restructuring of research activities.
(4) Implementing cost-saving span of control measures.
(5) Reducing the number of senior and middle management positions.
(6) Eliminating low-performing, redundant, or low-enrollment programs.
(7) Using alternative funding sources.
(8) Protecting direct classroom services.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION 10.8.(b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2017-2019 fiscal biennium to any of the following:

(1) UNC Need-Based Financial Aid.
(2) North Carolina Need-Based Scholarship.
(3) Special Education Scholarships for Children with Disabilities.
(4) North Carolina Personal Education Savings Accounts Program.
(5) Opportunity Scholarship Program.
(6) North Carolina State University Agricultural Research.
(7) North Carolina School of Science and Mathematics.
(8) University of North Carolina School of the Arts.
(9) Any entity receiving less than one and one-half percent (1.5%) of the annual net General Fund appropriation for The University of North Carolina.
(10) Any budget expansion item funded by an appropriation to the Board of Governors of The University of North Carolina by this act for the 2017-2019 fiscal biennium.

SECTION 10.8.(c) The University of North Carolina shall report on the implementation of the management flexibility reduction in this section for the 2017-2018 fiscal year to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2018, and shall report on the implementation of the management flexibility reduction in this section for the 2018-2019 fiscal year to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2019.

The reports shall identify both of the following by campus:

(1) The total number of positions eliminated by type (faculty/nonfaculty).

(2) The low-performing, redundant, and low-enrollment programs that were eliminated.

FUTURE TEACHERS OF NORTH CAROLINA

SECTION 10.9.(a) Article 1 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 4B. Future Teachers of North Carolina.

"**§ 116-41.30. Establishment of Future Teachers of North Carolina.**

(a) Purpose. – Future Teachers of North Carolina, hereinafter FTNC, is established to encourage high-achieving high school students with strong academic, interpersonal, and leadership skills to consider teaching as a career.

(b) Program. – FTNC shall be a program providing professional development and curricula for courses that provide a challenging introduction to teaching as a profession for high school students through courses offered by participating high schools in conjunction with college partners. FTNC courses shall include both content on pedagogy and the profession of teaching and field experiences for high school students.

"**§ 116-41.31. Oversight of Future Teachers of North Carolina.**

(a) FTNC General Administration. – FTNC shall be administratively located in The University of North Carolina General Administration. The President shall select three constituent institutions with highly successful schools of education located in the western, central, and eastern regions of the State, respectively, to collaborate on development of curricula for FTNC and to provide professional development to high school teachers who will teach FTNC courses. The three constituent institutions shall also work with other constituent institutions and other institutions of higher education in the State to seek input in the development of curricula and professional development for FTNC and to create a network of college faculty to provide support to high schools offering FTNC courses.

(b) FTNC Site Applications. – All high schools in the State are encouraged to offer FTNC courses to students. A high school shall apply to offer FTNC courses with the geographically appropriate constituent institution overseeing FTNC and shall ensure that all teachers teaching FTNC courses have received appropriate training. High schools shall also seek a partner institution of higher education to provide support from college faculty. High schools participating in the FTNC program shall report demographic, survey, and other available outcome data to The University of North Carolina General Administration as necessary for completion of the FTNC annual report required by G.S. 116-41.32.

(c) FTNC Institution of Higher Education Partners. – Constituent institutions that partner with high schools shall offer dual credit for high school students who successfully complete the FTNC course with a grade of "B" or higher. Other institutions of higher education that partner with high schools are encouraged to offer dual credit for high school students who successfully complete the FTNC course with a grade of "B" or higher. Constituent institutions shall provide annually to The University of North Carolina General Administration data on students who have received dual credit for completion of an FTNC course and students who applied for admission into an educator preparation program at a constituent institution who indicated in the application for admission that the student completed an FTNC course. Other institutions of higher education are encouraged to provide annually to The University of North Carolina General Administration data on students who have received dual credit for completion

of an FTNC course and students who applied for admission into an educator preparation program at the institution of higher education who indicated in the application for admission that the student completed an FTNC course.

"**§ 116-41.32. Future Teachers of North Carolina reporting.**

The University of North Carolina General Administration shall report annually, beginning October 15, 2019, on the following:

(1) Total number and names of local school administrative units with high schools participating in FTNC, total number and names of high schools offering FTNC, partner institution of higher education for each high school, and number of sections of the course being offered at each high school.

(2) Demographic information of students enrolled in FTNC courses.

(3) Percentage of students who, after completing the course, reported the following:

a. The student plans to choose teaching as a profession.

b. The course was very or somewhat effective in helping the student formulate a positive perception of the education profession.

c. The coursework and activities increased the student's knowledge of the teaching profession and other careers in education.

d. The field experience helped the student understand the many factors that contribute to effective teaching.

(4) Percentage of students who completed an FTNC course who received dual credit for successful completion of the course, by institution.

(5) Percentage of students who completed an FTNC course who applied for admission into an educator preparation program, by institution.

(6) Number of teachers provided professional development for FTNC."

SECTION 10.9.(b) The University of North Carolina General Administration shall report by October 15, 2018, on the number of site applications received, number of teachers provided professional development, number of local school administrative units and high schools offering FTNC, and number of sections of the course being offered for the 2018-2019 school year.

SECTION 10.9.(c) This section becomes effective July 1, 2017. The selected constituent institutions shall make available site applications and provide professional development to high school teachers no later than February 1, 2018.

UNC ENROLLMENT FUNDING/OSBM RESERVE ACCOUNT

SECTION 10.10. Funds appropriated by this act for enrollment adjustments, including funds for the NC Promise Tuition Plan, shall be certified to a reserve account in the Office of State Budget and Management. The appropriation is made on an annual basis and shall be held in reserve until actual enrollment can be verified following the fall semester census. Funds for the spring semester shall be allocated using the actual enrollment from the fall semester and applying the three-year average fall-to-spring retention of fundable credit hours. After verification, the Board of Governors, subject to the approval of the Director of the Budget, shall allocate the funds for the fiscal year to the constituent institutions based on the criteria set out in this section.

Upon authorization by the Director of the Budget, funds may be advanced to constituent institutions whose tuition receipts are insufficient to maintain operations until enrollment is verified. Any institutions receiving funds in advance shall report to the Office of State Budget and Management at the close of the semester to reconcile any differences between funding received for enrollment and actual enrollment. An allocation made pursuant to this section may result in an allocation to a constituent institution that is greater than or less than the amount originally requested for enrollment change funding at that institution. Pursuant to G.S. 116-11(9)c., the Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide additional adjustments

for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of institutions.

IN-STATE TUITION FOR VETERANS/COMPLIANCE WITH FEDERAL LAW

SECTION 10.11. G.S. 116-143.3A reads as rewritten:

"**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33.**

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

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).

(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such service.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and enrolls within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The veteran's abode is North Carolina.

(4) The veteran provides the institution of higher education at which the veteran intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, if the person meets all of the following criteria:

(1) The person qualifies for admission to the institution of higher education as defined in G.S. 116-143.1(a)(3) ~~and~~ and, with the exception of individuals described in subsections (c1) and (c2) of this section, enrolls in the institution of higher education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The person's abode is North Carolina.

(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(c1) Recipients using transferred Post-9/11 GI Bill benefits (38 U.S.C. § 3319) while the transferor is on active duty in the Armed Forces, the commissioned corps of the U.S. Public

Health Service, or the National Oceanic and Atmospheric Administration are eligible for the in-State tuition rate, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(c2) Recipients of the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. § 3311(b)(9)), whose parent or spouse died in the line of duty, without regard as to whether the death in the line of duty followed a period of active duty service of 90 days or more, are eligible to receive in-State tuition under this section, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(d) After the expiration of the three-year period following discharge ~~or death~~ as described in 38 U.S.C. § 3679(c), any enrolled veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other enrolled individual described in subsection (c) of this section entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SENIOR CITIZENS MAY AUDIT COURSES AT UNC AND COMMUNITY COLLEGES

SECTION 10.12.(a) Chapter 115B of the General Statutes is amended by adding a new section to read:

"**§ 115B-2.2. Senior citizens may audit classes.**

Any person who is at least 65 years old may audit courses offered at the constituent institutions of The University of North Carolina and the community colleges as defined in G.S. 115D-2(2) without payment of any required registration fee or tuition for the audit provided the audit is approved in accordance with policies adopted by the Board of Governors and the State Board of Community Colleges for their respective institutions, and there is no cost to the State. A person shall be allowed to audit a class under this section only on a space available basis. Persons auditing classes under this section shall not be counted in the computation of enrollment for funding purposes. This section does not apply to audits of courses provided on a self-supporting basis by community colleges."

SECTION 10.12.(b) G.S. 115B-4 reads as rewritten:

"**§ 115B-4. Enrollment computation for funding purposes.**

~~Persons~~ Except as provided in G.S. 115B-2.2, persons attending classes under the provisions of this Chapter, without payment of tuition, shall be counted in the computation of enrollment for funding purposes."

SECTION 10.12.(c) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall adopt policies to implement this section.

SECTION 10.12.(d) This section becomes effective July 1, 2017, and applies beginning with the 2017 fall academic semester.

STUDY/UNC EQUAL OPPORTUNITY COMPLIANCE OFFICERS

SECTION 10.13.(a) The Board of Governors of The University of North Carolina shall study the equal opportunity policies, which include the policies related to diversity and nondiscrimination, adopted by each constituent institution, the implementation of those policies on each campus, and the services provided on each campus. In conducting the study, the Board of Governors shall review and evaluate the equal opportunity policies with a particular focus on transparency and effectiveness of the policies.

As part of the study, the Board of Governors shall direct each constituent institution to identify all staff positions on campus that include as part of the job duties any responsibility for the implementation, administration, or enforcement of policies intended to promote equal opportunity, diversity, or inclusiveness; indicate how those staff positions and the services

offered through those positions fit within the organizational structure of the constituent institution; and indicate the direct and indirect costs related to those staff positions and services provided by those staff positions. This information shall include the number of part-time and full-time employees in these staff positions by each individual campus, descriptions of job duties of each of these employees, and the total costs of the positions.

The study shall also consider the feasibility of developing equal opportunity plans at each constituent institution that consolidate all equal opportunity services offered at each constituent institution into a single office headed by an equal employment officer designated by the Chancellor in order to promote effectiveness and efficiency.

SECTION 10.13.(b) The Board of Governors of The University of North Carolina shall submit a report that includes its findings, recommendations, and policy changes to the Joint Legislative Education Oversight Committee by January 1, 2018. The Board of Governors shall approve the report prior to the submission to the Joint Legislative Education Oversight Committee.

BOARD OF GOVERNORS STUDIES/ESTABLISH SCHOOL OF HEALTH SCIENCES AND HEALTH CARE AT UNC-PEMBROKE AND ESTABLISH PHYSICIAN ASSISTANT PROGRAM, CHIROPRACTIC MEDICINE PROGRAM, AND A PILOT PROGRAM FOR BASIC LAW ENFORCEMENT TRAINING AT WSSU

SECTION 10.14.(a) The Board of Governors of The University of North Carolina shall study the feasibility of establishing a School of Health Sciences and Health Care at the University of North Carolina at Pembroke. In its study, the Board of Governors shall consider the health care needs of the region and what health science and health care programs would best serve the region and meet its health care needs. The Board of Governors shall also consider the costs and financial benefits of establishing a School of Health Sciences and Health Care.

The Board of Governors shall submit a report on the study, including its findings and recommendations, by March 1, 2018, to the members of the Senate and the House of Representatives, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library.

SECTION 10.14.(b) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2017-2018 fiscal year, the Board may use up to one hundred thousand dollars ($100,000) to cover the costs of the study required by subsection (a) of this section.

SECTION 10.14.(c) The Board of Governors of The University of North Carolina shall study the feasibility of establishing the following programs at Winston-Salem State University: a Physician Assistant Program, a Chiropractic Medicine Program, and a pilot program for Basic Law Enforcement Training. In its study, the Board of Governors shall consider the costs and financial benefits of establishing these programs at Winston-Salem State University.

The Board of Governors shall submit a report on the study, including its findings and recommendations, by March 1, 2018, to the members of the Senate and the House of Representatives, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library.

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION 10.15. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars ($29,000,000) for the 2017-2018 fiscal year and twenty-nine million dollars ($29,000,000) for the 2018-2019 fiscal year to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

UNC COMPUTER COMPATIBILITY

SECTION 10.20. The President of The University of North Carolina shall work with the Department of Information Technology to ensure, to the extent practicable, that The University of North Carolina computer systems are able to share data among computer systems at the constituent institutions, community colleges, Department of Public Instruction, and other State agencies.

UNC CYBERSECURITY

SECTION 10.21.(a) The President of The University of North Carolina, in collaboration with the Department of Information Technology or other cybersecurity consultant selected by the President, shall review the existing security for the information technology systems and associated data of The University of North Carolina System to determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review shall include an evaluation of all of the following: (i) continuous monitoring and risk assessment; (ii) security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance; and (iii) security training and education services for faculty, staff, and administrators. The President shall take appropriate measures to address any potential problems or issues identified by the review.

SECTION 10.21.(b) Each constituent institution shall conduct a review of the existing security for the information technology systems and associated data of the constituent institution to determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review shall include an evaluation of (i) continuous monitoring and risk assessment; (ii) security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance; and (iii) security training and education services for faculty, staff, and administrators. The Chancellor of the constituent institution shall take appropriate measures to address any potential problems or issues identified by the review.

MATCHING FUNDS FOR DEPARTMENT OF APPLIED PHYSICAL SCIENCES AT UNC-CHAPEL HILL DO NOT REVERT

SECTION 10.23.(a) Section 27.6 of S.L. 2016-94 reads as rewritten:

"**SECTION 27.6.** Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, up to the sum of four million dollars ($4,000,000) in nonrecurring funds for the 2016-2017 fiscal year shall be allocated to the Board of Trustees of the University of North Carolina at Chapel Hill for operation of the Department of Applied Physical Sciences. Allocations made pursuant to this section shall be matched by the Board of Trustees on the basis of one dollar ($1.00) in allocated funds for every one dollar ($1.00) in non-State funds that the Board of Trustees raises by June 30, ~~2017,~~2019, for the purposes of operating the Department of Applied Physical Sciences. These funds shall not revert but shall continue to be available as matching funds for the 2017-2019 fiscal biennium for the purposes of operating the Department of Applied Physical Sciences as provided by this section."

SECTION 10.23.(b) This section becomes effective June 30, 2017.

FOOD SCIENCE INNOVATION ADVISORY COMMITTEE

SECTION 10.24.(a) There is created the Food Processing Innovation Center Committee (Committee), which shall be located administratively in the Department of Agriculture and Consumer Services. The Committee shall consist of 14 members, including:

(1) The Commissioner of Agriculture or the Commissioner's designee, who will serve as chair.
(2) The Secretary of Commerce or the Secretary's designee.
(3) The President of the Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., or the President's designee.

(4) Three members shall be appointed by the Speaker of the House of Representatives, at least one of whom shall be employed in the field of food manufacturing and at least one of whom shall be employed as a farmer or grower of crops.

(5) Three members shall be appointed by the President Pro Tempore of the Senate, at least one of whom shall be employed in the field of food manufacturing and at least one of whom shall be employed as a farmer or grower of crops.

(6) The Dean of the College of Agriculture and Life Science at North Carolina State University, or the Dean's designee.

(7) The President of the Community Colleges System Office, or the President's designee.

(8) The President and CEO of Economic Development Partnership of North Carolina (EDPNC), or the President's designee.

(9) Agricultural Economist with expertise in food systems and agribusiness that could help in creation of a business plan for the initiative appointed upon the recommendation of the Commissioner of Agriculture.

(10) One member who is a representative of the North Carolina Research Campus, who shall be a nonvoting member.

SECTION 10.24.(b) The Committee shall study and make recommendations to the General Assembly on measures that will serve the following goals:

(1) Increasing the employment and private capital investment in food manufacturing in North Carolina, with an emphasis on rural and economically distressed areas.

(2) Increasing the use of North Carolina produced ingredients, agricultural products, equipment, and other products of food manufacturers located in this State.

(3) Increasing the number and economic value of food manufacturing entrepreneurs and companies in North Carolina, with priority given to those entities located in rural and economically distressed areas.

(4) Any other goal the Committee deems advantageous to the State.

SECTION 10.24.(c) Appointments for all members shall be for terms of four years beginning within 30 days of when this act becomes law. Appointed members may be reappointed but shall not serve more than two consecutive terms of four years. Vacancies among appointed members shall be filled by the appointing entity and shall be for the remainder of the vacant term.

No member of the General Assembly, spouse of a member of the General Assembly, or officer or employee of the State shall be eligible to serve on the Committee as an appointed member.

The Committee shall meet at stated times established by the Committee but not less frequently than four times a year. Special meetings of the Committee may be set at any regular meeting or may be called by the chair. A majority of the appointed members of the Committee shall constitute a quorum for the transaction of business.

From funds available to the Department of Agriculture and Consumer Services, the Commissioner of Agriculture shall allocate monies to fund the work of the Committee. Members of the Committee shall receive subsistence and travel expenses, as provided in G.S. 120-3.1 and G.S. 138-5.

SECTION 10.24.(d) Notwithstanding subsection (c) of this section, the six Committee members appointed pursuant to subdivisions (4) and (5) of subsection (a) of this section shall serve a first term beginning on the date of their designation and ending on December 31, 2020. Thereafter, they shall serve four-year terms which shall begin on January 1, 2021.

SECTION 10.24.(e) The Committee shall develop a business plan for the Food Processing Research Center at the North Carolina Research Campus (Center) to implement. The business plan required by this subsection shall include processes for designing and marketing the Center. Of the funds appropriated in this act to North Carolina State University for the Center, the University shall allocate not more than the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year to the Committee to cover costs incurred by the Committee in developing a business plan required under this subsection. The business plan required under this subsection shall ensure all of the following:

(1) The financial stability for the Center, including sources and uses for funds to operate the facility and maintain equipment for the Center.

(2) The creation and implementation of revenue models that can be used to support the expenses of the facility with the goal of positioning the facility to ultimately cease to need State funds for continued operations.

(3) The creation and implementation of policies that protect the State's investment in the initiative and provide for a return to the taxpayers by increasing job opportunities, private sector investment, and increased markets for value-added agricultural products.

(4) Any other provision the Committee deems necessary to carry out the intent and accomplish the goals established in this section.

Upon completion of the business plan required under this subsection, the Committee shall submit the business plan to the University.

SECTION 10.24.(f) No less than 30 days prior to expending or encumbering any other funds provided in this act to the University for the Center, the University shall submit the business plan required under subsection (e) of this section to the Joint Legislative Commission on Government Operations.

SECTION 10.24.(g) On or before September 1, 2018, and at least semiannually thereafter, the Committee shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division with its activities, accomplishments, and recommendations based upon its study of the items listed in subsection (b) of this section.

SECTION 10.24.(h) This section expires January 1, 2025.

ENERGY STORAGE STUDY

SECTION 10.25. If House Bill 589, 2017 Regular Session, becomes law, then the North Carolina Policy Collaboratory (Collaboratory) at the University of North Carolina at Chapel Hill shall study energy storage technology as set forth in that act if the Collaboratory raises non-State funds of at least seventy-five thousand dollars ($75,000) to provide a one-to-one match from challenge grant funds administered by the Office of State Budget and Management as set forth in Section 27.5 of S.L. 2016-94, as amended by this act.

ONE-YEAR COLLEGE TUITION GRANTS FOR CERTAIN GRADUATES OF THE NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS WHO ATTEND A STATE UNIVERSITY

SECTION 10.26.(a) Of the funds appropriated by this act to the Board of Governors for the 2017-2018 fiscal year, the sum of one million five hundred thousand dollars ($1,500,000) shall be allocated to the State Education Assistance Authority to be held in reserve to provide tuition grants for one academic year to each State resident who graduates from the North Carolina School of Science and Mathematics at the end of the 2017-2018 academic year and who enrolls as a full-time student in a constituent institution of The University of North Carolina for the 2018-2019 academic year. The amount of the grant awarded to each student shall cover the tuition cost at the constituent institution in which the student is enrolled.

SECTION 10.26.(b) The tuition grants provided for in this section shall be administered by the State Education Assistance Authority pursuant to rules adopted by the

State Education Assistance Authority not inconsistent with this section. The State Education Assistance Authority shall not approve any grant until it receives proper certification from the appropriate constituent institution that the student applying for the grant is an eligible student. Upon receipt of the certification, the State Education Assistance Authority shall remit at the times it prescribes the grant to the constituent institution on behalf, and to the credit, of the student.

SECTION 10.26.(c) Notwithstanding any other provision of this section, no tuition grant awarded to a student under this section shall exceed the cost of attendance at the constituent institution at which the student is enrolled. If a student, who is eligible for a tuition grant under this subsection, also receives a scholarship or other grant covering the cost of attendance at the constituent institution for which the tuition grant is awarded, then the amount of the tuition grant shall be reduced by an appropriate amount determined by the State Education Assistance Authority. The State Education Assistance Authority shall reduce the amount of the tuition grant so that the sum of all grants and scholarship aid covering the cost of attendance received by the student, including the tuition grant under this section, shall not exceed the cost of attendance for the constituent institution at which the student is enrolled. The cost of attendance, as used in this subsection, shall be determined by the State Education Assistance Authority for each constituent institution.

SECTION 10.26.(d) The funds allocated by this section shall not revert at the end of the 2017-2018 fiscal year but shall remain available until the end of the 2018-2019 fiscal year to implement this section.

UNC/EXCELLENCE FUND FOR EXPERIENTIAL LEARNING AND LEADERSHIP DEVELOPMENT FOR THE RESERVE OFFICERS TRAINING CORPS

SECTION 10.27. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the sum of two hundred forty thousand dollars ($240,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to the University of North Carolina at Chapel Hill to establish within the College of Arts and Sciences the Excellence Fund for Experiential Learning and Leadership Development for the Reserve Officers Training Corps. Subject to the approval of the Dean of the College of Arts and Sciences, monies from the Fund shall be used to support strategic investments in experiential learning and leadership development initiatives for UNC ROTC programs. The funds allocated under this section shall not revert at the end of the fiscal year but shall remain available to be expended as provided by this section.

UNC CORE/FUNDS FOR ACTIVE DUTY SERVICE MEMBERS AND VETERANS PROGRAMS

SECTION 10.28.(a) The unexpended balance of the funds appropriated in the 2016-2017 fiscal year for NC CORE in Budget Code 16020 shall not revert. Those funds shall be transferred to the Office of the Executive Vice Chancellor Provost at the University of North Carolina at Chapel Hill and shall be used to support programs for active duty service members and veterans at the University of North Carolina at Chapel Hill.

SECTION 10.28.(b) This section becomes effective June 30, 2017.

SUBPART X-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY

SOFTWARE FOR ADMINISTRATION OF THE OPPORTUNITY SCHOLARSHIP AND SPECIAL EDUCATION SCHOLARSHIP PROGRAMS

SECTION 10A.1.(a) Notwithstanding G.S. 115C-562.8, of the funds appropriated by this act for the Opportunity Scholarship Grant Fund Reserve for the 2017-2018 fiscal year, the State Education Assistance Authority (Authority) may use up to one million eight hundred thousand dollars ($1,800,000) in nonrecurring funds for the 2017-2018 fiscal year to purchase software necessary to support the administration of the Opportunity Scholarship Grant Program and the Special Education Scholarships for Children with Disabilities Program. These funds

may also be used for customization of the software, development of interfaces with other internal systems, conversion of data, and training for staff on the new software system.

SECTION 10A.1.(a1) The Authority shall work with the Department of Information Technology to ensure, to the extent practicable, that the Authority's computer systems are able to share data among computer systems at The University of North Carolina and constituent institutions, the North Carolina Community College System, the Department of Public Instruction, and other State agencies.

SECTION 10A.1.(b) The Authority shall report by October 1 of each year, beginning October 1, 2017, and ending October 1, 2018, to the Fiscal Research Division and the Joint Legislative Education Oversight Committee on the acquisition of software for administration of the program and all aspects of implementation of the software system and the expenditure of funds.

ELIMINATE SCHOOL SITE SCHOLARSHIP ENDORSEMENT REQUIREMENT

SECTION 10A.2.(a) G.S. 115C-112.6(b1)(1)a. reads as rewritten:

"a. Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student ~~to the school~~ for deposit into the account of the ~~school.~~nonpublic school to the credit of the eligible student. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship ~~funds but shall endorse the scholarship funds in person at the site of the school.~~funds. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student."

SECTION 10A.2.(b) G.S. 115C-562.6 reads as rewritten:

"**§ 115C-562.6. Scholarship endorsement.**

The Authority shall remit, at least two times each school year, scholarship grant funds awarded to eligible students to the nonpublic school for endorsement by at least one of the student's parents or guardians. The parent or guardian shall restrictively endorse the scholarship grant funds awarded to the eligible student ~~to the nonpublic school~~ for deposit into the account of the nonpublic ~~school.~~school to the credit of the eligible student. The parent or guardian shall not designate any entity or individual associated with the nonpublic school as the parent's attorney-in-fact to endorse the scholarship grant ~~funds but shall endorse the scholarship grant funds in person at the site of the nonpublic school.~~funds. A parent's or guardian's failure to comply with this section shall result in forfeit of the scholarship grant. A scholarship grant forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student."

SECTION 10A.2.(c) This section applies to scholarship funds awarded beginning with the 2017-2018 school year.

NORTH CAROLINA TEACHING FELLOWS

SECTION 10A.3.(a) Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 3. North Carolina Teaching Fellows Program.

"**§ 116-209.60. Definitions.**

The following definitions apply in this Part:

(1) Commission. – The North Carolina Teaching Fellows Commission.

(2) Director. – The Director of the North Carolina Teaching Fellows Program.

(3) Forgivable loan. – A forgivable loan made under the Program.

(4) Program. – The North Carolina Teaching Fellows Program.

(5) Public school. – An elementary or secondary school located in North Carolina that is governed by a local board of education, charter school board of directors, regional school board of directors, or University of North Carolina laboratory school board of trustees.

(6) STEM. – Science, technology, engineering, and mathematics.

(7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

"**§ 116-209.61. North Carolina Teaching Fellows Commission established; membership.**

(a) Commission Established. – There is established the North Carolina Teaching Fellows Commission. The Commission shall determine program and forgivable loan recipient selection criteria and selection procedures and shall select the recipients to receive forgivable loans under the North Carolina Teaching Fellows Program in accordance with the requirements of this Part. The Director of the North Carolina Teaching Fellows Program shall appoint staff to the Commission.

(b) Membership. – The Commission shall consist of 14 members who shall be appointed or serve as ex officio members as follows:

(1) The Board of Governors of The University of North Carolina shall appoint seven members to the Commission as follows:

a. Two deans of approved schools of education at postsecondary constituent institutions of The University of North Carolina.

b. The president of a North Carolina community college.

c. A teacher who graduated from an approved educator preparation program located in the State within three years of appointment to serve on the Commission.

d. A principal who graduated from an approved educator preparation program located in the State.

e. A local board of education member.

f. A member to represent business and industry in North Carolina.

(2) The General Assembly shall appoint two members to the Commission in accordance with G.S. 120-121 as follows:

a. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the Speaker of the House of Representatives.

b. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the President Pro Tempore of the Senate.

(3) The following five members shall serve as ex officio members to the Commission:

a. The North Carolina Teacher of the Year.

b. The North Carolina Principal of the Year.

c. The North Carolina Superintendent of the Year.

d. The chair of the Board of the State Education Assistance Authority.

e. The Director of the North Carolina Teaching Fellows Program.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chair of the Board of the State Education Assistance Authority and Director of the North Carolina Teaching Fellows Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership of the Commission, the appointing authority shall appoint another person meeting the same qualifications to serve for the balance of the unexpired term.

(e) Chair; Meetings. – The Director of the Program shall call the first meeting of the Commission. The Commission members shall elect a chair and a vice-chair from the membership of the Commission to serve one-year terms. The Commission shall meet regularly at times and places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.

(f) Conflict of Interest. – A member of the Commission shall abstain from voting on the selection of an educator preparation program of a postsecondary constituent institution of The University of North Carolina or a private postsecondary institution operating in the State under G.S. 116-209.62(f) if the member is an officer or employee of the institution or sits as a member of the institution's board of directors.

(g) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

"**§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

(a) Program. – There is established the North Carolina Teaching Fellows Program to be administered by the General Administration of The University of North Carolina, in conjunction with the Authority and the Commission. The purpose of the Program is to recruit, prepare, and support students residing in or attending institutions of higher education located in North Carolina for preparation as highly effective STEM or special education teachers in the State's public schools. The Program shall be used to provide a forgivable loan to individuals interested in preparing to teach in the public schools of the State in STEM or special education licensure areas.

(b) Trust Fund. – There is established the North Carolina Teaching Fellows Program Trust Fund to be administered by the Authority, in conjunction with the General Administration of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program for forgivable loans, (ii) received as repayment of forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the Trust Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill STEM or special education licensure areas in the public schools of the State.

(c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program, and (iii) extracurricular enhancement activities of the Program. The Authority may use up to six hundred thousand dollars ($600,000) from the Trust Fund in each fiscal year for its administrative costs, the salary of the Director of the Program, expenses of the Commission, and to provide the Commission with funds to use for the extracurricular enhancement activities of the Program.

(d) Director of the Program. – The Board of Governors of The University of North Carolina shall appoint a Director of the Program. The Director shall appoint staff to the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities shall include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges, (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and (iii) attracting candidates in STEM and special education licensure areas to the Program. The Director shall report to the President of The University of North Carolina. The Authority shall provide office space and clerical support staff, as necessary, to the Director for the Program.

(e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt stringent standards for awarding forgivable loans based on multiple measures to ensure that only the strongest applicants receive them, including the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers, including excellent verbal and communication skills.

(4) Demonstrated commitment to serve in a STEM or special education licensure area in North Carolina public schools.

(f) Program Selection Criteria. – The Authority shall administer the Program in cooperation with five institutions of higher education with approved educator preparation programs selected by the Commission that represent both postsecondary constituent institutions of The University of North Carolina and private postsecondary institutions operating in the State. The Commission shall adopt stringent standards for selection of the most effective educator preparation programs, including the following:

(1) Demonstrates high rates of educator effectiveness on value-added models and teacher evaluations, including using performance-based, subject-specific assessment and support systems, such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.

(2) Demonstrates measurable impact of prior graduates on student learning, including impact of graduates teaching in STEM or special education licensure areas.

(3) Demonstrates high rates of graduates passing exams required for teacher licensure.

(4) Provides curricular and co-curricular enhancements in leadership, facilitates learning for diverse learners, and promotes community engagement, classroom management, and reflection and assessment.

(5) Requires at least a minor concentration of study in the subject area that the candidate may teach.

(6) Provides early and frequent internship or practical experiences, including the opportunity for participants to perform practicums in diverse school environments.

(7) Is approved by the State Board of Education as an educator preparation program.

(g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected students to be used at the five selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to four years.

(2) Students applying for transfer to a selected educator preparation program at an institution of higher education. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to three years.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

(4) Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

Forgivable loans may be used for tuition, fees, and the cost of books.

(h) Identification of STEM and Special Education Licensure Areas. – The Superintendent of Public Instruction shall identify and provide to the Commission and the

Authority a list of STEM and special education licensure areas and shall annually provide to the Commission the number of available positions in each licensure area relative to the number of current and anticipated teachers in that area of licensure. The Commission shall make the list of STEM and special education licensure areas readily available to applicants.

(i) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the forgivable loans by the Commission, the Commission shall transfer to the Authority its decisions. The Authority, in coordination with the Director, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rule making, disseminating information, acting as a liaison with participating institutions of higher education, implementing forgivable loan agreements, loan monitoring, loan cancelling through service and collection, determining the acceptability of service repayment agreements, enforcing the agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(j) Annual Report. – The Commission, in coordination with the Authority, shall report no later than January 1, 2019, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

(1) Forgivable loans awarded from the Trust Fund, including the following:
- a. Demographic information regarding recipients.
- b. Number of recipients by institution of higher education and program.
- c. Information on number of recipients by anticipated STEM and special education licensure area.

(2) Placement and repayment rates, including the following:
- a. Number of graduates who have been employed in a STEM or special education licensure area within two years of program completion.
- b. Number of graduates who accepted employment at a low-performing school identified under G.S. 115C-105.37 as part of their years of service.
- c. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.
- d. Number of graduates employed in a STEM or special education licensure area who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.
- e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a STEM or special education licensure area.

(3) Selected school outcomes by program, including the following:
- a. Turnover rate for forgivable loan graduates.
- b. Aggregate information on student growth and proficiency as provided annually by the State Board of Education to the Commission in courses taught by forgivable loan graduates.
- c. Fulfillment rate of forgivable loan graduates.

"**§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

(a) Notes. – All forgivable loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning on the first day of September after the completion of the program leading to teacher licensure or 90 days after termination of the forgivable loan, whichever is earlier. The forgivable loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a

STEM or special education licensure area, as provided in G.S. 116-209.62(h), for every year the teacher was awarded the forgivable loan, in any combination of the following:

(1) One year at a North Carolina public school identified as low-performing under G.S. 115C-105.37 at the time the teacher accepts employment at the school or, if the teacher changes employment during this period, at another school identified as low-performing.

(2) Two years at a North Carolina public school not identified as low-performing under G.S. 115C-105.37.

The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for up to eight years, within 10 years after completion of the program leading to teacher licensure, at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be repaid within 10 years after completion of the program leading to teacher licensure supported by the forgivable loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than the first day of September after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years."

SECTION 10A.3.(b) Initial appointments to the North Carolina Teaching Fellows Commission shall be made no later than August 15, 2017. Initial appointments to the Commission shall expire July 1, 2019.

SECTION 10A.3.(c) The Commission shall establish initial selection criteria for recipients and select the five institutions of higher education with approved educator preparation programs at which a recipient may use a forgivable loan no later than November 15, 2017, and shall make available applications to prospective students no later than December 31, 2017.

SECTION 10A.3.(d) The Superintendent of Public Instruction shall establish the list of STEM and special education licensure areas and provide that information to the Commission and Authority no later than October 1, 2017.

SECTION 10A.3.(e) The Commission shall select recipients and award the initial forgivable loans for the 2018-2019 academic year no later than April 1, 2018.

SECTION 10A.3.(f) G.S. 115C-472.16(b) reads as rewritten:

"(b) The General Assembly shall only appropriate moneys in the North Carolina Education Endowment Fund for ~~teacher compensation that is related directly to improving student academic outcomes in the public schools of the State.~~the forgivable loans for the North Carolina Teaching Fellows Program and administration of the North Carolina Teaching Fellows Program under Part 3 of Article 23 of Chapter 116 of the General Statutes."

SECTION 10A.3.(g) G.S. 116-209.27(a) reads as rewritten:

"(a) The Authority shall, as of March 1, 2015, administer all outstanding scholarship loans previously awarded by the former North Carolina Teaching Fellows Commission and subject to repayment under the former Teaching Fellows ~~Program.~~Program administered pursuant to Part 2 of Article 24C of Chapter 115C of the General Statutes."

SECTION 10A.3.(h) For the 2017-2018 fiscal year, the Department of Public Instruction shall transfer the sum of four hundred fifty thousand dollars ($450,000) in nonrecurring funds from the North Carolina Education Endowment Fund to the Board of Governors of The University of North Carolina to allocate to the Authority to be used to implement the North Carolina Teaching Fellows Program (Program), as established by this section. Beginning with the 2018-2019 fiscal year, the Department of Public Instruction shall transfer the sum of six million dollars ($6,000,000) in recurring funds from the North Carolina Education Endowment Fund to the Board of Governors to be allocated to the Authority for the operation of the Program and for the award of forgivable loans to selected recipients beginning with the 2018-2019 academic year.

SECTION 10A.3.(i) Notwithstanding G.S. 115C-472.16, of the funds available in the North Carolina Education Endowment Fund (Fund) for the 2017-2018 fiscal year, the sum

of six million one hundred forty-five thousand four hundred sixty-one dollars ($6,145,461) in nonrecurring funds for the 2017-2018 fiscal year shall be transferred from the Fund to the Department of Public Instruction to be used to support the supervision and administration of the public school system.

PERSONAL EDUCATION SAVINGS ACCOUNT PROGRAM

SECTION 10A.4.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 39A.

"Personal Education Savings Accounts.

"**§ 115C-567.5. North Carolina Personal Education Savings Account Program established.**

There is established the North Carolina Personal Education Savings Accounts Program to provide the option for a parent to better meet the individual educational needs of the parent's child.

"**§ 115C-567.6. Definitions.**

The following definitions apply in this Article:

(1) Authority. – Defined in G.S. 116-201.

(2) Division. – The Division of Nonpublic Education, Department of Administration.

(3) Eligible student. – A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:

a. Meets one of the following criteria:

1. Was a full-time student (i) assigned to and attending a public school pursuant to G.S. 115C-366 or (ii) enrolled in a Department of Defense Elementary and Secondary School, established pursuant to 10 U.S.C. § 2164 and located in North Carolina, during the previous semester.
2. Received scholarship funds for a personal education savings account during the previous school year.
3. Is entering either kindergarten or the first grade.
4. Is a child in foster care, as defined in G.S. 131D-10.2(9).
5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship application.
6. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq.
7. Is a child enrolled part-time in a public school and part-time in a nonpublic school that exclusively provides services for children with disabilities.

b. Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.

c. Is a child with a disability, as defined in G.S. 115C-106.3(1), including, for example, intellectual disability, hearing impairment, speech or language impairment, visual impairment, serious emotional disturbance, orthopedic impairment, autism, traumatic brain injury, other health impairments, specific learning disability, or disability as may be required to be included under IDEA.

(4) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter, as identified by the Division.

(5) Parent. – A parent, legal guardian, or legal custodian of an eligible student.

(6) Personal Education Savings Account or PESA. – A bank account provided to a parent for the purpose of holding scholarship funds awarded by the Authority for an eligible student to be used for qualifying education expenses under G.S. 115C-567.10.

"**§ 115C-567.7. Award of scholarship funds for a personal education savings account.**

(a) Application Selection. – The Authority shall make available no later than February 1 of each year applications to eligible students for the award of scholarship funds for a personal education savings account to be used for qualifying education expenses to attend a nonpublic school. Information about scholarship funds and the application process shall be made available on the Authority's Web site. Applications shall be submitted electronically. Beginning March 15, the Authority shall begin selecting recipients for scholarships according to the following criteria:

(1) First priority shall be given to eligible students who were awarded scholarship funds for a PESA during the previous school year if those students have applied by March 1.

(2) After funds have been awarded to prior recipients as provided in subdivision (1) of this subsection, any remaining funds shall be used to award scholarship funds for a PESA for all other eligible students.

(b) Scholarship Awards. – Scholarships shall be awarded each year for an amount not to exceed nine thousand dollars ($9,000) per eligible student for the fiscal year in which the application is received. Recipients shall receive scholarship funds deposited in equal amounts to a PESA in each quarter of the fiscal year. The first deposit of funds to a PESA shall be subject to the execution of the parental agreement required by G.S. 115C-567.10. The parent shall then receive a debit card with the prepaid funds loaded on the card at the beginning of the fiscal year. After the initial disbursement of funds, each subsequent, quarterly disbursement of funds shall be subject to the submission by the parent of an expense report. The expense report shall be submitted electronically and shall include documentation that the student received an education, as described in G.S. 115C-567.10(a)(1), for no less than 35 days of the applicable quarter. The debit card shall be renewed upon the receipt of the parental agreement under G.S. 115C-567.10 for recipients awarded scholarship funds in subsequent fiscal years. Any funds remaining on the card at the end of the fiscal year may be carried forward to the next fiscal year if the card is renewed. Any funds remaining on the card if an agreement is not renewed shall be returned to the Authority.

(c) Eligibility for Other Scholarships. – Eligibility for the other scholarship programs is provided for as follows:

(1) An eligible student under this Article may receive, in addition to a PESA, a scholarship under Part 2A of Article 39 of this Chapter.

(2) An eligible student under this Article may receive, in addition to a PESA and a scholarship under Part 2A of Article 39 of this Chapter, a scholarship under the special education scholarship program for children with disabilities pursuant to Part 1H of Article 9 of this Chapter, only if that student has one or more of the following disabilities:

a. Autism.

b. Developmental disability.

c. Hearing impairment.

d. Moderate or severe intellectual disability.

e. Multiple, permanent orthopedic impairments.

f. Visual impairment.

(d) Applications Not Public Records. – Applications for scholarship funds and personally identifiable information related to eligible students receiving funds shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or

members of a student's household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, or any other information or identification number that would provide information about a specific student or members of a specific student's household.

"**§ 115C-567.8. Student continuing eligibility.**

After the initial disbursement of funds, the Authority shall ensure that the student's continuing eligibility is assessed at least every three years by one of the following:

(1) The local education agency. – The local education agency shall assess if the student continues to be a child with a disability and verify the outcome on a form to be provided to the Authority.

(2) A licensed psychologist with a school psychology focus or a psychiatrist. – The psychologist or psychiatrist shall assess, after review of appropriate medical and educational records, if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the student would continue to benefit from placement in the nonpublic school setting. The psychologist or psychiatrist shall verify the outcome of the assessment on a form to be provided to the Authority.

"**§ 115C-567.9. Verification of eligibility.**

(a) Verification of Information. – The Authority may seek verification of information on any application for the award of scholarship funds for a personal education savings account. The Authority shall select and verify six percent (6%) of applications annually, including those with apparent errors on the face of the application. The Authority shall establish rules for the verification process. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of scholarship funds for a PESA for the eligible student.

(b) Access to Information. – Household members of applicants for the award of scholarship funds for a PESA shall authorize the Authority to access information needed for verification efforts held by other State agencies, including the Department of Health and Human Services and the Department of Public Instruction.

"**§ 115C-567.10. Parental agreement; use of funds.**

(a) Parental Agreement. – The Authority shall provide the parent of a scholarship recipient with a written agreement, applicable for each year the eligible student receives scholarship funds under this Article, to be signed and returned to the Authority prior to receiving the scholarship funds. The agreement shall be submitted to the Authority electronically. The parent shall not designate any entity or individual to execute the agreement on the parent's behalf. A parent or eligible student's failure to comply with this section shall result in a forfeit of scholarship funds and those funds may be awarded to another eligible student. The parent shall agree to the following conditions in order to receive scholarship funds under this Article:

(1) Use at least a portion of the scholarship funds to provide an education to the eligible student in, at a minimum, the subjects of English language arts, mathematics, social studies, and science.

(2) Unless the student is an eligible student pursuant to G.S. 115C-567.6(3)a.7., release a local education agency in which the student is eligible to attend under G.S. 115C-366 of all obligations to educate the eligible student while the eligible student is receiving scholarship funds under this Article. A parent of a student, other than a student who is an eligible student pursuant to G.S. 115C-567.6(3)a.7., who decides to enroll the student into the local education agency or other North Carolina public school during the term of the agreement shall notify the Authority to request a release from the agreement and shall return any unexpended funds to the Authority.

(3) Use the scholarship funds deposited into a personal education savings account only for the following qualifying education expenses of the eligible student:

a. Tuition and fees for a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter and is subject to the requirements of G.S. 115C-562.5.

b. Textbooks required by a nonpublic school.

c. Tutoring and teaching services provided by an individual or facility accredited by a State, regional, or national accrediting organization.

d. Curricula.

e. Fees for nationally standardized norm-referenced achievement tests, advanced placement tests, or nationally recognized college entrance exams.

f. Fees charged to the account holder for the management of the PESA.

g. Fees for services provided by a public school, including individual classes and extracurricular programs.

h. Premiums charged to the account holder for any insurance or surety bonds required by the Authority.

i. Educational therapies from a licensed or accredited practitioner or provider.

j. Educational technology defined by the Authority as approved for use pursuant to Part 1H of Article 9 of this Chapter.

k. Student transportation, pursuant to a contract with an entity that regularly provides student transportation, to and from (i) a provider of education or related services or (ii) an education activity.

(4) Not use scholarship funds for any of the following purposes:

a. Computer hardware or other technological devices not defined by the Authority as educational technology approved for use pursuant to Part 1H of Article 9 of this Chapter.

b. Consumable educational supplies, including paper, pen, or markers.

c. Tuition and fees at an institution of higher education, as defined in G.S. 116-143.1, or a private postsecondary institution.

d. Tuition and fees for a nonpublic school that meets the requirements of Part 3 of Article 39 of this Chapter.

(b) No Refunds to an Account Holder. – A nonpublic school or a provider of services purchased under subsection (a) of this section shall not refund or rebate any scholarship funds to a parent or eligible student in any manner. The parent shall notify the Authority if such a refund is required.

(c) Funds in the PESA Not Taxable. – Funds received pursuant to this Article do not constitute taxable income to the parent, legal guardian, or legal custodian of an eligible student or to the eligible student.

"**§ 115C-567.11. Identification of nonpublic schools and distribution of personal education savings account information.**

(a) List of Nonpublic Schools. – The Division shall provide annually by February 1 to the Authority a list of all nonpublic schools operating in the State that meet the requirements of Part 1, 2, or 3 of Article 39 of this Chapter.

(b) Information on PESAs to the Division. – The Authority shall provide information about personal education savings accounts to the Division. The Division shall provide information about PESAs to all qualified nonpublic schools on an annual basis.

"**§ 115C-567.12. Administration.**

(a) Rules and Regulations. – The Authority shall establish rules and regulations for the administration of the program, including the following:

(1) The administration and awarding of scholarship funds, including a lottery process for the selection of recipients within the criteria established by G.S. 115C-567.7(a), if necessary.

(2) Requiring a surety bond or insurance to be held by account holders.

(3) Use of the funds and the reporting of expenditures.

(4) Monitoring and control of spending scholarship funds deposited in a personal education savings account.

(b) Contract for Management of PESAs. – The Authority may contract with a private financial management firm or institution to manage PESAs in accordance with this Article.

(c) Annual Audits. – The Authority shall conduct annual audits of PESAs and may audit a random sampling of PESAs as needed to ensure compliance with the requirements of this Article. The Authority may contract with an independent entity to conduct these audits. The Authority may remove a parent or eligible student from the program and close a personal education savings account for failure to comply with the terms of the parental agreement, for failure to comply with applicable laws, or because the student is no longer an eligible student.

(d) Administration Costs. – Of the funds allocated to the Authority to award scholarship funds under this Article, the Authority may retain up to two hundred fifty thousand dollars ($250,000) each fiscal year for administrative costs associated with the program, including contracting with non-State entities for administration of certain components of the program.

"**§ 115C-567.13. Reporting requirements.**

The Authority shall report annually, no later than September 1, to the Joint Legislative Education Oversight Committee on the following:

(1) Total number, grade level, race, ethnicity, and sex of eligible students receiving scholarship funds.

(2) Total amount of scholarship funding awarded.

(3) Number of students previously enrolled in public schools in the prior semester by the previously attended local education agency.

(4) Nonpublic schools in which scholarship recipients are enrolled, including numbers of scholarship recipients at each nonpublic school.

(5) The number of substantiated cases of fraud by recipients and the number of parents or students removed from the program for noncompliance with the provisions of this Article."

SECTION 10A.4.(b) G.S. 105-153.5(b) is amended by adding a new subdivision to read:

"(12) The amount deposited during the taxable year to a personal education savings account under Article 39A of Chapter 115C of the General Statutes."

SECTION 10A.4.(c) G.S. 115C-555 reads as rewritten:

"**§ 115C-555. Qualification of nonpublic schools.**

The provisions of this Part shall apply to any nonpublic school which has one or more of the following characteristics:

…

(4) It receives no funding from the State of North Carolina. For the purposes of this Article, scholarship ~~grant~~ funds awarded pursuant to Part 2A of this ~~Article~~ Article, Article 39A of this Chapter, or Part 1H of Article 9 of this Chapter to eligible students attending a nonpublic school shall not be considered funding from the State of North Carolina."

SECTION 10A.4.(d) Of the funds appropriated by this act for the Personal Education Savings Account Program in the 2017-2018 fiscal year, the sum of four hundred fifty thousand dollars ($450,000) shall be allocated to the Authority to establish the Program. Of the funds appropriated by this act for the Personal Education Savings Account Program in the 2018-2019 fiscal year, the sum of three million dollars ($3,000,000) shall be allocated to the Authority to award scholarship funds to eligible students in accordance with this section.

SECTION 10A.4.(e) Subsection (a) of this section applies beginning with the 2018-2019 school year. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2018.

AMEND TRANSFORMING PRINCIPAL PREPARATION

SECTION 10A.5.(a) Section 11.9 of S.L. 2015-241, as amended by Section 11A.4 of S.L. 2016-94 and by Section 4.3 of S.L. 2016-123, reads as rewritten:

"**SECTION 11.9.(a)** Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals in North Carolina.

"**SECTION 11.9.(b)** Definitions. – For the purposes of this section, the following definitions apply:

(1) Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) High-need school. – A public school, including a charter school, that meets one or more of the following criteria:

a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.

b. Is a persistently low-achieving school, as identified by the Department of Public Instruction for purposes of federal accountability.

c. A middle school containing any of grades five through eight that feeds into a high school with less than a sixty percent (60%) four-year cohort graduation rate.

d. A high school with less than a sixty percent (60%) four-year cohort graduation rate.

(3) Principal. – The highest administrative official in a public school building with primary responsibility for the instructional leadership, talent management, and organizational development of the school.

(4) School leader. – An individual employed in a school leadership role, including principal or assistant principal roles.

(5) Student achievement. – At the whole school level, after three years of leading a school, consistent and methodologically sound measures of:

a. Student academic achievement.

b. Aggregated individual student academic growth.

c. Additional outcomes, such as high school graduation rates, the percentage of students taking advanced-level coursework, or the percentage of students who obtain a career-related credential through a national business certification exam.

"**SECTION 11.9.(c)** Program Authorized. – The Authority shall award grants to eligible entities to support programs that develop well-prepared school leaders in accordance with the provisions of this section. The Authority shall establish any necessary rules to administer the grant program.

"**SECTION 11.9.(d)** Contract With a Nonprofit for Administration. – By November 1, 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit corporation to contract with the Authority for the administration of the program, including making recommendations to the Authority for the award of grants, as authorized by this

section. The nonprofit corporation applying to the Authority shall meet at least the following requirements:

(1) The nonprofit corporation shall be a nonprofit corporation organized pursuant to Chapter 55A of the General Statutes and shall comply at all times with the provisions of section 501(c)(3) of the Internal Revenue Code.

(2) The nonprofit corporation shall employ sufficient staff who have demonstrated a capacity for the development and implementation of grant selection criteria and a selection process to promote innovative school leader education programs, including:

a. Focus on school leader talent.

b. Expertise supporting judgments about grant renewal based on achievement of or substantial school leader progress toward measurable results in student achievement.

c. Expectation of creating positive experiences working with the educational community in North Carolina to establish the foundation for successfully administering the programs set forth in this section.

(3) The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

(4) No State officer or employee may serve on the board of the nonprofit corporation.

(5) The board of the nonprofit corporation shall meet at least quarterly at the call of its chair.

"**SECTION 11.9.(e)** Report on Selection of the Nonprofit. – The Authority shall select a nonprofit corporation to enter into a contract with to administer the program by January 15, 2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the selection of the nonprofit corporation by February 1, 2016.

"**SECTION 11.9.(f)** Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. The nonprofit corporation may issue additional RFPs for grant applicants as it may deem necessary, subject to available funds. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

(1) The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:

a. A proactive, aggressive, and intentional recruitment strategy.

b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence of significant positive effect on student learning growth in the classroom, at the school-level, and the local school administrative unit-level, professional recommendations, evidence of problem solving and critical thinking skills, achievement drive, and leadership of adults.

c. Alignment to high-quality national standards for school leadership development.

d. Rigorous coursework that effectively links theory with practice through the use of field experiences and problem-based learning.

e. Full-time paid clinical practice of at least five months and 750 hours in duration in an authentic setting, including substantial leadership responsibilities where candidates are evaluated on leadership skills and effect on student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed and coached by program faculty and staff.

g. Clear expectations for and firm commitment from school leaders who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the clinical practice based on the North Carolina School Executive Evaluation Rubric.

i. A process for continuous review and program improvement based on feedback from partnering local school administrative units and data from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local school administrative units that is used to inform and improve programmatic elements from year to year based on units' needs.

"**SECTION 11.9.(g)** Priorities. – The nonprofit corporation shall evaluate the applicants for grants by giving priority to an eligible entity with a record of preparing principals demonstrating the following:

(1) Improvement in student achievement.

(2) Placement as school leaders in eligible schools.

(3) A proposed focus on and, if applicable, a record of serving high-need schools, high-need local school administrative units, or both.

(4) A detailed plan and commitment to share lessons learned and to improve the capacity of other entities in reaching similar outcomes.

(5) A service area that is underserved by existing principal preparation programs or demonstrates unmet need despite current available programs.

"**SECTION 11.9.(h)** Uses of Funds. – By June 1, 2016, the nonprofit corporation shall recommend to the Authority the recipients of grants under the program. Each eligible entity that receives grant funds shall use those funds to carry out the following:

(1) Recruiting and selecting, based on a rigorous evaluation of the competencies of the school leader candidates participating in the program and their potential and desire to become effective school leaders.

(2) Operating a school leader preparation program that provides the opportunity for all candidates to earn a master's degree, if they do not already have one, and subsequent principal licensure by doing the following:

a. Utilizing a research-based content and curriculum, including embedded participant assessments to evaluate candidates before program completion, that prepares candidates to do the following:

1. Provide instructional leadership, such as developing teachers' instructional practices and analyzing classroom and school-wide data to support teachers.

2. Manage talent, such as developing a high-performing team.

3. Build a positive school culture, such as building a strong school culture focused on high academic achievement for all students, including gifted and talented students, students with disabilities, and English learners, maintaining active engagement with family and community members, and ensuring student safety.

4. Develop organizational practices, such as aligning staff, budget, and time to the instructional priorities of the school.

b. Providing opportunities for sustained and high-quality job-embedded practice in an authentic setting where candidates are responsible for moving the practice and performance of a subset of teachers or for school-wide performance as principal-in-planning or interim school leaders.

(3) Collecting data on program implementation and program completer outcomes for continuous program improvement.

"**SECTION 11.9.(i)** Duration of Grants. – The nonprofit corporation shall also recommend to the Authority the duration and renewal of grants to eligible entities according to the following:

(1) The duration of grants shall be as follows:

a. Grants shall be no more than five years in duration.

b. The nonprofit corporation may recommend renewal of a grant based on performance, including allowing the grantee to scale up or replicate the successful program as provided in subdivision (2) of this subsection.

c. The nonprofit shall develop a process with the Authority for early retrieval of grant funds from grant recipients due to noncompliance with grant terms, including participation in third-party evaluation activities. Grantees shall develop and enforce requirements for program graduates to serve a minimum of four years as school-based administrators in North Carolina. Requirements are subject to the approval of the nonprofit corporation.

(2) In evaluating performance for purposes of grant renewal and making recommendations to the Authority, the nonprofit corporation shall consider:

a. For all grantees, the primary consideration in renewing grants shall be the extent to which program participants improved student achievement in eligible schools.

b. Other criteria from data received in the annual report in subsection (j) of this section may include the following:

1. The percentage of program completers who are placed as school leaders in this State within three years of receiving a grant.

2. The percentage of program completers who are rated proficient or above on the North Carolina School Executive Evaluation Rubric.

"**SECTION 11.9.(j)** Reporting Requirements for Grant Recipients. – Recipients of grants under the program shall participate in all evaluation activities required by the nonprofit and submit an annual report to the nonprofit corporation contracting with the ~~Authority, beginning in the third year of the grant,~~ Authority with any information requested by the nonprofit corporation. The recipients shall comply with additional report requests made by the nonprofit. Whenever practicable and within a reasonable amount of time, grant recipients shall also make all materials developed as part of the program and with grant funds publically available to contribute to the broader sharing of promising practices. Materials shall not include personally identifiable information regarding individuals involved or associated with the program, including, without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their prior written consent. The nonprofit corporation shall work with recipients and local school administrative units, as needed, to enable the collection, analysis, and evaluation of at least the following relevant data, within necessary privacy constraints:

(1) Student achievement in eligible schools.

(2) The percentage of program completers who are placed as school leaders within three years in the State.

(3) The percentage of program completers rated proficient or above on school leader evaluation and support systems.

(4) The percentage of program completers that are school leaders who have remained employed in a North Carolina public school for two or more years of initial placement.

"**SECTION 11.9.(k)** Licensure Process. – By June 1, 2016, the State Board of Education shall adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the State Board of successful completion of a principal preparation program selected for a competitive grant in accordance with this section. Licensure shall include a requirement for candidates to hold a master's degree.

"**SECTION 11.9.(*l*)** Evaluation and Revision of Program. – The nonprofit corporation administering the program shall provide the State Board of Education and the Joint Legislative Education Oversight Committee with the data collected in accordance with subsection (j) of this section on an annual basis. By September 15, 2021, the State Board of Education, in coordination with the Board of Governors of The University of North Carolina, shall revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected from the grant recipients, including the criteria used in selecting grant recipients and the outcomes of program completers. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2021, on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs in accordance with this section.

"**SECTION 11.9.(m)** Of the funds appropriated by this act for the 2015-2016 fiscal year for this program, the sum of five hundred thousand dollars ($500,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to five percent (5%) of those funds for administrative costs.

Beginning with the 2017-2018 fiscal year, of the funds appropriated each fiscal year for this program, the sum of three hundred eighty thousand dollars ($380,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to fifteen thousand dollars ($15,000) of those funds for administrative costs.

"**SECTION 11.9.(n)** ~~Beginning with the 2016-2017 fiscal year and for each subsequent fiscal year, of~~ Of the funds appropriated for this ~~program,~~ program for the 2016-2017 fiscal year, the sum of three hundred thousand dollars ($300,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program, and the State Education Assistance Authority may use up to five percent (5%) of those funds for administrative costs. The remaining funds appropriated for ~~a~~ the fiscal year for this program shall be allocated to the State Education Assistance Authority to award grants to selected recipients.

"**SECTION 11.9.(o)** Beginning with the 2017-2018 fiscal year, of the funds appropriated for this program, the sum of four million two hundred thousand dollars ($4,200,000) shall be allocated each fiscal year to the State Education Assistance Authority to award grants to selected recipients. Any unexpended funds appropriated to award grants to selected recipients remaining at the end of each fiscal year shall revert to the General Fund, except that the Authority may carry forward for the next fiscal year an amount necessary to ensure that any outstanding allowable reimbursements can be disbursed in accordance with this section. Any funds carried forward for the purpose of meeting anticipated reimbursement obligations from the prior fiscal year that are not expended shall not be used to award additional grants to grant recipients but shall revert to the General Fund at the end of the fiscal year."

SECTION 10A.5.(b) Pursuant to Chapter 143E of the General Statutes, the Program Evaluation Division is directed to conduct a measurability assessment of the Principal Preparation Program authorized in Section 11.9 of S.L. 2015-241, as amended by Section 11A.4 of S.L. 2016-94, Section 4.3 of S.L. 2016-123, and subsection (a) of this section. The State Education Assistance Authority (hereinafter "Authority") and the nonprofit corporation establishing and administering the Program shall provide the Division and the independent assessor selected by the Division any requested written information, electronic data, and access to facilities and personnel appropriate for the measurability assessment. The assessment shall, in addition to requirements provided for in Chapter 143E of the General Statutes, include recommendations for periodic reporting of program output and program outcomes compared to objectives established for the Program. The recommendations shall include changes to the contract with the nonprofit by the Authority to effect periodic reporting. Periodic reports shall be made by the nonprofit to the Authority, State Board of Education, and Joint Legislative Education Oversight Committee. The Division shall furnish the measurability assessment to the Joint Legislative Program Evaluation Oversight and Joint Legislative Education Oversight Committee. The Division shall use funds available to it for such purposes to pay for the measurability assessment.

STUDY OF OPPORTUNITY SCHOLARSHIP STUDENT EVALUATIONS

SECTION 10A.6.(a) The State Education Assistance Authority (Authority), in collaboration with the Department of Administration, Division of Nonpublic Education, and the Department of Public Instruction, shall establish a task force to study the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program pursuant to G.S. 115C-562.7(c). The task force shall include representatives from various stakeholders and interested parties, including from at least the following groups:

(1) Nonpublic schools accepting students who receive scholarship grants, including schools with a low percentage of those students in their overall student enrollment and a high percentage of those students in their overall student enrollment.

(2) Organizations or associations representing parental school choice, such as Parents for Educational Freedom in North Carolina.

(3) Organizations or associations representing nonpublic schools, including independent, religious, nonreligious, parochial, and nonparochial schools.

(4) Independent research organizations specializing in K-12 academic evaluations, including a college or university.

(5) Public school leaders, including local superintendents and principals.

SECTION 10A.6.(b) The task force shall study the most effective, valid, and reliable method of evaluating learning gains or losses of students receiving scholarship grants and comparing the learning gains or losses of those students to public school students with similar socioeconomic backgrounds, including the potential for adoption of a nationally normed common test for students participating in the evaluation. In doing so, the task force shall also consider the most reliable manner of establishing causal relationships to student performance outcomes while achieving minimal interference with the operation of the participating nonpublic and public schools, including limited sampling and other suitable research design methods.

SECTION 10A.6.(c) By March 1, 2018, the Authority shall report to the Joint Legislative Education Oversight Committee on the results of the study required by this section, including any legislative recommendations from the task force on the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program.

PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART XI-A. CENTRAL MANAGEMENT AND SUPPORT

HEALTH INFORMATION TECHNOLOGY

SECTION 11A.1. Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-139.4D. Department of Health and Human Services; coordination of health information technology.**

(a) The Department of Health and Human Services, in cooperation with the State Chief Information Officer, shall coordinate health information technology policies and programs within the State of North Carolina. The goal of the Chief Information Officer of the Department of Health and Human Services in coordinating State health information technology policy and programs shall be to avoid duplication of efforts and to ensure that each State agency, public entity, and private entity that undertakes health information technology activities does so within the area of its greatest expertise and technical capability and in a manner that supports coordinated State and national goals, which shall include at least all of the following:

(1) Ensuring that patient health information is secure and protected, in accordance with applicable law.

(2) Improving health care quality, reducing medical errors, reducing health disparities, and advancing the delivery of patient-centered medical care.

(3) Providing appropriate information to guide medical decisions at the time and place of care.

(4) Ensuring meaningful public input into health information technology infrastructure development.

(5) Improving the coordination of information among hospitals, laboratories, physicians' offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information.

(6) Improving public health services and facilitating early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks.

(7) Facilitating health and clinical research.

(8) Promoting early detection, prevention, and management of chronic diseases.

(b) The Department, in cooperation with the Department of Information Technology, shall establish and direct a health information technology management structure that is efficient and transparent and that is compatible with the Office of the National Health Coordinator for Information Technology (National Coordinator) governance mechanism. The health information technology management structure shall be responsible for all of the following:

(1) Developing a State Plan for implementing and ensuring compliance with national health information technology standards and for the most efficient, effective, and widespread adoption of health information technology.

(2) Ensuring that (i) specific populations are effectively integrated into the State Plan, including aging populations, populations requiring mental health services, and populations utilizing the public health system, and (ii) unserved and underserved populations receive priority consideration for health information technology support.

(3) Identifying all health information technology stakeholders and soliciting feedback and participation from each stakeholder in the development of the State Plan.

(4) Ensuring that existing health information technology capabilities are considered and incorporated into the State Plan.

(5) Identifying and eliminating conflicting health information technology efforts where necessary.

(6) Identifying available resources for the implementation, operation, and maintenance of health information technology, including identifying resources and available opportunities for North Carolina institutions of higher education.

(7) Ensuring that potential State Plan participants are aware of health information technology policies and programs and the opportunity for improved health information technology.

(8) Monitoring health information technology efforts and initiatives in other states and replicating successful efforts and initiatives in North Carolina.

(9) Monitoring the development of the National Coordinator's strategic plan and ensuring that all stakeholders are aware of and in compliance with its requirements.

(10) Monitoring the progress and recommendations of the Health Information Technology Policy and Standards Committee and ensuring that all stakeholders remain informed of the Committee's recommendations.

(11) Monitoring all studies and reports provided to the United States Congress and reporting to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the impact of report recommendations on State efforts to implement coordinated health information technology."

FUNDS FOR MEDICAID MANAGEMENT INFORMATION SYSTEM/ANALYTICS REPROCUREMENT

SECTION 11A.2.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of one hundred forty-two thousand seven hundred dollars ($142,700) in prior year earned revenues for the 2017-2018 fiscal year and the sum of two hundred forty-three thousand nine hundred sixty-seven dollars ($243,967) in prior year earned revenues for the 2018-2019 fiscal year shall be used to match federal funds to (i) determine enhancements necessary or plan the strategy to align the Medicaid Management Information System (MMIS) and Reporting and Analytics systems with federal Medicaid Information Technology Architecture standards and (ii) prepare for the procurement of a new MMIS contract and a new Reporting and Analytics contract, all as required by the federal Centers for Medicare and Medicaid Services. This project shall not proceed until the business case has been approved by the Office of State Budget and Management and the State Chief Information Officer in the Enterprise Project Management Office Touchdown System. Upon such approval, funds may be budgeted and the Department may create up to 10 full-time equivalent time-limited positions dedicated to the project for the 2018-2019 fiscal year.

SECTION 11A.2.(b) Departmental receipts appropriated in this act in the sum of one million two hundred eighty-four thousand three hundred dollars ($1,284,300) for the 2017-2018 fiscal year and in the sum of two million one hundred ninety-five thousand seven hundred three dollars ($2,195,703) for the 2018-2019 fiscal year shall be used for the purposes described in subsection (a) of this section.

FUNDS FOR NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST)

SECTION 11A.3.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of eight million nine hundred thousand dollars ($8,900,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of eleven million one hundred nine thousand dollars ($11,109,000) in nonrecurring funds for the 2018-2019 fiscal year, along with prior year earned revenue in the amount of eleven million nine hundred thousand dollars ($11,900,000) for each year of the 2017-2019 fiscal biennium and the cash balance in Budget Code 24410 Fund 2411 shall be used to match federal funds to expedite the development and implementation of Child Services

Case Management, additional Medicaid eligibility requirements, Enterprise Program Integrity, and Identity Proofing Feasibility components of the North Carolina Families Accessing Services through Technology (NC FAST) project. The Department shall report any changes in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. Departmental receipts appropriated in this act in the sum of one hundred three million four hundred fifty thousand dollars ($103,450,000) for the 2017-2018 fiscal year and in the sum of seventy-five million five hundred ninety-one thousand dollars ($75,591,000) for the 2018-2019 fiscal year shall be used to implement the components of the NC FAST project described in this subsection.

SECTION 11A.3.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of one million nine hundred thousand dollars ($1,900,000) in recurring funds for the 2017-2018 fiscal year and seven million seven hundred thousand dollars ($7,700,000) in recurring funds for the 2018-2019 fiscal year shall be used to provide ongoing maintenance and operations for the NC FAST system, including the creation of 32 full-time equivalent positions for the 2017-2018 fiscal year and 54 full-time equivalent positions for the 2018-2019 fiscal year. Departmental receipts appropriated in this act in the sum of ten million five hundred thousand dollars ($10,500,000) for the 2017-2018 fiscal year and in the sum of fifteen million dollars ($15,000,000) for the 2018-2019 fiscal year shall be used for the purposes specified in this subsection.

HEALTH ANALYTICS PROGRAM

SECTION 11A.4. The Department of Health and Human Services shall continue to coordinate with the Government Data Analytics Center (GDAC) to further develop and fully operationalize the Health Analytics Program for Medicaid claims analytics and population health management authorized by Section 12A.17 of S.L. 2015-241, as amended by Section 12A.7 of S.L. 2016-94. In fulfilling its responsibilities with respect to developing and operationalizing the Health Analytics Program, the Department of Health and Human Services shall comply with G.S. 143B-1385(c)(2)f. The purpose of the Health Analytics Program is to apply analytics to Medicaid data available to GDAC through the Department in a manner that maximizes health care savings and efficiencies to the State, optimizes positive impacts on health outcomes, and assists in the transition to, and management of, the transformed North Carolina Medicaid and North Carolina Health Choice programs as described in S.L. 2015-245, as amended by Section 2 of S.L. 2016-121.

HEALTH INFORMATION EXCHANGE

SECTION 11A.5.(a) Section 12A.5(a)(1) of S.L. 2015-241 reads as rewritten:

"(1) Establish a successor HIE Network to which ~~(i) all Medicaid providers shall be connected by February 1, 2018, and (ii) all other entities that receive State funds for the provision of health services, including local management entities/managed care organizations, shall be connected by June 1, 2018.~~the following providers and entities shall be connected to the HIE Network and begin submitting data through the HIE Network pertaining to services rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in accordance with the following time line:

a. The following providers of Medicaid services that have an electronic health record system shall begin submitting demographic and clinical data by June 1, 2018:

1. Hospitals as defined in G.S. 131E-176(13).
2. Physicians licensed to practice under Article 1 of Chapter 90 of the General Statutes.

3. Physician assistants as defined in 21 NCAC 32S .0201.
4. Nurse practitioners as defined in 21 NCAC 36 .0801.

b. Except as provided in sub-subdivision c. of this subdivision, all other providers of Medicaid and State-funded health care services shall submit demographic and clinical data by June 1, 2019.

c. The following entities shall submit encounter and claims data, as appropriate, in accordance with the following time line:

1. Prepaid Health Plans, as defined in S.L. 2015-245, by the commencement date of a capitated contract with the Division of Health Benefits for the delivery of Medicaid and NC Health Choice services as specified in S.L. 2015-245.
2. Local management entities/managed care organizations, as defined in G.S. 122C-3, by June 1, 2020."

SECTION 11A.5.(b) G.S. 90-414.4 reads as rewritten:

"**§ 90-414.4. Required participation in HIE Network for some providers.**

(a) Findings. – The General Assembly makes the following findings:

(1) That controlling escalating health care costs of the Medicaid program and other State-funded health services is of significant importance to the State, its taxpayers, its Medicaid recipients, and other recipients of State-funded health services.

(2) That the State needs timely access to certain demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in order to assess performance, improve health care outcomes, pinpoint medical expense trends, identify beneficiary health risks, and evaluate how the State is spending money on Medicaid and other State-funded health services.

(3) That making demographic and clinical information available to the State by secure electronic means as set forth in subsection (b) of this section will, with respect to Medicaid and other State-funded health care programs, improve care coordination within and across health systems, increase care quality for such beneficiaries, enable more effective population health management, reduce duplication of medical services, augment syndromic surveillance, allow more accurate measurement of care services and outcomes, increase strategic knowledge about the health of the population, and facilitate health care cost containment.

(a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to the HIE Network and begin submitting data through the HIE Network pertaining to services rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in accordance with the following time line:

(1) The following providers of Medicaid services that have an electronic health record system shall begin submitting demographic and clinical data by June 1, 2018:

a. Hospitals as defined in G.S. 131E-176(13).
b. Physicians licensed to practice under Article 1 of Chapter 90 of the General Statutes.
c. Physician assistants as defined in 21 NCAC 32S .0201.
d. Nurse practitioners as defined in 21 NCAC 36 .0801.

(2) Except as provided in subdivision (3) of this subsection, all other providers of Medicaid and State-funded health care services shall begin submitting demographic and clinical data by June 1, 2019.

(3) The following entities shall submit encounter and claims data, as appropriate, in accordance with the following time line:

a. Prepaid Health Plans, as defined in S.L. 2015-245, by the commencement date of a capitated contract with the Division of Health Benefits for the delivery of Medicaid and NC Health Choice services as specified in S.L. 2015-245.

b. Local management entities/managed care organizations, as defined in G.S. 122C-3, by June 1, 2020."

(a2) Extensions of Time for Establishing Connection to the HIE Network. – The Department of Information Technology, in consultation with the Department of Health and Human Services, may establish a process to grant limited extensions of the time for providers and entities to connect to the HIE Network and begin submitting data as required by this section upon the request of a provider or entity that demonstrates an ongoing good-faith effort to take necessary steps to establish such connection and begin data submission as required by this section. The process for granting an extension of time must include a presentation by the provider or entity to the Department of Information Technology and the Department of Health and Human Services on the expected time line for connecting to the HIE Network and commencing data submission as required by this section. Neither the Department of Information Technology nor the Department of Health and Human Services shall grant an extension of time (i) to any provider or entity that fails to provide this information to both Departments or (ii) that would result in the provider or entity connecting to the HIE Network and commencing data submission as required by this section later than June 1, 2020. The Department of Information Technology shall consult with the Department of Health and Human Services to review and decide upon a request for an extension of time under this section within 30 days after receiving a request for an extension.

(b) Mandatory Submission of Demographic and Clinical Data. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2 ~~and~~ and, except as otherwise provided in subsection (c) of this section, as a condition of receiving State funds, including Medicaid funds, the following entities shall submit at least twice daily, through the HIE network, demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds, solely for the purposes set forth in subsection (a) of this section:

(1) Each hospital, as defined in ~~G.S. 131E-76(3),~~ G.S. 131E-176(13) that has an electronic health record system.

(2) Each Medicaid provider.

(3) Each provider that receives State funds for the provision of health services.

(4) Each local management entity/managed care organization, as defined in G.S. 122C-3.

(c) Exemption for Certain Records. – Providers with patient records that are subject to the disclosure restrictions of 42 C.F.R. § 2 are exempt from the requirements of subsection (b) of this section but only with respect to the patient records subject to these disclosure restrictions. Providers shall comply with the requirements of subsection (b) of this section with respect to all other patient records.

(d) Method of Data Submissions. – The ~~daily~~ data submissions required under this ~~subsection~~ section shall be by connection to the HIE Network periodic asynchronous secure structured file transfer or any other secure electronic means commonly used in the industry and consistent with document exchange and data submission standards established by the Office of the National Coordinator for Information Technology within the U.S. Department of Health and Human Services."

SECTION 11A.5.(c) G.S. 90-414.3(13) reads as rewritten:

"(13) Opt out. – An individual's affirmative decision communicated to the Authority in writing to disallow his or her protected health information

~~maintained by the Authority~~ from being disclosed by the Authority to ~~other~~ covered entities or other persons or entities through the HIE Network."

SECTION 11A.5.(d) G.S. 90-414.9 reads as rewritten:

"**§ 90-414.9. Participation by covered entities.**

(a) Each covered entity that participates in the HIE Network shall enter into a HIPAA compliant business associate agreement described in ~~G.S. 90-414.5(b)(8)~~G.S. 90-414.7(b)(8) and a written participation agreement described in ~~G.S. 90-414.5(b)(6)~~G.S. 90-414.7(b)(6) with the Authority or qualified organization prior to submitting data through or in the HIE Network.

(b) Each covered entity that participates in the HIE Network may authorize its business associates on behalf of the covered entity to submit data through, or access data stored in, the HIE Network in accordance with this Article and at the discretion of the Authority, as provided in ~~G.S. 90-414.5(b)(8).~~G.S. 90-414.7(b)(8).

(c) Notwithstanding any federal or State law or regulation to the contrary, each covered entity that participates in the HIE Network may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose permitted by ~~HIPAA, unless the individual has exercised the right to opt out.~~HIPAA."

SECTION 11A.5.(e) G.S. 90-414.10 reads as rewritten:

"**§ 90-414.10. Continuing right to opt out; effect of opt out.**

…

(b) The Authority or its designee shall enforce an individual's decision to opt out or rescind an opt out prospectively from the date the Authority or its designee receives written notice of the individual's decision to opt out or rescind an opt out in the manner prescribed by the Authority. An individual's decision to opt out or rescind an opt out does not affect any disclosures made by the Authority or covered entities through the HIE Network prior to receipt by the Authority or its designee of the individual's written notice to opt out or rescind an opt out.

…

~~(e) The protected health information of an individual who has exercised the right to opt out may be disclosed through the HIE Network in order to facilitate the provision of emergency medical treatment to the individual if all of the following criteria are met:~~

~~(1) The reasonably apparent circumstances indicate to the treating health care provider that (i) the individual has an emergency medical condition, (ii) a meaningful discussion with the individual about whether to rescind a previous decision to opt out is impractical due to the nature of the individual's emergency medical condition, and (iii) information available through the HIE Network could assist in the diagnosis or treatment of the individual's emergency medical condition.~~

~~(2) The disclosure through the HIE Network is limited to the covered entities providing diagnosis and treatment of the individual's emergency medical condition.~~

~~(3) The circumstances and extent of the disclosure through the HIE Network is recorded electronically in a manner that permits the NC HIE or its designee to periodically audit compliance with this subsection.~~"

SECTION 11A.5.(f) G.S. 90-414.3(6) is repealed.

SECTION 11A.5.(g) The Department of Health and Human Services shall include as one of the terms and conditions of any contract it enters into on or after the effective date of this section with a local management entity/managed care organization (LME/MCO), as defined in G.S. 122C-3, or Prepaid Health Plan (PHP), as defined in S.L. 2015-245, a requirement that the LME/MCO or PHP comply with the provisions of G.S. 90-414.4, as amended by this subsection (b) of this section.

SECTION 11A.5.(h) The Department of Health and Human Services, the Department of Information Technology, and the Division in the Department of State Treasurer responsible for the State Health Plan for Teachers and State Employees shall conduct a joint

study of the feasibility and appropriateness of providers and entities, other than those specified in subdivision (1) of subsection (a1) of G.S. 90-414.4, as amended by subsection (b) of this section, connecting with and submitting demographic and clinical data through the HIE Network and the feasibility and appropriateness of providers and entities, other than those specified in subdivision (3) of G.S. 90-414.4, as amended by subsection (b) of this section, connecting with and submitting encounter and claims data through the HIE Network. As part of this study, the Departments and the Division in the Department of State Treasurer responsible for the State Health Plan for Teachers and State Employees shall examine at least all of the following:

(1) The availability of connection, exchange, and data submission standards established by the Office of the National Coordinator for Information Technology within the U.S. Department of Health and Human Services.
(2) The adoption of national standards for the connection, exchange, and data submission standards by provider type.
(3) Cost estimates by provider type to connect and submit data to the HIE and any availability of federal or State funds to meet connection or submission requirements.
(4) Data captured in the treatment of patients, segmented by provider type.
(5) Activity of other states and payor plans with respect to the establishment of an HIE Network.
(6) Alternatives to the connection and submission of demographic, clinical, encounter, and claims data through the HIE Network.

By April 1, 2018, the Department of Health and Human Services, the Department of Information Technology, and the Division in the Department of State Treasurer responsible for the State Health Plan for Teachers and State Employees shall jointly submit a final report of their findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Information Technology.

SECTION 11A.5.(i) Funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2017-2018 fiscal year for the Health Information Exchange Network shall be used as follows:

(1) The sum of three million dollars ($3,000,000) in nonrecurring funds shall be transferred by November 1, 2017, to the Department of Information Technology, Government Data Analytics Center, and shall be used to support all activities related to upgrading the data exchange technical environment.
(2) The sum of one million dollars ($1,000,000) in recurring funds shall be used to provide ongoing maintenance and operations of the new data exchange technical environment.

CONTROLLED SUBSTANCES REPORTING SYSTEM IMPROVEMENTS

SECTION 11A.6.(a) It is the intent of the General Assembly to improve the security and functionality capabilities of the Controlled Substances Reporting System (CSRS) in order to provide additional value to practitioners and dispensers within their current clinical workflows. To that end, of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of one million two hundred thousand dollars ($1,200,000) in recurring funds for the CSRS for each fiscal year of the 2017-2019 fiscal biennium shall be used to pay for contractual hours to develop and implement software via existing public-private partnerships with the Government Data and Analytics Center (GDAC) for the performance of advanced analytics within the CSRS. These hours shall be used to achieve the purposes specified in G.S. 90-113.71 and, more specifically, to accomplish at least all of the following:

(1) To enhance and automate reports authorized under G.S. 90-113.74.

(2) To enhance the Department's ability to provide data to persons or entities authorized to receive information under G.S. 90-113.74. In improving the CSRS as specified in this subdivision, the Department shall utilize subject matter expertise and technology available through existing GDAC public-private partnerships. Upon development and implementation of the advanced analytics software for the CSRS, the Division of Central Management and Support shall coordinate with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the Division of Public Health, and any other appropriate division within the Department of Health and Human Services to ensure that advanced analytics are developed and utilized in a manner that achieves the purposes specified in G.S. 90-113.71.

(3) To aggregate relevant data sources, including those available through the GDAC.

(4) To enhance the Department's ability to generate and deploy advanced analytics in order to improve opioid prescribing practices, identify unusual prescribing patterns, and detect behavior indicative of misuse, addiction, or criminal activity.

SECTION 11A.6.(b) By December 1, 2017, the Department of Health and Human Services shall execute any contractual agreements and interagency data sharing agreements necessary to complete the improvements to the CSRS described in subdivisions (1) through (4) of subsection (a) of this section.

SECTION 11A.6.(c) To the extent allowable under federal and State laws and regulations, the Department of Information Technology shall coordinate with the Department of Health and Human Services, Division of Central Management and Support and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to develop an interface between the CSRS and the Health Information Exchange (HIE) Network and leverage the interfaces already developed between the HIE Network and health care entities as a method of providing CSRS data, reports, and analytic outputs to health care practitioners and dispensers.

SECTION 11A.6.(d) This section is effective when this act becomes law.

DATA ANALYTICS AND PERFORMANCE ENHANCEMENTS

SECTION 11A.7. Any enhancement of the State's data analytics capabilities utilizing funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for each fiscal year of the 2017-2019 fiscal biennium shall be subject to applicable State laws requiring that these analytics be developed and implemented in collaboration with the Government Data Analytics Center.

COMMUNITY HEALTH GRANT PROGRAM CHANGES

SECTION 11A.8.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for Community Health Grants, the sum of seven million five hundred thousand dollars ($7,500,000) in recurring funds for the 2017-2018 fiscal year and the sum of seven million five hundred thousand dollars ($7,500,000) in recurring funds for the 2018-2019 fiscal year shall be used as follows:

(1) Up to two hundred thousand dollars ($200,000) in recurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used to establish four permanent, full-time equivalent positions within the Office of Rural Health to support administration of the Community Health Grant Program.

(2) Up to two hundred thousand dollars ($200,000) in recurring funds for each fiscal year of the 2017-2019 fiscal biennium may be used for administrative purposes.

(3) At least six million nine hundred fifty thousand dollars ($6,950,000) in recurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used to award grants on a competitive basis to free and charitable clinics, federally qualified health centers, State-designated rural health centers, local health departments, school-based health centers, and other nonprofit organizations that (i) provide primary and preventative medical services to uninsured or medically indigent patients and (ii) serve as a medical home to these vulnerable populations, in order to accomplish any of the following purposes:

a. Increase access to primary care and preventative health services for these vulnerable populations in existing primary care locations.

b. Establish primary care and preventative health services in counties where no such services exist to serve these vulnerable populations.

c. Create new services, sustain existing service levels, or augment existing services provided to these vulnerable populations, including primary care and preventative health services and including dental, pharmacy, and behavioral health services when integrated into the medical home.

d. Increase primary care capacity to serve these vulnerable populations, including enhancing or replacing facilities, equipment, or technologies necessary to participate in the exchange of data and tools to monitor and improve the quality of care provided.

SECTION 11A.8.(b) The Office of Rural Health shall work with the North Carolina Community Health Center Association, the North Carolina Association of Local Health Directors, the North Carolina Association of Free and Charitable Clinics, the North Carolina School-Based Health Alliance, and other organizations representing eligible grant recipients to establish a Primary Care Advisory Committee to develop an objective and equitable process for grading applications for grants funded by this section and making recommendations to the Office of Rural Health for the award of grants funded by this section.

The Office of Rural Health shall make the final decision about awarding grants funded by this section, but no single grant award shall exceed one hundred fifty thousand dollars ($150,000) during the fiscal year. In awarding grants, the Office of Rural Health shall consider the availability of other funds for the applicant; the incidence of poverty in the area served by the applicant or the number of indigent clients served by the applicant; the availability of, or arrangements for, after-hours care; and collaboration between the applicant and a community hospital or other safety-net organizations.

SECTION 11A.8.(c) Grant recipients shall not use these funds to do any of the following:

(1) Enhance or increase compensation or other benefits of personnel, administrators, directors, consultants, or any other persons receiving funds for program administration; provided, however, funds may be used to hire or retain health care providers. The use of grant funds for this purpose does not obligate the Department of Health and Human Services to continue to fund compensation beyond the grant period.

(2) Supplant existing funds, including federal funds traditionally received by federally qualified community health centers. However, grant funds may be used to supplement existing programs that serve the purposes described in subsection (a) of this section.

(3) Finance or satisfy any existing debt.

SECTION 11A.8.(d) The Office of Rural Health shall develop a standardized method for grant recipients to report objective, measurable quality health outcomes and shall require grant recipients to report these quality health outcomes to the Department. Beginning recipients of grant funds shall annually provide to the Office of Rural Health a written report

detailing the number of patients that are cared for, the types of services that were provided, quality measures and outcomes, and any other information requested by the Office of Rural Health as necessary for evaluating the success of the Community Health Grant Program.

SECTION 11A.8.(e) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for the Community Health Grant Program, the sum of up to one hundred fifty thousand dollars ($150,000) in recurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used to match federal funds to provide to safety net providers eligible to participate in the Community Health Grant Program, through the Rural Health Technology Team, ongoing training and technical assistance with respect to health information technology, the adoption of electronic health records, and the establishment of connectivity to the State's health information exchange network known as NC HealthConnex.

RURAL HEALTH LOAN REPAYMENT PROGRAMS

SECTION 11A.9. Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-139.4C. Office of Rural Health; administration of loan repayment programs.**

(a) The Department of Health and Human Services, Office of Rural Health, shall use funds appropriated to the Department for loan repayment to medical, dental, and psychiatric providers practicing in State hospitals or in rural or medically underserved communities in this State to combine the following loan repayment programs in order to achieve efficient and effective management of these programs:

(1) The Physician Loan Repayment Program.

(2) The Psychiatric Loan Repayment Program.

(3) The Loan Repayment Initiative at State Facilities.

(b) These funds may be used for the following additional purposes:

(1) Continued funding of the State Loan Repayment Program for primary care providers and expansion of State incentives to general surgeons practicing in Critical Access Hospitals located across the State.

(2) Expansion of the State Loan Repayment Program to include eligible providers residing in North Carolina who use telemedicine in rural and underserved areas."

REDUCTION OF FUNDS FOR PURCHASED SERVICES

SECTION 11A.10. The Department of Health and Human Services, Division of Central Management and Support, shall achieve the required reduction in purchased services by reducing Fund Code 1910 by the sum of three million two hundred thousand dollars ($3,200,000) in recurring funds for the 2017-2018 fiscal year and by the sum of three million two hundred thousand dollars ($3,200,000) in recurring funds for the 2018-2019 fiscal year. In making the reductions required by this section, the Department may implement department-wide reductions in purchased services but shall not reduce any funds (i) that impact direct services provided through contracts or (ii) used to support the 2012 settlement agreement entered into between the United States Department of Justice and the State of North Carolina to ensure that the State will willingly meet the requirements of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the United States Supreme Court decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999).

OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY

SECTION 11A.11.(a) The Department of Health and Human Services shall not use any funds appropriated in this act for the Office of Program Evaluation Reporting and Accountability for any purpose other than to establish and administer that Office and to implement the provisions of Part 31A of Article 3 of Chapter 143B of the General Statutes.

SECTION 11A.11.(b) By December 1, 2017, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and

Human Services and the Fiscal Research Division on the establishment and operation of the Office of Program Evaluation Reporting and Accountability. The report shall include at least all of the following:

(1) A breakdown of all expenditures from the funds appropriated to the Department since the 2015-2016 fiscal year for the establishment and administration of the Office.
(2) All steps taken by the Department to establish the Office pursuant to Part 31A of Article 3 of Chapter 143B of the General Statutes.
(3) An organizational chart of the Office that includes all employees.
(4) A list of all assessments and evaluations conducted or in progress by the Office.
(5) An explanation of any obstacles to establishment and operation of the Office or fulfillment by the Office of any of the duties prescribed in G.S. 143B-216.56.

CONTRACTING SPECIALIST AND CERTIFICATION PROGRAM

SECTION 11A.12.(a) By September 1, 2017, the Department of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the proposal prepared pursuant to Section 12A.4 of S.L. 2016-94 by the School of Government at the University of North Carolina at Chapel Hill, in collaboration with the Director of Procurement, Contracts and Grants for the Department of Health and Human Services, for the implementation and administration of a contracting specialist training program for management level personnel within the Department. The proposal shall include a detailed description of the proposed program curriculum along with budget estimates for program implementation and administration based on the requirements of the program design.

SECTION 11A.12.(b) This section is effective when this act becomes law.

GRADUATE MEDICAL EDUCATION FUNDING/CAPE FEAR VALLEY MEDICAL CENTER

SECTION 11A.13.(a) Calculation of Nonrecurring Payment of Funds. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2017-2018 fiscal year for Graduate Medical Education, the sum of up to three million dollars ($3,000,000) in nonrecurring funds shall be allocated to Cape Fear Valley Medical Center (the Center) to support the establishment of residency programs affiliated with Campbell University School of Medicine. Subject to fulfillment of the conditions specified in subsection (b) of this section, the nonrecurring amount of funds allocated to the Center pursuant to this section shall be equal to the total amount of actual lost Medicare payments for admissions to the Center prior to October 1, 2017, attributed to the Center's reclassification by the federal Centers for Medicare and Medicaid Services (CMS) as a rural hospital or rural referral center or any other change approved by CMS, up to a maximum of three million dollars ($3,000,000).

SECTION 11A.13.(b) Conditions for Payment of Funds. – No funds shall be paid to the Center pursuant to the calculation specified in subsection (a) of this section until the Office of State Budget and Management (OSBM) certifies, in writing, all of the following:

(1) The amount of actual lost Medicare payments for admissions to the Center prior to October 1, 2017, attributed to the Center's reclassification by the federal Centers for Medicare and Medicaid Services (CMS) as a rural hospital or rural referral center or any other change approved by CMS.
(2) That the Center has maintained approval from CMS for reclassification as a rural hospital or rural referral center.
(3) That the Center has maintained approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with a minimum of 130 additional residency slots.

SECTION 11A.13.(c) Report on Use of Funds. – The Center shall report on or before April 1, 2018, to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division regarding its progress in establishing any residency programs funded by State appropriations.

SECTION 11A.13.(d) Any funds not obligated or encumbered for the purposes specified in this section by June 30, 2018, shall revert to the General Fund.

SECTION 11A.13.(e) Section 12A.8 of S.L. 2016-94, as amended by Section 5.1 of S.L. 2016-123, is repealed.

COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS

SECTION 11A.14.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of ten million six hundred fifty-three thousand nine hundred eleven dollars ($10,653,911) for each year of the 2017-2019 fiscal biennium, the sum of four million five hundred twenty-four thousand five hundred twenty-five dollars ($4,524,525) for each year of the 2017-2019 fiscal biennium appropriated in Section 11L.1 of this act in Social Services Block Grant funds, and the sum of one million six hundred thousand dollars ($1,600,000) for each year of 2017-2019 fiscal biennium in Section 11L.1 of this act in Substance Abuse Prevention and Treatment Block Grant funds shall be used to allocate funds for nonprofit organizations.

SECTION 11A.14.(b) The Department shall continue administering a competitive grants process for nonprofit funding. The Department shall administer a plan that, at a minimum, includes each of the following:

(1) A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis. The Department shall require nonprofits to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.

(2) A requirement that nonprofits match a minimum of fifteen percent (15%) of the total amount of the grant award.

(3) A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.

(4) A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:

a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.

b. A system of residential supports for those afflicted with substance abuse addiction.

c. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.

d. Supports and services to children and adults with developmental disabilities or mental health diagnoses.

e. A food distribution system for needy individuals.

f. The provision and coordination of services for the homeless.

g. The provision of services for individuals aging out of foster care.

h. Programs promoting wellness, physical activity, and health education programming for North Carolinians.

i. The provision of services and screening for blindness.

j. A provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.

k. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease.

l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.

m. A program providing short-term or long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.

n. A program that provides year-round sports training and athletic competition for children and adults with disabilities.

It is the intent of the General Assembly that annually the Secretary evaluate and prioritize the categories of health and wellness initiatives described under this subdivision to determine the best use of these funds in making grant awards, exclusive of direct allocations made by the General Assembly.

(5) A process that ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

(6) A process that allows grants to be awarded to nonprofits for up to two years.

(7) A requirement that initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.

SECTION 11A.14.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, by September 1 of each year, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION 11A.14.(d) No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to this section in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

a. The entity's mission, purpose, and governance structure.

b. A description of the types of programs, services, and activities funded by State appropriations.

c. Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

d. Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.

e. A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

SECTION 11A.14.(e) For the 2017-2019 fiscal biennium only, from the funds identified in subsection (a) of this section, the Department shall make allocations as follows:

(1) The sum of three hundred fifty thousand dollars ($350,000) in each year of the 2017-2019 fiscal biennium to provide grants to Big Brothers Big Sisters. Big Brothers Big Sisters shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

(2) The sum of one million six hundred twenty-five thousand dollars ($1,625,000) for each year of the 2017-2019 fiscal biennium and the sum of one million six hundred thousand dollars ($1,600,000) in Section 11L.1 of this act in Substance Abuse Prevention and Treatment Block Grant funds in each year of the 2017-2019 fiscal biennium to Triangle Residential Options for Substance Abusers, Inc., (TROSA) for the purpose of assisting individuals with substance abuse addiction. TROSA shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

(3) The sum of two million seven hundred fifty thousand dollars ($2,750,000) in each year of the 2017-2019 fiscal biennium to provide grants to Boys and Girls Clubs across the State to implement (i) programs that improve the motivation, performance, and self-esteem of youth and (ii) other initiatives that would be expected to reduce gang participation, school dropout, and teen pregnancy rates. Boys and Girls Clubs shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

SECTION 11A.14.(f) Funds appropriated pursuant to this section that have been awarded but not yet disbursed or encumbered at the end of each fiscal year shall not revert but shall remain available for expenditure.

SECTION 11A.14.(g) G.S. 143B-139.2A is repealed.

SUBPART XI-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION 11B.1.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months, or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for NC Pre-K participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION 11B.1.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION 11B.1.(b1) Building Standards. – Notwithstanding G.S. 110-91(4), private child care facilities and public schools operating NC Pre-K classrooms shall meet the building standards for preschool students as provided in G.S. 115C-521.1.

SECTION 11B.1.(c) Programmatic Standards. – Except as provided in subsection (b1) of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies

prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION 11B.1.(d) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding NC Pre-K classroom slots and student selection.

SECTION 11B.1.(e) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.

(2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.

(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.

(4) The results of an annual evaluation of the NC Pre-K program.

SECTION 11B.1.(f) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

STATE AGENCY CONTINUED COLLABORATION ON EARLY CHILDHOOD EDUCATION/TRANSITION FROM PRESCHOOL TO KINDERGARTEN

SECTION 11B.2.(a) The Department of Health and Human Services, in consultation with the Department of Public Instruction and any other agencies or organizations that administer, support, or study early education in this State, and within resources currently available, shall continue to collaborate on an ongoing basis in the development and implementation of a statewide vision for early childhood education. In collaborating in this effort, the agencies shall continue developing a comprehensive approach to early childhood education, birth through third grade, including creating cross agency accountability with a comprehensive set of data indicators, including consideration of the NC Pathways to Grade-Level Reading, to monitor and measure success of the early childhood education systems.

SECTION 11B.2.(b) The Department of Health and Human Services, the Department of Public Instruction, and any other agencies or organizations that administer, support, or study early education programs in this State shall submit a follow-up report of their findings and recommendations, including any legislative proposals, on the statewide vision for early childhood education pursuant to subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018, and may make any subsequent reports, annually, on or before January 1, as needed to those same committees.

SECTION 11B.2.(c) The Department of Health and Human Services, in consultation with the Department of Public Instruction, shall continue developing a standardized program to transition children from preschool to kindergarten. In developing this standardized transition program, the Department of Health and Human Services shall identify, at a minimum:

(1) Methods to standardize student transition information such that it is quantifiable.

(2) Recommendations for sharing data contained in a student's transition plan between preschool teachers and either kindergarten teachers or the schools that receive the incoming kindergarten students.

(3) Recommendations for sharing data contained in a student's transition plan between preschool teachers and the parents or guardians of the child who is transitioning to kindergarten.

(4) Recommendations for preschool teacher training and continuing education to support their role in completing transition plans for preschool children.

(5) Recommendations for baseline information that should be compiled in transition plans for students transitioning to kindergarten.

(6) Procedures for the management of transition plan documents, including recommendations for the length of records retention, provisions for confidentiality, and proper disposal.

(7) Any other components the Department deems appropriate in the provision of information between preschools, students' families, and kindergartens.

SECTION 11B.2.(d) The Department of Health and Human Services shall report on the development of the standardized transition program required pursuant to subsection (c) of this section, including any findings and recommendations and any legislative proposals, to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018.

CHILD CARE SUBSIDY RATES

SECTION 11B.3.(a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

AGE	**INCOME PERCENTAGE LEVEL**
0 – 5	200%
6 – 12	133%

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

SECTION 11B.3.(b) Fees for families who are required to share in the cost of care are established based on ten percent (10%) of gross family income. When care is received at the blended rate, the co-payment shall be eighty-three percent (83%) of the full-time co-payment. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

SECTION 11B.3.(c) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

(1) Religious sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (f) of this section.

(2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.

(4) No payments shall be made for transportation services or registration fees charged by child care facilities.

(5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

(6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

SECTION 11B.3.(d) Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

(1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.

(2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

SECTION 11B.3.(e) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

SECTION 11B.3.(f) The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one- or two-star rated facilities. For those counties with an inadequate number of four- and five-star rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four- and five-star rated facilities for non-star rated programs, such as religious programs.

SECTION 11B.3.(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (f) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

SECTION 11B.3.(h) Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 11B.3.(i) Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

(1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.

(2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.

(3) The child for whom a child care subsidy is sought is a citizen of the United States.

SECTION 11B.3.(j) The Department of Health and Human Services, Division of Child Development and Early Education, shall require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

SECTION 11B.3.(k) Department of Defense-certified child care facilities licensed pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that provides for the purchase of care in child care facilities for minor children in needy families, provided that funds allocated from the State-subsidized child care program to Department of Defense-certified child care facilities shall supplement and not supplant funds allocated in accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose Department of Defense-certified child care facilities and who are eligible to receive subsidized child care shall be as set forth in this section.

CHILD CARE SUBSIDY MARKET RATE INCREASES/CERTAIN AGE GROUPS AND COUNTIES

SECTION 11B.4.(a) Beginning October 1, 2017, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for school-aged children in three-, four-, and five-star-rated child care centers and homes in tier one and tier two counties.

SECTION 11B.4.(b) Beginning October 1, 2017, the Division shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for children birth through two years of age in three-, four-, and five-star-rated child care centers and homes in tier three counties.

SECTION 11B.4.(c) For purposes of this section, tier one, tier two, and tier three counties shall have the same designations as those established by the N.C. Department of Commerce's 2015 County Tier Designations.

CHILD CARE ALLOCATION FORMULA

SECTION 11B.5.(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

(1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage set forth in Section 11B.3(a) of this act.

(2) The Division may withhold up to two percent (2%) of available funds from the allocation formula for (i) preventing termination of services throughout the fiscal year and (ii) repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. The Division shall allocate to counties any funds withheld before the end of the fiscal year when the Division determines the funds are not needed for the purposes described in this subdivision. The Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division, which report shall include each of the following:

a. The amount of funds used for preventing termination of services and the repayment of any federal funds.

b. The date the remaining funds were distributed to counties.

c. As a result of funds withheld under this subdivision and after funds have been distributed, any counties that did not receive at least the amount the counties received the previous year and the amount by which funds were decreased.

The Division shall submit a report in each year of the 2017-2019 fiscal biennium 30 days after the funds withheld pursuant to this subdivision are distributed but no later than April 1 of each respective year.

(3) The Division shall set aside four percent (4%) of child care subsidy allocations for vulnerable populations, which include a child identified as having special needs and a child whose application for assistance indicates that the child and the child's family is experiencing homelessness or is in a temporary living situation. A child identified by this subdivision shall be given priority for receiving services until such time as set-aside allocations for vulnerable populations are exhausted.

SECTION 11B.5.(b) The Division may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service levels within the funds allocated to the counties. A county with a spending coefficient over one hundred percent (100%) shall submit a plan to the Division for managing the county's allocation before receiving any reallocated funds.

SECTION 11B.5.(c) When implementing the formula under subsection (a) of this section, the Division shall include the market rate increase in the formula process rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) Implement the final one-third change in a county's allocation beginning fiscal year 2018-2019. A county's initial allocation shall be the county's expenditure in the previous fiscal year or a prorated share of the county's previous fiscal year expenditures if sufficient funds are not available. With the exception of market rate increases consistent with any increases approved by the General Assembly, a county whose spending coefficient is less than ninety-two percent (92%) in the previous fiscal year shall receive its prior year's expenditure as its allocation and shall not receive an increase in its allocation in the following year. A county whose spending coefficient is at least ninety-two percent (92%) in the previous fiscal year shall receive, at a minimum, the amount it expended in the previous fiscal year and may receive additional funding, if available. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-two percent (92%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1 of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this subdivision and the reasons for the waiver.

(2) Effective immediately following the next new decennial census data release, implement (i) one-third of the change in a county's allocation in the year following the data release, (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision, and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

CODIFY CERTAIN CHILD CARE SUBSIDY PROVISIONS

SECTION 11B.6. Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10C. Child Care Subsidy.

"**§ 143B-168.25. Child care funds matching requirements.**

No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars ($25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of an emergency as defined in G.S. 166A-19.3(6).

"**§ 143B-168.26. Child care revolving loan.**

Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program.

"**§ 143B-168.27. Administrative allowance for county departments of social services; use of subsidy funds for fraud detection.**

(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars ($80,000), whichever is greater.

(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

(c) The Division may adjust the allocations in the Child Care and Development Fund Block Grant according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than September 30 of each year."

CHILD CARE SUBSIDY RECIPIENTS TO COOPERATE WITH CHILD SUPPORT SERVICES/DEMONSTRATION PROJECT

SECTION 11B.7.(a) Beginning January 1, 2018, or 30 days from the date the U.S. Department of Health and Human Services, Office of Child Care, approves the revised Child Care and Development Fund (CCDF) plan, or whichever occurs later, the Department of Health and Human Services, the Division of Child Development and Early Education (DCDEE) and the Division of Social Services (DSS), shall implement a one-year statewide demonstration project in accordance with S.L. 2015-51 requiring a custodial parent or other relative or person with primary custody of the child who is receiving child care subsidy payments to cooperate with the county child support services program as a condition of receiving child care subsidy payments. DCDEE and DSS shall conduct the demonstration project in at least three counties, but no more than six, that represent the three regions of the State in both rural and urban settings. DCDEE and DSS may solicit counties to volunteer for the demonstration project. In selecting counties to participate in the demonstration project, DCDEE and DSS shall (i) consider the various methods counties employ in receiving and processing child care subsidy applications and (ii) compare the data from the counties participating in the demonstration project to counties that are similarly sized and situated that do not participate in the demonstration project.

SECTION 11B.7.(b) The statewide demonstration project shall include, at a minimum, the components described in Section 1(a) of S.L. 2015-51, as well as any criteria DCDEE and DSS identified in its report as submitted to the Joint Legislative Oversight Committee on Health and Human Services dated February 1, 2016. Specifically, as identified in that report, DCDEE and DSS shall consider, at a minimum, each of the following factors in evaluating the demonstration project:

(1) The number and percentage of applicants for whom the requirement to participate in child support services was presented who actually submitted a child support application and applied for and received subsidized child care assistance.

(2) The number and percentage of families exempted from the requirement under subdivision (1) of this subsection through good-cause exceptions.

(3) The number and percentage of families that initially receive child support payments but become ineligible for subsidized child care assistance as a result of their increased income or family status.

(4) The number and percentage of families enrolled in the subsidized child care assistance program at the beginning of the demonstration project that exit the program due to imposed requirements for child support cooperation.

(5) The number and percentage of applicants who declined to apply or withdrew their application as a result of the requirement to cooperate with child support services.

(6) The number and percentage of child care subsidy recipients who begin receiving child support or, if receiving child support, the average increase in the recipients' child support received due to imposed requirements for child support cooperation.

SECTION 11B.7.(c) The Division of Child Development and Early Education and the Division of Social Services shall report on the results of the demonstration project to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2019, or if the CCDF plan is approved after January 1, 2018, no later than three months from the date the one-year demonstration project is completed, whichever occurs later. The report shall include, at a minimum, each of the following:

(1) The factors evaluated under subsection (a) of this section.

(2) A detailed project plan and any costs associated with implementing the plan, specifically, any technology needs.

(3) Any recommendations for or challenges with sustaining the plan long term.

SMART START INITIATIVES

SECTION 11B.8.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

(1) Increase children's literacy.

(2) Increase the parents' ability to raise healthy, successful children.

(3) Improve children's health.

(4) Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION 11B.8.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection,

administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION 11B.8.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

(1) The population of the area serviced by a local partnership.
(2) The amount of State funds administered.
(3) The amount of total funds administered.
(4) The professional experience of the individual to be compensated.
(5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.

SECTION 11B.8.(d) Match Requirements. – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2017-2019 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for each year of the 2017-2019 fiscal biennium. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor's records.
(2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
(3) Not include expenses funded by State funds.
(4) Be supplemental to and not supplant preexisting resources for related program activities.

(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
(6) Be otherwise allowable under federal or State law.
(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the 2017-2019 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 11B.8.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.
(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.
(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION 11B.8.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION 11B.8.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 11B.8.(h) Expenditure Restrictions. – The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2017-2019 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2017-2019 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).
(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2017-2019 fiscal biennium.

For the 2017-2019 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

SMART START EARLY LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY

SECTION 11B.9.(a) Funds allocated to the North Carolina Partnership for Children, Inc., from the Department of Health and Human Services, shall be used to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books on a monthly basis to children registered for the program, with the intent that, upon full implementation, access to the program shall be statewide.

SECTION 11B.9.(b) The North Carolina Partnership for Children, Inc., may use up to two percent (2%) of the funds for program evaluation. Funds appropriated under this section shall not be subject to administrative costs requirements under Section 11B.8(b) of this act, nor shall these funds be subject to the child care services funding requirements under G.S. 143B-168.15(b), child care subsidy expansion requirements under G.S. 143B-168.15(g), or the match requirements under Section 11B.8(d) of this act.

SECTION 11B.9.(c) The North Carolina Partnership for Children, Inc., shall report on the success of the early literacy initiative, including any recommendations, to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2018. The report shall include participation rates for Dolly Parton's Imagination Library.

SUBPART XI-C. DIVISION OF SOCIAL SERVICES

TANF BENEFIT IMPLEMENTATION

SECTION 11C.1.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2016-2019," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2016, through September 30, 2019. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services.

SECTION 11C.1.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2016-2019, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION 11C.1.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for years 2016 through 2019, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2017. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2019.

SECTION 11C.1.(d) For each year of the 2017-2019 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2016-2017 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

SECTION 11C.1.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2017-2018 fiscal year or the 2018-2019 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

SECTION 11C.2.(a) Notwithstanding the provisions of G.S. 143B-150.6, the Intensive Family Preservation Services (IFPS) Program shall provide intensive services to children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal. The Program shall be developed and implemented statewide

on a regional basis. The IFPS shall ensure the application of standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement.

SECTION 11C.2.(b) The Department of Health and Human Services shall require that any program or entity that receives State, federal, or other funding for the purpose of IFPS shall provide information and data that allows for the following:

(1) An established follow-up system with a minimum of six months of follow-up services.
(2) Detailed information on the specific interventions applied, including utilization indicators and performance measurement.
(3) Cost-benefit data.
(4) Data on long-term benefits associated with IFPS. This data shall be obtained by tracking families through the intervention process.
(5) The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.
(6) The number and percentage, by race, of children who received IFPS compared to the ratio of their distribution in the general population involved with Child Protective Services.

SECTION 11C.2.(c) The Department shall establish a performance-based funding protocol and shall only provide funding to those programs and entities providing the required information specified in subsection (b) of this section. The amount of funding shall be based on the individual performance of each program.

CHILD CARING INSTITUTIONS

SECTION 11C.3. Until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the maximum reimbursement for child caring institutions shall not exceed the rate established for the specific child caring institution by the Department of Health and Human Services, Office of the Controller. In determining the maximum reimbursement, the State shall include county and IV-E reimbursements.

USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

SECTION 11C.4. Of the funds available for the provision of foster care services, the Department of Health and Human Services, Division of Social Services, may continue to provide for the financial support of children who are deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses shall be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). The Guardianship Assistance Program (GAP) shall include provisions for extending guardianship services for individuals who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements of this section due to a medical condition or disability. The Guardianship Assistance Program rates shall reimburse the legal guardian for room and board and be set at the same rate as the foster care room and board rates in accordance with rates established under G.S. 108A-49.1.

CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)

SECTION 11C.5.(a) Funds appropriated from the General Fund to the Department of Health and Human Services for the child welfare postsecondary support program shall be used to continue providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 108711 for the educational needs of foster youth aging out of the foster care system

and special needs children adopted from foster care after age 12. These funds shall be allocated by the State Education Assistance Authority.

SECTION 11C.5.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of fifty thousand dollars ($50,000) for the 2017-2018 fiscal year and the sum of fifty thousand dollars ($50,000) for the 2018-2019 fiscal year shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

SECTION 11C.5.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2017-2018 fiscal year and the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2018-2019 fiscal year shall be used to contract with an entity to administer the child welfare postsecondary support program described under subsection (a) of this section, which administration shall include the performance of case management services.

SECTION 11C.5.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State.

FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS

SECTION 11C.6.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.

(2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.

(3) Develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION 11C.6.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current formula for distributing federal incentive funding until an alternative formula is adopted.

(2) Upon adopting an alternative formula, develop a process to phase in the alternative formula for distributing federal incentive funding over a four-year period.

SECTION 11C.6.(c) Reporting by County Child Support Services Programs. – NCCSS shall continue implementing guidelines that identify appropriate uses for federal incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county child support services programs to comply with each of the following:

(1) Submit an annual plan describing how federal incentive funding would improve program effectiveness and efficiency as a condition of receiving federal incentive funding.

(2) Report annually on the following: (i) how federal incentive funding has improved program effectiveness and efficiency and been reinvested into their programs, (ii) provide documentation that the funds were spent according to their annual plans, and (iii) explain any deviations from their plans.

SECTION 11C.6.(d) Reporting by NCCSS. – NCCSS shall submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year. The report shall describe how federal incentive funds enhanced centralized child support services to benefit county child support services programs and improved the effectiveness and efficiency of county child support services programs. The report shall further include any changes to the State process the NCCSS used in calculating and distributing federal incentive funding to county child support services programs and any recommendations for further changes.

CHILD WELFARE SYSTEM CHANGES

SECTION 11C.7.(a) Federal Improvement Plan Implementation. – The Department of Health and Human Services, Division of Social Services, shall continue implementing the requirements of the federal Program Improvement Plan to bring our State into compliance with national standards for child welfare policy and practices. The Division shall collaborate with county departments of social services to develop a model of oversight that supports program outcomes and a county's ability to meet performance standards as outlined in the Program Improvement Plan. Oversight may include support for continuous quality improvement, staff training, and data analysis.

Of the funds appropriated to the Division in each year of the 2017-2019 fiscal biennium for the child welfare program improvement plan, the sum of sixty thousand dollars ($60,000) recurring in each year of the 2017-2019 fiscal biennium shall be used by the Division, in collaboration with the North Carolina State Commission on Indian Affairs within the Department of Administration, for North Carolina State-recognized tribes to assist in (i) recruiting foster parents, (ii) increasing the number of foster homes for children who are members of a North Carolina State-recognized tribe, and (iii) providing training for staff of county departments of social services to ensure culturally appropriate services for children who are members of a North Carolina State-recognized tribe.

The Division shall report on the implementation and outcomes of the Program Improvement Plan to the Joint Legislative Oversight Committee on Health and Human Services. The report shall be submitted semiannually on February 1 and August 1 of each year, with a final report on February 1, 2019.

SECTION 11C.7.(b) Child Welfare/NC FAST. – The Department of Health and Human Services, Division of Social Services, shall continue toward completion of the child welfare component of the North Carolina Families Accessing Services Through Technology (NC FAST) system to (i) bring the State into compliance with the Statewide Information System systematic factor of the Child and Family Services Review (CFSR) and (ii) ensure that data quality meets federal standards and adequate information is collected and available to counties to assist in tracking children and outcomes across counties.

It is the intent of the General Assembly that the child welfare component of the NC FAST system be operational by December 31, 2017. To that end, the Department of Health and Human Services, Division of Social Services, shall report on the development, implementation, and outcomes of the child welfare component of the NC FAST system to the Joint Legislative Oversight Committee on Health and Human Services quarterly through April 1, 2019. The report shall include, at a minimum, each of the following:

(1) The current time line for development and implementation of the child welfare component to NC FAST.
(2) Any adjustments and justifications for adjustments to the time line.
(3) Progress on the development and implementation of the system.
(4) Address any identified issues in developing or implementing the child welfare component to NC FAST and solutions to address those issues.
(5) The level of county participation and involvement in each phase of the project.
(6) Any budget and expenditure reports, including overall project budget and expenditures, and current fiscal year budget and expenditures.

INCREASE ACCESS TO PUBLIC BENEFITS FOR OLDER DUAL ELIGIBLE SENIORS

SECTION 11C.8.(a) The Department of Health and Human Services, Division of Social Services (Division), shall continue implementing an evidence-based pilot program to increase access to public benefits for seniors aged 65 and older who are dually enrolled in Medicare and Medicaid to (i) improve the health and independence of seniors and (ii) reduce health care costs. The Division shall continue to partner with a not-for-profit firm for the purposes of engaging in a data-driven campaign to help seniors aged 65 and older who are dually enrolled in Medicare and Medicaid meet their basic social needs. The not-for-profit firm shall have demonstrated experience in assisting with these types of services and the partnership shall accomplish each of the following:

(1) Identify, through data sharing, dual eligible seniors aged 65 and older who qualify for the Supplemental Nutrition and Assistance Program (SNAP) but are not currently enrolled.
(2) Conduct an outreach program toward those seniors for the purpose of enrolling them into SNAP.
(3) Provide comprehensive application assistance through outreach specialists to complete public benefits application processes.
(4) Evaluate project effectiveness and explore how data can be utilized to achieve optimal outcomes.
(5) Make recommendations regarding policy options available to the State to streamline access to benefits.

SECTION 11C.8.(b) The Division shall report to the Office of the Governor and the Joint Legislative Oversight Committee on Health and Human Services on its progress in the pilot program by February 1 following each year the pilot program is in place. The report shall, at a minimum, include the following:

(1) The number of seniors age 65 and older who are dual eligibles but are not enrolled in SNAP.
(2) The number of those identified that would be included in the sample population.
(3) Methods of outreach toward those seniors in the sample population.
(4) Number of to date enrollments in SNAP as a direct result of outreach during the pilot program.
(5) Participation rate to date in SNAP of those seniors in the sample population.
(6) Any other findings the Division deems relevant.

SECTION 11C.8.(c) Any nonrecurring funds remaining in the 2016-2017 fiscal year from implementation of the pilot program under this section shall not revert, but shall remain available for continued implementation of the pilot program, along with any private or nonprofit funding provided to the Division for use in the pilot program. If funding and capacity exist, the Division of Social Services may expand the pilot program to include other public benefits programs.

SUCCESSFUL TRANSITION/FOSTER CARE YOUTH/PERMANENCY INNOVATION INITIATIVE TECHNICAL CHANGE

SECTION 11C.9.(a) There is created the Foster Care Transitional Living Initiative Fund to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and lead to the development of evidence-based programs to serve the at-risk population described in this section. The Fund shall support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In implementing these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

(1) Transitional Living Services, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent Randomized Controlled Trial. Results indicate that Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

(2) Public-Private Partnership, which is a commitment by private-sector funding partners to match at least fifty percent (50%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2017-2019 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

(3) Impact Measurement and Evaluation, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

(4) Advancement of Evidence-Based Process, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.

SECTION 11C.9.(b) G.S. 131D-10.9A(c) reads as rewritten:

"(c) Purpose and Powers. – The Committee shall:

(1) Design and implement a data tracking methodology to collect and analyze information to gauge the success of the initiative established under this section as well as ~~an initiative~~any initiatives for foster care youth transitioning to ~~adulthood in accordance with Part 3 of this Article.~~adulthood.

(2) Develop a methodology to identify short- and long-term cost-savings in the provision of foster care and foster care transitional living services and any potential reinvestment strategies.

(3) Oversee program implementation to ensure fidelity to the program models identified under subdivisions (1) and (2) of ~~G.S. 131D-10.9B(a) and under subdivisions (1) through (4) of G.S. 131D-10.9G(a).~~G.S. 131D-10.9B(a).

(4) Study, review, and recommend other policies and services that may positively impact permanency, well-being outcomes, and youth aging out of the foster care system."

FINAL REPORT/EASTERN BAND OF CHEROKEE INDIANS ASSUMPTION OF SERVICES

SECTION 11C.10.(a) The Department of Health and Human Services, Division of Social Services, shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services on the assumption of certain services by the Eastern Band of Cherokee Indians as implemented pursuant to Section 12C.10 of S.L. 2015-241, as amended by Section 12C.2 of S.L. 2016-94, when implementation is complete.

SECTION 11C.10.(b) Section 12C.10(h) of S.L. 2015-241 is repealed.

FAMILY AND CHILD PROTECTION AND ACCOUNTABILITY ACT

SECTION 11C.12. Expenditure of the funds provided for in item number 55 of the Health and Human Services portion of the Committee Report described in Section 39.2 of this act is contingent upon passage of House Bill 630 of the 2017 Regular Session or any other substantially similar legislation adopted by the 2017 General Assembly.

TEMPORARY FINANCIAL ASSISTANCE FOR FACILITIES LICENSED TO ACCEPT STATE-COUNTY SPECIAL ASSISTANCE

SECTION 11C.13.(a) The following definitions apply in this section:

(1) Facility licensed to accept State-County Special Assistance payments or facility. – Any residential care facility that is (i) licensed by the Department of Health and Human Services and (ii) authorized to accept State-County Special Assistance payments from its residents.

(2) State-County Special Assistance. – The program authorized by G.S. 108A-40.

SECTION 11C.13.(b) Nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Social Services (DSS), for each year of the 2017-2019 fiscal biennium for facilities licensed to accept State-County Special Assistance payments shall be used to provide temporary financial assistance in the form of a monthly payment to these facilities on behalf of each resident who is a recipient of State-County Special Assistance. The counties shall pay to the State fifty percent (50%) of the cost of providing these monthly payments to these facilities. The monthly payments provided by DSS to these facilities shall be subject to all of the following requirements and limitations:

(1) The amount of the monthly payments authorized by this section is equal to thirty-four dollars ($34.00) per month for each resident of the facility as of the first day of the month who is a recipient of State-County Special Assistance.

(2) A facility that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than to offset the cost of serving residents who are recipients of State-County Special Assistance.

(3) The DSS shall make monthly payments authorized by this section to a facility on behalf of a resident only for the period commencing July 1, 2017, and ending June 30, 2019.

(4) The DSS shall make monthly payments authorized by this section only to the extent sufficient State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium are available for this purpose.

(5) The DSS shall not make monthly payments authorized by this section to a facility on behalf of a resident whose eligibility determination for State-County Special Assistance is pending.

(6) The DSS shall terminate all monthly payments pursuant to this section on the earlier of the following:

a. June 30, 2019.

b. Upon depletion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal year for this purpose.

SECTION 11C.13.(c) Notwithstanding any provision of this act or any other provision of law to the contrary, the DSS shall not be required to provide any temporary financial assistance to facilities beyond June 30, 2019, or upon depletion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium for this purpose, whichever is earlier.

SECTION 11C.13.(d) If possible, the DSS shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to facilities. The DSS shall not, under any circumstances, use any portion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium for the purpose of this section for any other purpose.

SECTION 11C.13.(e) Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement by any facility, resident of a facility, or other person to receive temporary financial assistance under this section.

SECTION 11C.13.(f) Of the funds appropriated in this act to the DSS for each year of the 2017-2019 fiscal biennium for facilities licensed to accept State-County Special Assistance payments, the DSS shall not use more than two hundred fifty thousand dollars ($250,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium for administrative purposes.

SECTION 11C.13.(g) This section expires on June 30, 2019.

ECKERD KIDS AND CARING FOR CHILDREN'S ANGEL WATCH PROGRAM/REPORT ON USE OF ADDITIONAL FUNDS

SECTION 11C.14.(a) The Department of Health and Human Services, Division of Social Services, shall report on the use of additional funds provided in this act for each year of the 2017-2019 fiscal biennium to provide continued support of the Eckerd Kids and Caring for Children's Angel Watch program, a foster care program for children who are ages zero to 10 who are not in the custody of a county department of social services and whose families are temporarily unable to care for them due to a crisis. The report shall, at a minimum, include each of the following:

(1) The number of families and children served by the program, including the counties in which services are provided.

(2) The number of children who enter foster care within six months after their family participates in the program.

(3) A comparison of children with similar needs that do not participate in the program and the number of those children who enter into foster care.

(4) Any other matters the Division deems relevant.

SECTION 11C.14.(b) The Division shall submit the report required by subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2018.

SECTION 11C.14.(c) G.S. 143C-1-2(b) shall not apply to funds appropriated for the 2016-2017 fiscal year for Eckerd Kids and Caring for Children's Angel Watch program.

CHILD ADVOCACY CENTER FUNDING

SECTION 11C.15. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, for each year of the 2017-2019 fiscal biennium for child advocacy centers, allocations shall be made as follows:

(1) Up to one hundred thousand dollars ($100,000) for each child advocacy center in good standing with Children's Advocacy Centers of North Carolina, Inc.

(2) One hundred thousand dollars ($100,000) to Children's Advocacy Centers of North Carolina, Inc., for its operations.

SUBPART XI-D. DIVISION OF AGING AND ADULT SERVICES

STATE-COUNTY SPECIAL ASSISTANCE

SECTION 11D.1.(a) For each year of the 2017-2019 fiscal biennium, the maximum monthly rate for residents in adult care home facilities shall be one thousand one hundred eighty-two dollars ($1,182) per month per resident.

SECTION 11D.1.(b) For each year of the 2017-2019 fiscal biennium, the maximum monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five hundred fifteen dollars ($1,515) per month per resident.

AUTHORIZATION FOR SECRETARY OF DHHS TO RAISE THE MAXIMUM NUMBER OF STATE-COUNTY SPECIAL ASSISTANCE IN-HOME PAYMENTS

SECTION 11D.1A.(a) Notwithstanding the provisions of G.S. 108A-47.1 or any other provision of law to the contrary, and within existing appropriations for State-County Special Assistance, the Secretary of the Department of Health and Human Services may waive the fifteen percent (15%) cap on the number of Special Assistance in-home payments, as the Secretary deems necessary.

SECTION 11D.1A.(b) This section expires on June 30, 2019.

ALIGNMENT OF STATE AND FEDERAL AGING PLAN REPORTING DEADLINES

SECTION 11D.2. G.S. 143B-181.1A reads as rewritten:

"**§ 143B-181.1A. Plan for serving older adults; inventory of existing data; cooperation by State agencies.**

(a) The Division of ~~Aging,~~Aging and Adult Services of the Department of Health and Human Services shall submit a regularly updated plan to the General Assembly by ~~March 1~~July 1 of every other odd-numbered year, beginning March 1, 1995. This plan shall include:

(1) A detailed analysis of the needs of older adults in North Carolina, based on existing available data, including demographic, geographic, health, social, ~~economical,~~economic, and other pertinent ~~indicators;~~indicators.

(2) A clear statement of the goals of the State's long-term public policy on ~~aging;~~aging.

(3) An analysis of services currently provided and an analysis of additional services ~~needed; and~~needed.

(4) Specific implementation recommendations on expansion and funding of current and additional services and ~~services~~ service levels.

(b) The Division of ~~Aging,~~Aging and Adult Services of the Department of Health and Human ~~Services,~~Services shall maintain an inventory of existing data sets regarding the elderly in North Carolina, in order to ensure that adequate demographic, geographic, health, social, economic, and other pertinent indicators are available to generate its regularly updated Plan for Serving Older Adults.

Upon request, the Division of Aging and Adult Services shall make information on these data sets available within a reasonable time.

All State agencies and entities that possess data relating to the elderly, including the Department of ~~Health and Human Services' Division of Health Services, the Division of~~ Administration and the Divisions of Public Health, Health Service Regulation, and ~~the Division of Social Services, and the Department of Administration,~~Social Services of the Department of Health and Human Services, shall cooperate, upon request, with the Division of Aging and Adult Services in implementing this subsection."

RECOMMENDATION TO APPOINT A SUBCOMMITTEE ON AGING

SECTION 11D.3.(a) Pursuant to the authority in G.S. 120-208.2(d), the cochairs for the Joint Legislative Oversight Committee on Health and Human Services may consider appointing a subcommittee on aging to examine the State's delivery of services for older adults in order to (i) determine their service needs and to (ii) make recommendations to the Oversight Committee on how to address those needs. North Carolina currently ranks ninth in the nation for the size of the age 60 and older population and tenth in the nation for the age 85 and older population. From 2015 to 2035, the age 65 and older population is projected to increase sixty-seven percent (67%) and the age 85 and older population is projected to increase one hundred two percent (102%). By 2019, North Carolina will have more people that are 60 years of age and older than children age zero to 17. It is recommended that the subcommittee examine the range of programs and services for older adults throughout the continuum of care. The subcommittee is encouraged to seek input from a variety of stakeholders and interest groups, including the Division of Aging and Adult Services and the Division of Social Services, Department of Health and Human Services; the North Carolina Coalition on Aging; the North Carolina Senior Tarheel Legislature, and the Governor's Advisory Council on Aging.

SECTION 11D.3.(b) If a subcommittee on aging is appointed, the subcommittee shall submit an interim report of its findings and recommendations, including any proposed legislation, to the Joint Legislative Oversight Committee on Health and Human Services on or before March 1, 2018, and shall submit a final report of its findings and recommendations, including any proposed legislation, on or before November 1, 2018, at which time it shall terminate unless reappointed by the cochairs of the Oversight Committee under the authority granted in G.S. 120-208.2(d).

SUBPART XI-E. DIVISION OF PUBLIC HEALTH

FUNDS FOR SCHOOL NURSES

SECTION 11E.1. Part 1 of Article 1 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-4.3. State funds for school nurses.**

(a) The Department shall use State funds appropriated for the School Nurse Funding Initiative to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose. The Department shall ensure that communities maintain their current level of effort and funding for school nurses. These funds shall not be used to fund nurses for State agencies. These funds shall be distributed to local health departments according to a formula that includes all of the following:

(1) School nurse-to-student ratio.
(2) Percentage of students eligible for free or reduced-price meals.
(3) Percentage of children in poverty.
(4) Per capita income.
(5) Eligibility as a low-wealth county.
(6) Mortality rates for children between one and 19 years of age.
(7) Percentage of students with chronic illnesses.
(8) Percentage of county population consisting of minority persons.

(b) The Division of Public Health shall ensure that school nurses funded with State funds (i) do not assist in any instructional or administrative duties associated with a school's curriculum and (ii) perform all of the following with respect to school health programs:

(1) Serve as the coordinator of the health services program and provide nursing care.
(2) Provide health education to students, staff, and parents.
(3) Identify health and safety concerns in the school environment and promote a nurturing school environment.
(4) Support healthy food services programs.
(5) Promote healthy physical education, sports policies, and practices.

(6) Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies.

(7) Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee.

(8) Provide health education and counseling and promote healthy activities and a healthy environment for school staff.

(9) Be available to assist the county health department during a public health emergency."

STRATEGIES FOR ADDRESSING STRUCTURAL BUDGET DEFICIT IN STATE LABORATORY OF PUBLIC HEALTH

SECTION 11E.2.(a) By March 1, 2018, the Department of Health and Human Services, Division of Public Health, shall review the current fee schedule for medical and environmental services provided by the State Laboratory of Public Health (SLPH) and report any recommended strategies for addressing its structural budget deficit. The report must include at least all of the following:

(1) Recommendations on all of the following:

a. Any service the SLPH currently provides at no cost for which it should begin charging a fee, along with recommendations for the amount of each new fee sufficient to cover both the direct and indirect costs of the service.

b. Implementation of a billing system for services provided by the SLPH.

c. Strategies to improve billing accuracy in order to increase the SLPH's Medicaid reimbursement rate.

d. The feasibility of modifying the Medicaid State Plan to allow the SLPH to engage in cost settlement, similar to the approaches used by local health departments.

(2) Identification of measures to ensure that local health departments collect and report all data needed to ensure accurate and timely billing of SLPH services.

(3) Proposals on alternative funding options to support the operating costs of the SLPH.

SECTION 11E.2.(b) This section is effective when this act becomes law.

LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO IMPROVE MATERNAL AND CHILD HEALTH

SECTION 11E.3.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for each year of the 2017-2019 fiscal biennium to award competitive grants to local health departments for the improvement of maternal and child health shall be used to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals:

(1) Improve North Carolina's birth outcomes.

(2) Improve the overall health status of children in this State from birth to age five.

(3) Lower the State's infant mortality rate.

SECTION 11E.3.(b) The plan for administering the competitive grant process shall include at least all of the following components:

(1) A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis. The Department shall require local health departments to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.

(2) A requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.

(3) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for maternal and child health initiatives.

(4) Allows grants to be awarded to local health departments for up to two years.

SECTION 11E.3.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION 11E.3.(d) No later than December 1 of each fiscal year, each local health department receiving funding pursuant to this section in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

(1) A description of the types of programs, services, and activities funded by State appropriations.

(2) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

(3) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities based on the evaluation protocols developed by the Division, in collaboration with the University of North Carolina Gillings School of Global Public Health, pursuant to Section 12E.11(e) of S.L. 2015-241, and reported to the Joint Legislative Oversight Committee on Health and Human Services on April 1, 2016.

(4) A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

LIMITATION ON USE OF STATE FUNDS

SECTION 11E.4. The limitation on the use of State funds as stated in Section 12E.13 of S.L. 2015-241 shall apply to funds appropriated in this act to the Department of Health and Human Services for each fiscal year of the 2017-2019 fiscal biennium.

EVIDENCE-BASED DIABETES PREVENTION PROGRAM TO ELIMINATE HEALTH DISPARITIES

SECTION 11E.5.(a) The Department of Health and Human Services, Division of Public Health, Office of Minority Health, shall continue to administer, in consultation with the Chronic Disease and Injury Prevention Section, an evidence-based Diabetes Prevention Program modeled after the program recommended by the National Institute of Diabetes and Digestive and Kidney Diseases, targeting minority populations.

SECTION 11E.5.(b) By December 1, 2017, and annually thereafter, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status, participant demographics, cost, and outcomes of the Diabetes Prevention Program authorized by subsection (a) of this section.

IMPLEMENTATION OF THE FEDERAL ELEVATED BLOOD LEVEL STANDARD IN NORTH CAROLINA

SECTION 11E.6.(a) It is the intent of the State to protect young children and pregnant women from being exposed to high levels of lead that can cause substantial harm to their normal neurological development and to ensure important intervention services, including required remediation of lead hazards, will be provided to children and pregnant women whose health is threatened by lead exposure.

SECTION 11E.6.(b) G.S. 130A-131.7 reads as rewritten:

"**§ 130A-131.7. Definitions.**

The following definitions apply in this Part:

…

(3) "Confirmed lead poisoning" means a blood lead concentration of ~~20~~ 10 micrograms per deciliter or greater determined by the lower of two consecutive blood tests within a ~~six-month~~12-month period.

…

(5) "Elevated blood lead level" means a blood lead concentration of ~~10~~ five micrograms per deciliter or greater determined by the lower of two consecutive blood tests within a ~~six-month~~12-month period.

…

(13) "Readily accessible substance" means any substance that can be ingested or inhaled by a child less than six years of ~~age.~~age or by a pregnant woman. Readily accessible substances include deteriorated paint that is peeling, chipping, cracking, flaking, or blistering to the extent that the paint has separated from the substrate. Readily accessible substances also include soil, water, toys, vinyl miniblinds, bathtubs, lavatories, doors, door jambs, stairs, stair rails, windows, interior windowsills, baseboards, and paint that is chalking.

…."

SECTION 11E.6.(c) G.S. 130A-131.9A reads as rewritten:

"**§ 130A-131.9A. Investigation to identify lead poisoning hazards.**

(a) When the Department learns of confirmed lead poisoning, the Department shall conduct an investigation to identify the lead poisoning hazards to ~~children.~~children and pregnant women. The Department shall investigate the residential housing unit where the child or pregnant woman with confirmed lead poisoning resides. The Department shall also investigate the supplemental addresses of the child or pregnant woman who has confirmed lead poisoning.

(a1) When the Department learns of an elevated blood lead level, the Department shall, upon informed consent, investigate the residential housing unit where the child or pregnant woman with the elevated blood level resides. When consent to investigate is denied, the child or pregnant woman with the elevated blood lead level cannot be located, or the child's parent or guardian fails to respond, the Department shall document the denial of consent, inability to locate, or failure to respond.

(b) The Department shall also conduct an investigation when it reasonably suspects that a lead poisoning hazard to children or pregnant women exists in a residential housing unit or child-occupied facility occupied, regularly visited, or attended by a child less than six years of ~~age.~~age or a pregnant woman.

(c) In conducting an investigation, the Department may take samples of surface materials, or other materials suspected of containing lead, for analysis and testing. If samples are taken, chemical determination of the lead content of the samples shall be by atomic absorption spectroscopy or equivalent methods approved by the Department."

SECTION 11E.6.(d) G.S. 130A-131.9C reads as rewritten:

"**§ 130A-131.9C. Abatement and Remediation.**

(a) Upon determination that a child less than six years of age or a pregnant woman has a confirmed lead poisoning of ~~20~~ 10 micrograms per deciliter or greater and that child or pregnant woman resides in a residential housing unit containing lead poisoning hazards, the Department shall require remediation of the lead poisoning hazards. The Department shall also require remediation of the lead poisoning hazards identified at the supplemental addresses of a child less than six years of age or a pregnant woman with a confirmed lead poisoning of ~~20~~ 10 micrograms per deciliter or greater.

…

(h) All lead-containing waste and residue shall be removed and disposed of in accordance with applicable federal, State, and local laws and rules. Other substances containing lead that are intended for use by children less than six years of age or pregnant women and vinyl miniblinds that constitute a lead poisoning hazard shall be removed and disposed of in accordance with applicable federal, State, and local laws and rules.

…

(j1) Compliance with the maintenance standard satisfies the remediation requirements for confirmed lead poisoning cases identified on or after 1 October 1990 as long as all lead poisoning hazards identified on interior and exterior surfaces are addressed by remediation. Except for owner-occupied residential housing units, continued compliance shall be verified by means of an annual monitoring inspection conducted by the Department. For owner-occupied residential housing units, continued compliance shall be verified (i) by means of an annual monitoring inspection, (ii) by documentation that no child less than six years of age and no pregnant woman has resided in or regularly visited the residential housing unit within the past year, or (iii) by documentation that no child less than six years of age and no pregnant woman residing in or regularly visiting the unit has an elevated blood lead level.

(k) Removal of children or pregnant women from the residential housing unit or removal of children from the child-occupied facility shall not constitute remediation if the property continues to be used for a residential housing unit or child-occupied facility. The remediation requirements imposed in subsection (a) of this section apply so long as the property continues to be used as a residential housing unit or child-occupied facility."

SECTION 11E.6.(e) G.S. 130A-131.9G reads as rewritten:

"**§ 130A-131.9G. Resident responsibilities.**

In any residential housing unit occupied by a child less than six years of age or a pregnant woman who has an elevated blood lead level of ~~10~~ five micrograms per deciliter or greater, the Department shall advise, in writing, the owner or managing agent and the pregnant woman or the child's parents or legal guardian of the importance of carrying out routine cleaning activities in the units they occupy, own, or manage. The cleaning activities shall include all of the following:

(1) Wiping clean all windowsills with a damp cloth or sponge at least weekly.

(2) Regularly washing all surfaces accessible to children.

(3) In the case of a leased residential housing unit, identifying any deteriorated paint in the unit and notifying the owner or managing agent of the conditions within 72 hours of discovery.

(4) Identifying and understanding potential lead poisoning hazards in the environment of each child less than six years of age and each pregnant woman in the unit (including toys, vinyl miniblinds, playground equipment, drinking water, soil, and painted surfaces), and taking steps to prevent children and pregnant women from ingesting lead such as encouraging children and pregnant women to wash their faces and hands frequently and especially after playing outdoors."

AIDS DRUG ASSISTANCE PROGRAM

SECTION 11E.7. Part 1 of Article 1 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-4.4. Funds for AIDS Drug Assistance Program.**

The Department shall work with the Department of Public Safety to use Department of Public Safety funds to purchase pharmaceuticals for the treatment of individuals in the custody of the Department of Public Safety who have been diagnosed with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome (HIV/AIDS) in a manner that allows these funds to be accounted for as State matching funds in the Department of Health and Human Services drawdown of federal Ryan White funds earmarked for the AIDS Drug Assistance Program also known as ADAP."

IMPLEMENTATION OF COST-NEUTRAL PREMIUM ASSISTANCE PROGRAM WITHIN AIDS DRUG ASSISTANCE PROGRAM (ADAP)

SECTION 11E.8.(a) The Department of Health and Human Services, Division of Public Health, shall continue to implement within the North Carolina AIDS Drug Assistance Program (ADAP) a health insurance premium assistance program that (i) is cost neutral or achieves savings; (ii) utilizes federal funds from Part B of the Ryan White HIV/AIDS Program and ADAP funds to provide individual ADAP participants or subsets of ADAP participants with premium and cost-sharing assistance for the purchase or maintenance of private health insurance coverage, including premiums, co-payments, and deductibles; and (iii) meets the requirements of Section 12E.1 of S.L. 2016-94.

SECTION 11E.8.(b) By March 1, 2018, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on implementation of the health insurance premium assistance program authorized by subsection (a) of this section. The report must include at least all of the following components:

(1) A detailed explanation of the program design.
(2) A demonstration of cost neutrality, which shall include a comparison of the cost of providing prescription drugs to eligible beneficiaries through the health insurance premium program created pursuant to subsection (a) of this section and the cost of providing prescription drugs to eligible beneficiaries through the existing ADAP program.
(3) Information on health outcomes of program participants.
(4) Any obstacles to program implementation.

USE OF MODIFIED ADJUSTED GROSS INCOME (MAGI) FOR AIDS DRUG ASSISTANCE PROGRAM (ADAP) ELIGIBILITY DETERMINATIONS

SECTION 11E.9. Beginning January 1, 2018, the Department of Health and Human Services shall implement the use of the Modified Adjusted Gross Income formula in the calculation of income for the purpose of determining eligibility for the AIDS Drug Assistance Program in order to ensure consistency in the Department's methods of determining eligibility for other benefit programs.

DIVISION OF PUBLIC HEALTH EATING DISORDER STUDY

SECTION 11E.11.(a) The Department of Health and Human Services, Division of Public Health, is directed to study eating disorders in the State of North Carolina. At a minimum, the Division shall:

(1) Identify the number of diagnosed incidences of eating disorders in North Carolina.
(2) Provide an estimate of the number of individuals in North Carolina who are suffering from an eating disorder but who have not been formally diagnosed.
(3) Identify the number of individuals who are being treated for an eating disorder.

(4) Identify strategies by which the State can increase awareness of, and disseminate information about, eating disorders, including their symptoms, effects, and preventative interventions.

(5) Examine the adequacy of training provided to public school officials in identifying the symptoms of eating disorders and in providing support to the individuals and families affected by eating disorders.

(6) Make recommendations for improving education, prevention, early detection, and treatment of eating disorders.

(7) Identify the availability of treatment consistent with the best practices described by the American Psychiatric Association and other published materials to individuals and families affected by eating disorders.

(8) Consider any other issues the Division identifies that are related to the objectives of this study.

The Division shall solicit input from relevant organizations and entities, including the UNC Center for Excellence for Eating Disorders at the University of North Carolina at Chapel Hill, the North Carolina Chapter of the American Academy of Pediatrics, the North Carolina Academy of Family Physicians, and national organizations specializing in eating disorders.

SECTION 11E.11.(b) On or before November 1, 2017, the Division shall submit a report containing findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services. Based on the Division's report, the Committee shall consider making a recommendation to the 2018 General Assembly.

SECTION 11E.11.(c) This section is effective when this act becomes law.

EVERY WEEK COUNTS DEMONSTRATION PROJECT

SECTION 11E.12.(a) The General Assembly finds that preterm birth is the major driver of infant mortality in the United States and the leading cause of long-term neurological disabilities in children. It further finds that the counties in North Carolina with the highest infant mortality rates are multiply burdened by high rates of preterm birth and high rates of poverty and also tend to be counties that are also disproportionately composed of racial minorities. It is the intent of the General Assembly to reduce the incidence of preterm birth and infant mortality by funding and supporting for a period of at least three years a demonstration project in two counties of Perinatal Care Region V of North Carolina to study (i) the extent to which a home-based prenatal care model can reduce the rate of preterm birth among multiparous women and (ii) whether multiparous women without a prior preterm birth, but with multiple risk factors for preterm birth in the current pregnancy, may benefit from 17 Alpha-Hydroxyprogesterone Caproate (17P) therapy.

SECTION 11E.12.(b) To that end, funds in the amount of two million two hundred thousand dollars ($2,200,000) in nonrecurring funds from the federal Maternal and Child Health Block Grant funds referenced in Section 11L.1 of this act shall be allocated to the Department of Health and Human Services, Division of Public Health, for the 2017-2018 fiscal year and for the 2018-2019 fiscal year to conduct a demonstration project in Robeson and Columbus counties to do the following:

(1) Investigate the effectiveness of in-home prenatal care for the prevention of preterm birth among multiparous women of low income.

(2) Conduct a nested randomized controlled trial of 17P for preterm birth prevention among women without a prior preterm birth, but with a significant constellation of risk factors that increases their likelihood of having a preterm birth in the current pregnancy.

Multiparous women at or below one hundred eighty-five percent (185%) of the federal poverty level and primaparous women at or below two hundred percent (200%) of the federal poverty level, who are in the early stages of pregnancy, ideally prior to 17 weeks gestation, are eligible to participate in the demonstration project regardless of age or medical

history. Faculty at the University of North Carolina at Chapel Hill shall supervise the demonstration project.

SECTION 11E.12.(c) The demonstration project shall consist of at least all of the following components:

(1) An Every Week Counts enrollment visit that includes an early ultrasound assessment and a complete medical examination to ascertain baseline health characteristics, presence of reproductive tract infections, and other risk factors for preterm birth including reproductive history and other relevant factors. The enrollment visit shall also include a detailed interview to ascertain the social and psychological state of the program participant.

(2) Women enrolled in Every Week Counts shall receive home visits during pregnancy that combine a home-based prenatal care model with social interventions focused on addressing barriers to completing educational goals, obtaining employment, identifying reliable and high-quality child care, and addressing the health and safety needs of the growing family.

(3) Women enrolled in Every Week Counts shall receive home visits during the first two years of their child's life. Program participants and their infants will be followed until the child's second birthday. In these monthly visits, the child's health, growth, and development will be tracked; the mother will be provided with information on nutritional, health, and developmental needs; and children in need of Early Intervention Services will be identified to ensure school readiness. Primary health care in addition to targeted education in early childhood development and health needs will be provided to participants in a home setting. In order to track the development of these children, standardized tests will be administered periodically to assess cognitive, psychomotor, and behavioral development.

(4) There shall be a randomized clinical trial of 17P within Every Week Counts in a population of women enriched for preterm birth susceptibility. Eligible women that choose to enroll in this intervention trial will be randomized to a weekly 17P injection after 16-20 weeks' gestation or a sham injection. Women who choose to participate in the 17P intervention trial will be co-enrolled in Every Week Counts and will receive all the same home-based prenatal care and child development services, but will receive weekly visits from the Nurse Practitioner after 16-20 weeks' gestation in order to deliver the 17P intramuscular injection.

SECTION 11E.12.(d) Not later than six months after the conclusion of the demonstration project, the University of North Carolina at Chapel Hill shall submit a final report on the demonstration project to the Department that addresses at least all of the following:

(1) For the Every Week Counts part of the demonstration project:

a. Percent preterm and low birth weight relative to overall county statistics in current and prior years using vital statistics data, within categories of race/ethnicity and parity.

b. Percent initiating breastfeeding at delivery and the average duration of breastfeeding.

c. Percent reporting active smoking at the time of delivery.

d. Uptake of contraception postpartum.

e. Average length of interpregnancy interval.

f. Percent of children meeting developmental milestones in the first year.

g. Number of emergency room visits related to child health in the first two years.

(2) For the 17P Intervention Trial, relative risk of preterm birth in treated versus untreated program participants.

SECTION 11E.12.(e) Not later than three months after the Department receives the report due under subsection (d) of this section, the Department shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division evaluating the demonstration project. At a minimum, the report shall include all of the following:

(1) An estimate of the cost to expand the program incrementally and statewide.

(2) An estimate of any potential savings of State funds associated with expansion of the program.

(3) If expansion of the program is recommended, a time line for expanding the program.

SECTION 11E.12.(f) The demonstration project authorized under this section shall terminate upon the submission of the report due under subsection (d) of this section by the University of North Carolina at Chapel Hill.

FUNDS FOR PREGNANCY CARE INITIATIVES

SECTION 11E.13.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, the sum of one million three hundred thousand dollars ($1,300,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of one million three hundred thousand dollars ($1,300,000) in nonrecurring funds for the 2018-2019 fiscal year shall be allocated to the Carolina Pregnancy Care Fellowship, a nonprofit organization, to be used as follows:

(1) $800,000 in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used to provide grants to purchase durable medical equipment for clinics that apply to the Carolina Pregnancy Care Fellowship for such equipment.

(2) $170,000 in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium may be used to provide grants for training on the use of durable medical equipment to clinics that apply to the Carolina Pregnancy Care Fellowship for such training.

(3) $30,000 in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium may be used by Carolina Pregnancy Care Fellowship for administrative purposes related to the grants authorized by subdivisions (1) and (2) of this subsection.

(4) $300,000 in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be transferred to the Human Coalition, a nonprofit organization, to develop and implement a two-year continuum of care pilot program as provided in subsection (b) of this section.

SECTION 11E.13.(b) Funds allocated to the Human Coalition shall be used to develop and implement a two-year pilot program at its Raleigh clinic to provide a continuum of care and support to assist women experiencing crisis pregnancies to continue their pregnancies to full term. These funds shall be used for nonsectarian purposes only.

SECTION 11E.13.(c) The pilot program authorized by subsection (b) of this section shall consist of at least all of the following components:

(1) The use of care coordinators to perform the following functions:

a. Assess the immediate challenges causing a program participant to seek abortion and eliminate these challenges by assisting the program participant in connecting to appropriate resources. The care coordinator shall personally assist a program participant in connecting to appropriate resources, when appropriate.

b. Introduce each program participant to a trained mentor who will continue to guide the program participant toward positive lifestyle changes.

(2) The use of licensed nursing staff in the Human Coalition's Raleigh clinic to provide medical support to program participants.

(3) Close collaboration between care coordinators and licensed nursing staff during initial counseling sessions in order to accomplish the following:

a. Appropriately introduce continuum of care services available through the pilot program.

b. Create individual care plans for program participants and their families to help build a stable family life for the duration of the pregnancy. Care plans should identify and address any further challenges identified by care coordinators with encouragement and additional resources.

SECTION 11E.13.(d) By November 1, 2017, and periodically thereafter, the Human Coalition shall report to the Department on the start-up and operations of the pilot program authorized by subsection (b) of this section. By April 1, 2018, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Resources and the Fiscal Research Division on the status of the pilot program.

SECTION 11E.13.(e) By April 1, 2019, the Department shall submit a final report on the pilot program authorized by subsection (b) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the Department's final report shall include all of the following:

(1) An estimate of the cost to expand the program incrementally and statewide.

(2) An estimate of any potential savings of State funds associated with expansion of the program.

(3) If expansion of the program is recommended, a time line for expanding the program.

SECTION 11E.13.(f) Unless otherwise extended by law, the pilot program authorized by subsection (b) of this section expires June 30, 2019.

COMMUNICABLE DISEASE TESTING

SECTION 11E.14. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, State Laboratory of Public Health, the sum of three hundred thousand dollars ($300,000) in recurring funds and the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used for the following purposes:

(1) To provide testing for Hepatitis C and other priority communicable diseases identified by the Division of Public Health.

(2) To provide individuals who test positive for Hepatitis C and other priority communicable diseases with access to appropriate treatment options.

SUBPART XI-F. DIVISION OF MH/DD/SAS AND STATE OPERATED HEALTHCARE FACILITIES

FUNDS FOR THE NORTH CAROLINA CHILD TREATMENT PROGRAM

SECTION 11F.1.(a) The title to Part 4 of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"Part 4. ~~Commission for~~ Mental Health, Developmental Disabilities, and Substance Abuse Services."

SECTION 11F.1.(b) Part 4 of Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-150.1. Use of funds for North Carolina Child Treatment Program.**

(a) State funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the North Carolina Child Treatment Program shall be used exclusively for the following purposes:

(1) To continue to provide clinical training and coaching to licensed clinicians on an array of evidence-based treatments and to provide a statewide platform to assure accountability and measurable outcomes.

(2) To maintain and manage a public roster of program graduates, linking high-quality clinicians with children, families, and professionals.

(3) To partner with leadership within the State, local management entities/managed care organizations as defined in G.S. 122C-3, and the private sector to bring effective mental health treatment to children in juvenile justice and mental health facilities.

(b) All data, including any entered or stored in the State-funded secure database developed for the North Carolina Child Treatment Program to track individual-level and aggregate-level data with interface capability to work with existing networks within State agencies, is and remains the sole property of the State."

SINGLE-STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

SECTION 11F.2.(a) For the purpose of mitigating cash flow problems that many local management entities/managed care organizations (LME/MCOs) experience at the beginning of each fiscal year relative to single-stream funding, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's base budget allocation at the beginning of the fiscal year and subtract the amount of that distribution from the LME/MCO's total reimbursements for the fiscal year. For each month of the fiscal year after July, the DMH/DD/SAS shall distribute, on the third working day of the month, one-eleventh of the amount of each LME/MCO's single-stream allocation that remains after subtracting the amount of the distribution that was made to the LME/MCO in July of the fiscal year.

SECTION 11F.2.(b) The DMH/DD/SAS is directed to reduce its allocation for single-stream funding by thirty-one million four hundred eighty-seven thousand three hundred sixty-six dollars ($31,487,366) in recurring funds and by fifty-five million four hundred fifty-four thousand nine hundred twenty-three dollars ($55,454,923) in nonrecurring funds for the 2017-2018 fiscal year and by thirty-six million two thousand eight hundred fifty-four dollars ($36,002,854) in recurring funds and by fifty-four million six hundred five thousand eight hundred twenty-three dollars ($54,605,823) in nonrecurring funds for the 2018-2019 fiscal year.

The DMH/DD/SAS shall allocate these recurring and nonrecurring reductions for single-stream funding among the LME/MCOs as follows:

	FY 2017-2018	**FY 2018-2019**
Alliance Behavioral Healthcare		
Recurring	($6,836,920)	($9,448,259)
Nonrecurring	($8,231,710)	($9,149,477)
Cardinal Innovations Healthcare		
Recurring	($6,786,444)	($9,326,550)
Nonrecurring	($14,078,868)	($15,685,591)
Eastpointe		
Recurring	($1,256,185)	($1,978,540)
Nonrecurring	($5,463,292)	($5,576,099)
Partners Behavioral Health Management		

Recurring	($5,172,345)	($5,314,232)
Nonrecurring	($8,104,130)	($7,477,787)
Sandhills Center		
Recurring	($6,795,867)	($7,996,922)
Nonrecurring	($8,534,756)	($8,250,223)
Trillium Health Resources		
Recurring	($3,056,342)	($79,709)
Nonrecurring	($5,488,067)	($3,067,562)
Vaya Health		
Recurring	($1,583,263)	($1,858,642)
Nonrecurring	($5,554,100)	($5,399,084)
TOTALS		
Recurring	($31,487,366)	($36,002,854)
Nonrecurring	($55,454,923)	($54,605,823)

By March 1, 2018, the Secretary of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a proposal for any adjustments to the specified recurring reductions among the LME/MCOs for future fiscal years. The proposal must include a detailed explanation supporting any proposed changes.

During each year of the 2017-2019 fiscal biennium, each LME/MCO shall offer at least the same level of service utilization as during the 2014-2015 fiscal year across the LME/MCO's catchment area. This requirement shall not be construed to require LME/MCOs to authorize or maintain the same level of services for any specific individual whose services were paid for with single-stream funding. Further, this requirement shall not be construed to create a private right of action for any person or entity against the State of North Carolina or the Department of Health and Human Services or any of its divisions, agents, or contractors and shall not be used as authority in any contested case brought pursuant to Chapter 108C or 108D of the General Statutes.

SECTION 11F.2.(c) The Department of Health and Human Services shall continue to use the monthly reporting package submitted by the LME/MCOs to the Department, as modified pursuant to Section 12F.2(c) of S.L. 2015-241, to include revenues and expenditures for the State funding sources for single-stream, intellectual and developmental disability, and substance abuse services on Schedule D2. Additionally, the Department shall continue to use appropriate schedules in the LME/MCO monthly reporting package, as modified pursuant to Section 12F.2(c) of S.L. 2015-241, to include unduplicated recipients and encounters in the same level of detail included in each D schedule for each source of funding for the reporting for the current and previous year's month and year-to-date periods. The Department shall continue to submit these reports to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by the third Monday of each month.

SECTION 11F.2.(d) If, on or after June 1, 2018, the Office of State Budget and Management (OSBM) certifies a Medicaid budget surplus in funds 1310 and 1311 and sufficient cash in Budget Code 14445 to meet total obligations for the 2017-2018 fiscal year, then the Department of Health and Human Services, Division of Medical Assistance (DMA), may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single-stream funding required by this section.

If, on or after June 1, 2019, the OSBM certifies a Medicaid budget surplus in funds 1310 and 1311 and sufficient cash in Budget Code 14445 to meet total obligations for fiscal year 2018-2019, then the DMA may transfer to the DMH/DD/SAS funds not to exceed the

amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single-stream funding required by this section.

The DMH/DD/SAS shall allocate funds transferred pursuant to this subsection among the LME/MCOs based on the individual LME/MCO's percentage of nonrecurring reductions in single-stream funding for the fiscal year, as required by subsection (b) of this section. These funds shall be allocated as prescribed by June 30 of each State fiscal year.

SECTION 11F.2.(e) The Department of Health and Human Services shall develop a maintenance of effort (MOE) spending requirement for all mental health and substance abuse services which must be maintained using nonfederal, State appropriations on an annual basis in order to meet MOE requirements for federal block grant awards. LME/MCOs shall ensure the MOE spending requirement is met using State appropriations.

SECTION 11F.2.(f) Beginning July 1, 2017, and quarterly thereafter, the Secretary of Health and Human Services shall evaluate the financial position of each LME/MCO relative to the solvency standards to be developed by the Department and included in the statewide Strategic Plan for Behavioral Health Services pursuant to Section 12F.10(b)(4) of S.L. 2016-94 (approved solvency standards).

If, at any time, the Secretary determines an LME/MCO is at risk of failing financially in the ensuing two-year period, based on the approved solvency standards, the Secretary shall immediately meet with that LME/MCO for the purpose of evaluating the reasons for the LME/MCO's vulnerable financial position, including reasons attributable to trends in performance management and utilization of services. Within 30 days after meeting with an LME/MCO pursuant to this section, the Secretary shall submit a written report of its evaluation to the LME/MCO. By October 1, 2017, the Secretary shall submit an initial report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on each LME/MCO determined to be at risk of failing financially, identifying the reasons for each LME/MCO's vulnerable financial position.

Within 45 days after receiving the Secretary's report, the LME/MCO shall develop and submit to the Secretary, in writing, a proposed plan of corrective action with specific initiatives and actions to be implemented by the LME/MCO in order to bring its financial position into compliance with the approved solvency standards, along with a projected time line for completing each identified initiative or action and a deadline for achieving full compliance with the approved solvency standards. At a minimum, the proposed plan of corrective action shall address (i) rates paid to the LME/MCO and its providers for services, contracts, and administrative costs; (ii) utilization of services; (iii) management of the operations of the LME/MCO; and (iv) financial risk to the State.

Within 14 days after receiving the LME/MCO's proposed plan of corrective action, the Secretary shall make any changes to the proposed plan of corrective action it deems necessary for the LME/MCO to bring its financial position into compliance with the approved solvency standards and submit a final, Secretary-approved plan of corrective action to the LME/MCO, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division.

The LME/MCO shall submit monthly reports to the Secretary on its progress under the final, Secretary-approved plan of corrective action. The Secretary shall submit monthly reports to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division evaluating the LME/MCO's progress under the final, Secretary-approved plan of corrective action, identifying any variance from the corrective plan of action that could be an obstacle to the LME/MCO achieving full compliance with the approved solvency standards by the deadline included in the final, Secretary-approved corrective plan of action.

FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION 11F.3.(a) Use of Funds. – Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and

Substance Abuse Services, for crisis services, the sum of forty-one million three hundred fifty-one thousand six hundred forty-four dollars ($41,351,644) in recurring funds and the sum of forty-one million three hundred fifty-one thousand six hundred forty-four dollars ($41,351,644) in recurring funds for the 2018-2019 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or though LME/MCOs. The Department shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.

SECTION 11F.3.(b) Distribution and Management of Beds or Bed Days. – Except as provided in this subsection, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, as defined in this subsection. In addition, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME catchment areas, including any catchment areas served by managed care organizations, and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.

The Department may use up to ten percent (10%) of the funds allocated in this section for each year of the 2017-2019 fiscal biennium to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, defined as uninsured persons who (i) are financially unable to obtain private insurance coverage as determined by the Department and (ii) are not eligible for government-funded health coverage such as Medicare or Medicaid.

SECTION 11F.3.(c) Funds to Be Held in Statewide Reserve. – Funds appropriated to the Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims for payment to the Department within 15 working days after receipt of a clean claim from the hospital and shall pay the hospital within 30 working days after receipt of payment from the Department.

SECTION 11F.3.(d) Ineffective LME/MCO Management of Beds or Bed Days. – If the Department determines that (i) an LME/MCO is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not decreased, or (ii) the LME/MCO has failed to comply with the prompt payment provisions of subsection (c)

of this section, the Department may contract with another LME/MCO to manage the beds or bed days or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

SECTION 11F.3.(e) Reporting by LME/MCOs. – The Department shall establish reporting requirements for LME/MCOs regarding the utilization of these beds or bed days.

SECTION 11F.3.(f) Reporting by Department. – By no later than December 1, 2018, and by no later than December 1, 2019, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated in this act that are designated for this purpose in subsection (a) of this section, (ii) existing State appropriations, and (iii) local funds.

(2) An explanation of the process used by the Department to ensure that, except as otherwise provided in subsection (a) of this section, local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, along with the number of medically indigent individuals served by the purchase of these beds or bed days.

(3) The amount of funds used to pay for facility-based crisis services, along with the number of individuals who received these services and the outcomes for each individual.

(4) The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services and the outcomes for each individual.

(5) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.

USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE USE DISORDER TREATMENT SERVICES

SECTION 11F.4. Section 12F.12(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.12.(b)** From funds appropriated ~~in this act~~ to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to be allocated to LME/MCOs for the purchase of inpatient alcohol and substance abuse treatment services, the LME/MCOs shall use their respective fund allocations for individuals within their respective catchment areas as follows:

(1) During the 2015-2016 fiscal year, a minimum of one hundred percent (100%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs.

(2) During the 2016-2017 fiscal year, a minimum of ninety percent (90%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs. The LME/MCOs shall use the remaining ten percent (10%) of their respective allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

(2a) During the 2017-2018 fiscal year, a minimum of eighty-six percent (86%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs in order to increase the availability of services through the ADATCs to individuals in need of inpatient opioid treatment. The LME/MCOs shall use any remaining allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

(3) In subsequent fiscal years, the minimum required percentage of the allocation that shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs shall decrease by ten percentage points each fiscal year after the ~~2016-2017~~2017-2018 fiscal year until it reaches zero percent (0%). The minimum required percentage of the allocation remaining that shall be used to purchase inpatient alcohol and substance abuse treatment services from any qualified provider shall increase by ten percentage points each fiscal year after the ~~2016-2017~~2017-2018 fiscal year until it reaches one hundred percent (100%). As used in this subdivision, the "minimum required percentage" means the percentage calculated pursuant to this subsection and not a percentage based on the actual amount of funds expended by the Department during that fiscal year."

USE OF DOROTHEA DIX HOSPITAL PROPERTY FUNDS FOR THE PURCHASE OF ADDITIONAL PSYCHIATRIC AND FACILITY-BASED CRISIS BEDS

SECTION 11F.5.(a) Funds for the Purchase of Additional Beds. – It is the intent of the General Assembly to increase inpatient behavioral health bed capacity in rural areas of the State with the highest need. To that end, of the funds appropriated from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year, the sum of up to seventeen million dollars ($17,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with (i) the construction of new licensed inpatient behavioral health beds, (ii) the conversion of existing inpatient acute care beds into licensed inpatient behavioral health beds, or (iii) a combination of these options as follows:

(1) Up to four million dollars ($4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Caldwell/ University of North Carolina Health Care in Caldwell County.

(2) Up to four million dollars ($4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Cape Fear Valley Medical Center in Cumberland County.

(3) Up to four million dollars ($4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Mission Health System, Inc., in Buncombe County.

(4) Up to three million dollars ($3,000,000) in nonrecurring funds shall be used for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Good Hope Hospital in Harnett County.

(5) Up to two million dollars ($2,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at the Dix Crisis Intervention Center in Onslow County.

Any unit or other location with inpatient behavioral health beds constructed or converted with funds allocated under this subsection shall be named in honor of Dorothea Dix.

SECTION 11F.5.(b) Certificate of Need Exemption for Certain Facilities. – Notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, each facility that receives funds allocated under subsection (a) of this section is exempt from certificate of need review for the

establishment or expansion of behavioral health services at the facility at which the constructed or converted beds will be brought into operation, including any combination of the following:

(1) The establishment or expansion of outpatient therapy services or substance use disorder treatment services, or both.

(2) The replacement or relocation of a behavioral health facility, defined as a psychiatric facility, a facility-based crisis center, or any facility that is primarily engaged in providing services for the diagnosis and treatment of behavioral health issues.

(3) Changes in inpatient behavioral health bed capacity.

SECTION 11F.5.(c) Applicability of Licensure Laws. – The establishment or expansion of behavioral health services, including any of the items described in subdivisions (1) through (3) of subsection (b) of this section, are subject to existing licensure laws and requirements.

SECTION 11F.5.(d) Reservation of Beds for State Use. – As a condition of receiving these funds, each facility that receives funds allocated under subsection (a) of this section shall reserve at least fifty percent (50%) of the beds constructed or converted with funds allocated under subsection (a) of this section for (i) purchase by the Department under the State-administered, three-way contract and (ii) referrals by local management entities/managed care organizations (LME/MCOs) of individuals who are indigent or Medicaid recipients.

SECTION 11F.5.(e) Report on Use of Funds to Purchase Additional Beds. – Beginning November 1, 2018, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section. By December 1, 2020, the Department shall submit a report that includes a proposal for funding the recurring operating costs of these additional beds from a source or sources other than the Dorothea Dix Hospital Property Funds, including the identification of potential new funding sources.

SECTION 11F.5.(f) Funds to Increase the Number of Facility-Based Crisis Centers. – It is the intent of the General Assembly to continue to increase the number of facility-based crisis centers in North Carolina for children and adolescents. To that end, of the funds appropriated from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year, the sum of two million dollars ($2,000,000) in nonrecurring funds shall be used to award grants on a competitive basis for the establishment of up to two new facility-based crisis centers in the State for children and adolescents. The Department shall establish a process for applying for these grants, criteria for evaluating applications, and a process for allocating grants.

SECTION 11F.5.(g) Unspent Funds for 2016-2017 Fiscal Year. – Any funds allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) pursuant to Section 12F.4 of S.L. 2016-94 for the 2016-2017 fiscal year that are not expended or encumbered as of June 30, 2017, shall remain in the Dorothea Dix Hospital Property Fund.

SECTION 11F.5.(h) Unspent Funds for 2017-2018 Fiscal Year. – Any funds allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) pursuant to this section for the 2017-2018 fiscal year that are not expended or encumbered as of June 30, 2019, shall remain in the Dorothea Dix Hospital Property Fund.

FUNDS FOR CASE MANAGEMENT PILOT PROGRAM

SECTION 11F.5A. It is the intent of the General Assembly to reduce avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs. To that end, of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated for the development and establishment of a two-year pilot program at a hospital in Wake County to support a hospital-based, comprehensive community case management program. The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in consultation with LME/MCOs responsible for the management and provision of mental health, developmental disabilities, and substance abuse disorder services in Wake County under the 1915(b)/(c) Medicaid Waiver, shall oversee the development and establishment of the pilot program to ensure it is designed to reduce avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs. The pilot program shall be conducted at the hospital in Wake County with the largest number of emergency department visits that agrees to participate in the two-year pilot program authorized by this subsection.

By December 1, 2020, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division evaluating the effectiveness of the pilot program in reducing avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs.

ADDITIONS TO THE STRATEGIC PLAN FOR IMPROVEMENT OF BEHAVIORAL HEALTH SERVICES

SECTION 11F.6.(a) Section 12F.10(b) of S.L. 2016-94 reads as rewritten:

"**SECTION 12F.10.(b)** By January 1, 2018, the Department of Health and Human Services shall develop and submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division a strategic statewide plan to improve the efficiency and effectiveness of State-funded behavioral health services. In developing the plan, the Department shall review and consider its past and current studies, and associated reports, relating to behavioral health services in the State. The plan shall include at least all of the following:

…

(5) Any other ~~component~~component, study, or report that the Department deems necessary to achieve the goal of improving the effective and efficient delivery and coordination of publicly funded behavioral health services across the State."

SECTION 11F.6.(b) Section 12F.10 of S.L. 2016-94 is amended by adding a new subsection to read:

"**SECTION 12F.10.(b1)** In the development of the strategic statewide plan, required under subsection (b) of this section, the Department of Health and Human Services shall consider policy issues pertaining to the delivery of services for people with intellectual and developmental disabilities. Consideration shall be given to all of the following:

(1) The causes and potential solutions for the growing waitlist for NC Innovations Waiver slots. Potential solutions to be studied include the following:

a. Increasing the funding for the 1915(c) Innovations Waiver to result in more individuals served.

b. Creating new support waiver slots as recommended in the March 2015 "Study Additional 1915(c) Waiver" report from the Department

of Health and Human Services, Division of Medical Assistance, to the Joint Legislative Oversight Committee on Health and Human Services.

c. Utilizing a 1915(i) waiver option and exploring how the 1115 waiver required for Medicaid transformation may assist in addressing current waitlist for services.

(2) Issues surrounding single-stream funding and how single-stream funding is used to support services for people with intellectual and developmental disabilities.

(3) Multiple federal mandates that will directly impact current services and supports for people with intellectual and developmental disabilities, including Home and Community-Based Services changes, the Work Force Innovations and Opportunities Act, and changes under section 14(c) of the federal Fair Labor Standards Act.

(4) The coverage of services for the treatment of autism, including any State Plan amendment needed to address guidance issued by the Centers for Medicare and Medicaid Services."

MENTAL HEALTH/SUBSTANCE USE DISORDER CENTRAL ASSESSMENT AND NAVIGATION SYSTEM PILOT PROGRAM

SECTION 11F.7.(a) Pilot Program Creation. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to oversee, in consultation with the local management entity/managed care organization (LME/MCO) responsible for the management and provision of mental health, developmental disabilities, and substance use disorder services in New Hanover County under the 1915(b)/(c) Medicaid Waiver, the establishment of a two-year pilot program to focus on assessing and navigating individuals seeking mental health or substance use disorder services, or both, to appropriate community-based services or other community resources in order to reduce the utilization of hospital emergency department services for mental health and substance use disorder services.

SECTION 11F.7.(b) Program Design and Location. – The pilot program shall be conducted at New Hanover Regional Medical Center (NHRMC) and at Wellness City, operated by Recovery Innovations, Inc., by a three-person centralized team. The three-person team shall consist of the following individuals:

(1) A master's level, fully licensed clinician to perform comprehensive clinical assessments of NHRMC patients and other New Hanover County residents exhibiting symptoms of mental illness or substance use disorder who are referred to the pilot program.

(2) A qualified professional to assist patients, particularly those with a completed comprehensive clinical assessment, with identifying and accessing appropriate community-based services or other community resources.

(3) A North Carolina certified peer support specialist, with specialized training and personal experience in successfully managing his or her own serious mental illness or substance use disorder, to provide peer support services, including encouraging patients to take personal responsibility for managing their condition, assisting patients in establishing meaningful roles in society, and providing patients with transportation to and from appointments.

SECTION 11F.7.(c) Reports. – By July 1, 2018, the LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance

abuse services in New Hanover County, in collaboration with New Hanover Regional Medical Center and Recovery Innovations, Inc., shall submit an interim report on the effectiveness of the pilot program to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Division). By October 1, 2018, the Division shall submit an interim report on the effectiveness of the program and the costs associated with administering the program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

By July 1, 2019, the LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance abuse services in New Hanover County, in collaboration with New Hanover Regional Medical Center and Recovery Innovations, Inc., shall submit a final report of the program to the Division. By October 1, 2019, the Division shall then submit a final report of the program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report shall include the Division's recommendations with respect to sustaining or expanding the program.

TRAUMATIC BRAIN INJURY FUNDING

SECTION 11F.8. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for traumatic brain injury (TBI) services, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) in recurring funds for the 2017-2018 fiscal year and the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) in recurring funds for the 2018-2019 fiscal year shall be used exclusively to support TBI services as follows:

(1) The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or appropriate service providers to assist families in accessing the continuum of care and to provide educational programs on brain injury prevention, intervention, and care.

(2) The sum of two million thirteen thousand eight hundred sixty-eight dollars ($2,013,868) shall be used to (i) support residential programs across the State that are specifically designed to serve individuals with TBI and (ii) support requests submitted by individual consumers for assistance with services such as, but not limited to, residential supports, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity/managed care organization.

ADULT AND PEDIATRIC TRAUMATIC BRAIN INJURY PILOT PROGRAM

SECTION 11F.9.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred fifty thousand dollars ($150,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to develop and implement an adult and pediatric traumatic brain injury pilot program. The purpose of the pilot program is to increase compliance with internationally approved evidence-based treatment guidelines for severe adult and pediatric traumatic brain injury in order to reduce patient mortality, improve patient level of recovery, and reduce long-term care costs.

SECTION 11F.9.(b) The Department of Health and Human Services shall establish up to three program sites to implement the adult and pediatric traumatic brain injury pilot program authorized by this section, all of which shall be trauma hospitals. Each program site shall be awarded up to one hundred thousand dollars ($100,000) for the development and implementation of an interactive quality assessment and quality assurance clinical decision support tool to provide real-time, evidence-based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury.

SECTION 11F.9.(c) The Department of Health and Human Services shall contract with a private entity to assist participating trauma hospitals in implementing the tool described in subsection (b) of this section. In providing such implementation assistance, the private entity shall utilize the treatment guidelines and practice recommendations that have been peer reviewed and approved by the American Association of Neurological Surgeons and are recognized as the current standard of care for individuals with severe traumatic brain injury.

SECTION 11F.9.(d) By February 1, 2018, the Department of Health and Human Services shall submit a progress report on the development and implementation of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 11F.9.(e) By January 7, 2019, the Department of Health and Human Services shall submit a final report of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the final report shall include all of the following:

(1) The number and outcome of patients served at each program site, broken down by patient age and county of origin.
(2) A breakdown of expenditures at each program site by type of service.
(2) An estimate of the cost to expand the program incrementally and statewide.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program.

EXPANSION AND RENAMING OF PRESCRIPTION DRUG ABUSE ADVISORY COMMITTEE

SECTION 11F.10. Subsections (m) through (q) of Section 12F.16 of S.L. 2015-241 are codified as G.S. 90-113.75A and read as rewritten:

"**§ 90-113.75A. Opioid and Prescription Drug Abuse Advisory Committee; statewide strategic plan.**

(a) There is hereby created the Opioid and Prescription Drug Abuse Advisory Committee, to be housed in and staffed by the ~~Department of Health and Human Services (DHHS).~~Department. The Committee shall develop and, through its members, implement a statewide strategic plan to combat the problem of opioid and prescription drug abuse. The Committee shall include representatives from the following, as well as any other persons designated by the Secretary of Health and Human Services:

(1) The Department's Division of Medical ~~Assistance, DHHS.~~Assistance.
(2) The Department's Division of Mental Health, Developmental Disabilities, and Substance Abuse ~~Services, DHHS.~~Services.
(3) The Department's Division of Public ~~Health, DHHS.~~Health.
(4) The Rural Health Section of the Department's Division of Public ~~Health, DHHS.~~Health.
(4a) The Divisions of Adult Correction and Juvenile Justice of the Department of Public Safety.
(5) The State Bureau of Investigation.
(6) The Attorney General's Office.
(7) The following health care regulatory boards with oversight of prescribers and dispensers of opioids and other prescription drugs:
    a. North Carolina Board of Dental Examiners.
    b. North Carolina Board of Nursing.
    c. North Carolina Board of Podiatry Examiners.
    d. North Carolina Medical Board.
    e. North Carolina Board of Pharmacy.
(8) The UNC Injury Prevention Research Center.

(9) The substance abuse treatment community.

(10) Governor's Institute on Substance Abuse, Inc.

(11) The Department of Insurance's drug take-back program.

After developing the strategic plan, the Committee shall be the State's steering committee to monitor achievement of strategic objectives and receive regular reports on progress made toward reducing opioid and prescription drug abuse in North Carolina.

(b) In developing the statewide strategic plan to combat the problem of opioid and prescription drug abuse, the Opioid and Prescription Drug Abuse Advisory Committee shall, at a minimum, complete the following steps:

(1) Identify a mission and vision for North Carolina's system to reduce and prevent opioid and prescription drug abuse.

(2) Scan the internal and external environment for the system's strengths, weaknesses, opportunities, and challenges (a SWOC analysis).

(3) Compare threats and opportunities to the system's ability to meet challenges and seize opportunities (a GAP analysis).

(4) Identify strategic issues based on SWOC and GAP analyses.

(5) Formulate strategies and resources for addressing these issues.

(c) The strategic plan for reducing opioid and prescription drug abuse shall include three to five strategic goals that are outcome-oriented and measureable. Each goal must be connected with objectives supported by the following five mechanisms of the system:

(1) Oversight and regulation of prescribers and dispensers by State health care regulatory boards.

(2) Operation of the Controlled Substances Reporting System.

(3) Operation of the Medicaid lock-in program to review behavior of patients with high use of prescribed controlled substances.

(4) Enforcement of State laws for the misuse and diversion of controlled substances.

(5) Any other appropriate mechanism identified by the Committee.

(d) ~~DHHS,~~ The Department, in consultation with the Opioid and Prescription Drug Abuse Advisory Committee, shall develop and implement a formalized performance management system that connects the goals and objectives identified in the statewide strategic plan to operations of the Controlled Substances Reporting System and Medicaid lock-in program, law enforcement activities, and oversight of prescribers and dispensers. The performance management system must be designed to monitor progress toward achieving goals and objectives and must recommend actions to be taken when performance falls short.

(e) Beginning on December 1, 2016, and annually thereafter, ~~DHHS~~ the Department shall submit an annual report on the performance of North Carolina's system for monitoring opioid and prescription drug abuse to the Joint Legislative Oversight Committee on Health and Human ~~Services and~~ Services, the Joint Legislative Oversight Committee on Justice and Public ~~Safety.~~Safety, and the Fiscal Research Division."

STUDY CONTINUING EDUCATION FOR HEALTH CARE PROVIDERS LICENSED TO PRESCRIBE CONTROLLED SUBSTANCES

SECTION 11F.11.(a) By December 1, 2017, the North Carolina Area Health Education Centers Program is encouraged to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the feasibility of providing a continuing education course for health care providers licensed to prescribe controlled substances in this State. The course shall include instruction on at least all of the following:

(1) Controlled substance prescribing practices.

(2) Controlled substance prescribing for chronic pain management.

(3) Misuse and abuse of controlled substances.

SECTION 11F.11.(b) This section is effective when this act becomes law.

STUDY ON STATEWIDE EXPANSION OF THE WRIGHT SCHOOL

SECTION 11F.12. By March 1, 2018, the Department of Health and Human Services shall study and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the feasibility and cost of, and any obstacles to, establishing additional State-operated facilities throughout the State to (i) provide statewide access to best practice, cost-effective, residential mental health treatment to children, ages six to 12, with serious emotional and behavioral disorders and (ii) support their families and communities in building the capacity to meet their children's special needs at home, at school, and within their local communities. The report shall include the Department's recommendations on the appropriate locations of any such additional facilities.

FUNDS FOR BROUGHTON HOSPITAL LITIGATION COSTS RELATED TO CONSTRUCTION DELAYS AND TO EXTEND THE STUDY ON THE FUTURE USE OF BROUGHTON HOSPITAL FACILITIES

SECTION 11F.13. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for Broughton Hospital, the sum of up to two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of up to two million five hundred thousand dollars ($2,500,000) for the 2018-2019 fiscal year shall be used to offset the following costs arising from delays in the construction of the new Broughton Hospital:

(1) A combined sum for both fiscal years of the 2017-2019 fiscal biennium of not more than two million two hundred twenty thousand dollars ($2,220,000) in nonrecurring funds for litigation costs resulting from anticipated or pending litigation against private third parties. The Secretary of the Department of Health and Human Services may retain private legal counsel to represent the interest of the State in such litigation, as provided in G.S. 114-2.3, as amended by this act, and G.S. 147-17, as amended by this act.

(2) The sum of one hundred eighty thousand dollars ($180,000) for the 2017-2018 fiscal year shall be transferred to the Department of Commerce to extend the study on the future use of Broughton Hospital Facilities authorized by Section 15.20 of S.L. 2014-100, as amended by Section 15.5 of S.L. 2016-94.

(3) A combined sum for both fiscal years of the 2017-2019 fiscal biennium of not more than the balance of the funds allocated under this section or two million six hundred thousand dollars ($2,600,000) in nonrecurring funds, whichever is greater, for any combination of the following:

a. Costs related to design changes, technology changes, continued use of the existing hospital, staffing, and other costs directly related to the delays in construction.

b. Costs to equip the new hospital.

c. Administrative costs.

FUNDS FOR OVERDOSE MEDICATIONS

SECTION 11F.14. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred thousand dollars ($100,000) in recurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be used to purchase opioid antagonists, as defined in G.S. 90-12.7, to reverse opioid-related drug overdoses as follows:

(1) Seventy-five thousand dollars ($75,000) in recurring funds for each year of the 2017-2019 fiscal biennium shall be used to purchase opioid antagonists to be distributed at no charge to the North Carolina Harm Reduction

Coalition to serve individuals at risk of experiencing an opioid-related drug overdose or to the friends and family members of an at-risk individual.

(2) Twenty-five thousand dollars ($25,000) in recurring funds for each year of the 2017-2019 fiscal biennium shall be used to purchase opioid antagonists to be distributed at no charge to North Carolina law enforcement agencies.

FUNDS TO ADDRESS NORTH CAROLINA'S OPIOID CRISIS

SECTION 11F.14A.(a) Funds awarded to the Department of Health and Human Services from the federal Substance Abuse and Mental Health Services Administration (SAMHSA), Grant Number 1H79TI080257-01 Revised, pursuant to the Notice of Award dated April 26, 2017, to address North Carolina's opioid crisis shall be used as follows:

(1) At least eighty percent (80%) of any such funds used during each fiscal year of the 2017-2019 fiscal biennium shall be used to increase access to treatment and recovery services for individuals with an opioid use disorder.

(2) Up to fifteen percent (15%) of any such funds used during each fiscal year of the 2017-2019 fiscal biennium may be used to increase access to opioid use prevention services.

(3) Up to five percent (5%) of any such funds used during each fiscal year of the 2017-2019 fiscal biennium may be spent on administrative costs associated with implementing the SAMHSA grant award.

SECTION 11F.14A.(b) The Department of Health and Human Services shall, at a minimum, achieve the following outcomes as a result of any funds spent pursuant to subsection (a) of this section:

(1) Increase the number of individuals receiving opioid use disorder treatment by nine percent (9%) during each fiscal year of the 2017-2019 fiscal biennium.

(2) Increase the capacity of Medication-Assisted Treatment services by five percent (5%) during each fiscal year of the 2017-2019 fiscal biennium.

SECTION 11F.14A.(c) By November 1, 2018, and again by November 1, 2019, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on use of the funds described in subsection (a) of this section. The report shall include at least all of the following components:

(1) A list of expenditures, broken down by the categories described in subdivisions (1) through (3) of subsection (a) of this section. For each identified expenditure, the report must identify (i) the specific services or products, or both, that were purchased and (ii) whether that expenditure should be classified as recurring or nonrecurring.

(2) A status report on each of the outcomes described in subsection (b) of this section. For each outcome that does not achieve the percentage specified in subsection (b) of this section, an explanation of the reasons for not achieving the specified percentage.

(3) The total number and percentage of individuals who received opioid use disorder treatment during each fiscal year of the 2017-2019 fiscal biennium.

(4) The total number and percentage of individuals who received opioid use disorder recovery services during each fiscal year of the 2017-2019 fiscal biennium.

(5) The total number and percentage of providers that implemented Medication-Assisted Treatment services during each fiscal year of the 2017-2019 fiscal biennium.

(6) The total number and percentage of prevention and treatment providers that received training paid for with grant funds during each fiscal year of the 2017-2019 fiscal biennium.

(7) The total numbers and rates of opioid use during each fiscal year of the 2017-2019 fiscal biennium.

(8) The total numbers and rates of opioid overdose-related deaths during each fiscal year of the 2017-2019 fiscal biennium.

REPEAL OF LME/MCO CLINICAL INTEGRATION ACTIVITIES REPORT

SECTION 11F.16. Subsection (e) of Section 12F.4A of S.L. 2013-360 is repealed.

STUDY ON SITE-OF-USE SOLUTIONS FOR SAFE DISPOSAL OF PRESCRIPTION DRUGS

SECTION 11F.18. By December 1, 2017, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall study and submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on simple site-of-use solutions for the safe disposal of prescription drugs.

SUPPLEMENTAL SHORT-TERM ASSISTANCE FOR GROUP HOMES

SECTION 11F.18A.(a) As used in this section, "group home" means any facility that (i) is licensed under Chapter 122C of the General Statutes, (ii) meets the definition of a supervised living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3), and (iii) serves adults whose primary diagnosis is mental illness or a developmental disability but may also have other diagnoses.

SECTION 11F.18A.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of five million dollars ($5,000,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium shall be used to provide temporary, short-term financial assistance in the form of a monthly payment to group homes on behalf of each resident who meets all of the following criteria:

(1) Was eligible for Medicaid-covered personal care services (PCS) prior to January 1, 2013, but was determined to be ineligible for PCS on or after January 1, 2013, due to Medicaid State Plan changes in PCS eligibility criteria specified in Section 10.9F of S.L. 2012-142, as amended by Section 3.7 of S.L. 2012-145 and Section 70 of S.L. 2012-194.

(2) Has continuously resided in a group home since December 31, 2012.

SECTION 11F.18A.(c) These monthly payments shall be subject to all of the following requirements and limitations:

(1) The amount of the monthly payments authorized by this section shall not exceed four hundred sixty-four dollars and thirty cents ($464.30) per month for each resident who meets all criteria specified in subsection (b) of this section.

(2) A group home that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than providing, as necessary, supervision and medication management for a resident who meets all criteria specified in subsection (b) of this section.

(3) The Department shall make monthly payments authorized by this section to a group home on behalf of each resident who meets all criteria specified in subsection (b) of this section only for the period commencing July 1, 2017, and ending June 30, 2019, or upon depletion of the five million dollars ($5,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for each year of the 2017-2019 fiscal biennium for the purpose of this section, whichever is earlier.

(4) The Department shall make monthly payments authorized by this section only to the extent sufficient funds are available from the five million dollars ($5,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for each year of the 2017-2019 fiscal biennium for the purpose of this section.

(5) The Department shall not make monthly payments authorized by this section to a group home on behalf of a resident during the pendency of an appeal by or on behalf of the resident under G.S. 108A-70.9A.

(6) The Department shall terminate all monthly payments pursuant to this section on June 30, 2019, or upon depletion of the five million dollars ($5,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for each year of the 2017-2019 fiscal biennium for the purpose of this section, whichever is earlier.

(7) Each group home that receives the monthly payments authorized by this section shall submit to the Department a list of all funding sources for the operational costs of the group home for the preceding two years, in accordance with the schedule and format prescribed by the Department.

SECTION 11F.18A.(d) The Department shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to group homes. The Department shall not, under any circumstances, use any portion of the five million dollars ($5,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for each year of the 2017-2019 fiscal biennium for any other purpose than the purpose specified in this section.

SECTION 11F.18A.(e) By September 1, 2018, the Department of Health and Human Services shall submit the following to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division:

(1) A list of funding sources for each group home that receives assistance authorized by this section, based on the information provided to the Department pursuant to subdivision (7) of subsection (c) of this section.

(2) A plan for sustained funding beyond the 2017-2019 fiscal biennium for group homes that provide services to individuals diagnosed with mental illness or intellectual or developmental disabilities. The plan must be based on an assessment of the number and size of these group homes, their geographic location, current sources of funding for each group home, and any other aspects determined by the Department to affect their viability.

SECTION 11F.18A.(f) Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement by any group home, resident of a group home, or other person to receive temporary, short-term financial assistance under this section.

SECTION 11F.18A.(g) This section expires June 30, 2019.

SUBPART XI-G. DIVISION OF HEALTH SERVICE REGULATION

FUNDS TO CONTINUE COMMUNITY PARAMEDICINE PILOT PROGRAM

SECTION 11G.1.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Health Service Regulation, the sum of three hundred fifty thousand dollars ($350,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of three hundred fifty thousand dollars ($350,000) in nonrecurring funds for the 2018-2019

fiscal year shall be used to continue the community paramedicine pilot program authorized in Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94, as follows:

(1) The sum of two hundred ten thousand dollars ($210,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the New Hanover Regional Emergency Medical Services site.

(2) The sum of seventy thousand dollars ($70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the McDowell County Emergency Medical Services site.

(3) The sum of seventy thousand dollars ($70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the Wake County Emergency Medical Services site.

The focus of this community paramedicine pilot program shall continue to be expansion of the role of paramedics to allow for community-based initiatives that result in providing care that avoids nonemergency use of emergency rooms and 911 services and avoidance of unnecessary admissions into health care facilities.

SECTION 11G.1.(b) The participation requirements, objectives, standards, and required outcomes for the pilot program shall remain the same as established pursuant to Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94.

SECTION 11G.1.(c) By November 1, 2019, the Department of Health and Human Services shall submit an updated report on the community paramedicine pilot program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the updated report shall include all of the following:

(1) Any updated version of the evaluation plan required by subsection (d) of Section 12A.12 of S.L. 2015-241.

(2) An estimate of the cost to expand the program incrementally and statewide.

(3) An estimate of any potential savings of State funds associated with expansion of the program.

(4) If expansion of the program is recommended, a time line for expanding the program.

FACILITIES INCLUDED UNDER SINGLE HOSPITAL LICENSE

SECTION 11G.2.(a) G.S. 131E-77(e1) reads as rewritten:

"(e1) Any license issued by the Department shall include only ~~facilities, premises, buildings, outpatient clinics, and other locations~~ facilities (i) operated by the hospital within a single county and (ii) operated by the hospital in an immediately adjoining county; provided, however, that ~~facilities, premises, buildings, outpatient clinics, and other locations~~ facilities operated by a hospital in an immediately adjoining county shall only be included within the same hospital license if the applicant hospital demonstrates all of the following to the satisfaction of the Department:

(1) There was previously only one hospital licensed by the Department ~~and~~ providing inpatient services in the immediately adjoining county.

(2) The licensed ~~inpatient~~ hospital in the immediately adjoining county described in subdivision (1) of this subsection closed or otherwise ceased providing hospital services to patients no more than three years prior to the date the applicant hospital first applied to license a ~~facility, premises, building, outpatient clinic, or location~~ facility in such immediately adjoining county.

If the Department approves ~~an applicant~~ a hospital's initial request to include within its hospital ~~licensure an initial facility, premises, building, outpatient clinic, or other location~~ license a facility in an immediately adjoining county, then any other ~~designated facilities, premises, buildings, outpatient clinics, or other locations~~ hospital services thereafter developed and operated by the applicant in such immediately adjoining county in accordance with

applicable law may also be included within and covered by the license issued to the applicant by the Department."

SECTION 11G.2.(b) This section is effective when this act becomes law.

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION 11G.3.(a) For the period beginning July 1, 2017, and ending June 30, 2019, the Department of Health and Human Services, Division of Health Service Regulation, shall not issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department of Health and Human Services from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.

(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the moratorium imposed by this section.

(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.

(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds.

SECTION 11G.3.(b) The Department of Health and Human Services shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2019, containing at least the following information:

(1) The number of licensed special care units in the State.

(2) The capacity of the currently licensed special care units to serve people in need of their services.

(3) The anticipated growth in the number of people who will need the services of a licensed special care unit.

(4) The number of applications received from special care units seeking licensure as permitted by this section and the number of those applications that were not approved.

SECTION 11G.3.(c) This section becomes effective July 1, 2017.

SUBPART XI-H. DIVISION OF MEDICAL ASSISTANCE (MEDICAID)

MEDICAID ELIGIBILITY

SECTION 11H.1.(a) Families and children who are categorically and medically needy are eligible for Medicaid, subject to the following annual income levels:

Family Size	Categorically Needy Income Level	Medically Needy Income Level
1	$ 5,208	$ 2,904
2	6,828	3,804
3	8,004	4,404
4	8,928	4,800
5	9,888	5,196
6	10,812	5,604
7	11,700	6,000
8	12,432	6,300

The Department of Health and Human Services shall provide Medicaid coverage to 19- and 20-year-olds under this subsection in accordance with federal rules and regulations. Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets.

SECTION 11H.1.(b) For the following Medicaid eligibility classifications for which the federal poverty guidelines are used as income limits for eligibility determinations, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines. The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to the following:

(1) All elderly, blind, and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(2) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines and without regard to resources. Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy.

(3) Infants under the age of one with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(4) Children aged one through five with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(5) Children aged six through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines and without regard to resources.

The Department of Health and Human Services, Division of Medical Assistance, shall also provide family planning services to men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines and without regard to resources.

SECTION 11H.1.(c) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to adoptive children with special or rehabilitative needs, regardless of the adoptive family's income.

SECTION 11H.1.(d) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to "independent foster care adolescents," ages 18, 19, and 20, as defined in section 1905(w)(1) of the Social Security Act (42 U.S.C. § 1396d(w)(1)), without regard to the adolescent's assets, resources, or income levels.

SECTION 11H.1.(e) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to women who need treatment for breast or cervical cancer and who are defined in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).

MEDICAID ANNUAL REPORT

SECTION 11H.2. The Department of Health and Human Services, Division of Medical Assistance (Division), shall continue the publication of the Medicaid Annual Report and accompanying tables. The Division shall publish the report and tables on its Web site no later than December 31 following each State fiscal year.

PROVIDER APPLICATION AND RECREDENTIALING FEE

SECTION 11H.3. Chapter 108C of the General Statutes is amended by adding a new section to read:

"**§ 108C-2.1. Provider application and recredentialing fee.**

(a) Each provider that submits an application to enroll in the Medicaid program shall submit an application fee. The application fee shall be the sum of the amount federally required and one hundred dollars ($100.00).

(b) The fee required under subsection (a) of this section shall be charged to all providers at recredentialing every five years."

ADMINISTRATIVE HEARINGS FUNDING

SECTION 11H.4. Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, for administrative contracts and interagency transfers, the Department of Health and Human Services (Department) shall transfer the sum of one million dollars ($1,000,000) for the 2017-2018 fiscal year and the sum of one million dollars ($1,000,000) for the 2018-2019 fiscal year to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. The OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from the OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.

ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

SECTION 11H.5.(a) Receivables reserved at the end of the 2017-2018 and 2018-2019 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION 11H.5.(b) For the 2017-2018 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-four million seven hundred thousand dollars ($164,700,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2018-2019 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred forty-nine million six hundred thousand dollars ($149,600,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals that are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Medical Assistance for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.

VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT

SECTION 11H.6. The Department of Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS

SECTION 11H.7. The Department of Health and Human Services (Department) shall issue Medicaid identification cards to recipients on an annual basis with updates as needed. The Department shall adopt rules, or amend any current rules relating to Medicaid identification cards, to implement this section.

LME/MCO OUT-OF-NETWORK AGREEMENTS

SECTION 11H.8.(a) The Department of Health and Human Services (Department) shall continue to ensure that local management entities/managed care organizations (LME/MCOs) utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. § 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements of State and federal laws and regulations. LME/MCOs shall

use the out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

(1) The services requested are medically necessary and cannot be provided by an in-network provider.

(2) The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.

(3) The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or other State or federal health care program.

(4) The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but shall not be required to, enter into more than five such out-of-network agreements with a single hospital or health system in any 12-month period.

SECTION 11H.8.(b) Medicaid providers providing services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals.

MEDICAID CONTINGENCY RESERVE

SECTION 11H.9.(a) Funds in the Medicaid Contingency Reserve established by Section 12H.38 of S.L. 2014-100 shall be used only for budget shortfalls in the Medicaid Program. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly. It is the intent of the General Assembly to appropriate funds from the Medicaid Contingency Reserve only if:

(1) The Director of the Budget, after the State Controller has verified that receipts are being used appropriately, has found that additional funds are needed to cover a shortfall in the Medicaid budget for the State fiscal year.

(2) The Director of the Budget has reported immediately to the Fiscal Research Division on the amount of the shortfall found in accordance with subdivision (1) of this subsection. This report shall include an analysis of the causes of the shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii) unanticipated growth or utilization within particular service areas, (iii) errors in the data or analysis used to project the Medicaid budget, (iv) the failure of the program to achieve budgeted savings, (v) other factors and market trends that have impacted the price of or spending for services, (vi) variations in receipts from prior years or from assumptions used to prepare the Medicaid budget for the current fiscal year, or (vii) other factors. The report shall also include data in an electronic format that is adequate for the Fiscal Research Division to confirm the amount of the shortfall and its causes.

SECTION 11H.9.(b) Nothing in this section shall be construed to limit the authority of the Governor to carry out his duties under the Constitution.

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION 11H.10. The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Medical Assistance (DMA), in an aggregate amount of seventeen million seven hundred thirty-six thousand nine hundred eighty-five dollars ($17,736,985) in the 2017-2018 fiscal year and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars ($18,028,217) for the 2018-2019 fiscal year. The due date and frequency of the intergovernmental transfer required by this section shall be determined by DMA. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in each fiscal year shall be as follows:

	2017-2018	**2018-2019**
Alliance Behavioral Healthcare	$2,994,703	$3,043,874
Cardinal Innovations Healthcare	$4,118,912	$4,186,543
Eastpointe	$2,011,858	$2,044,892
Partners Behavioral Health Management	$1,913,793	$1,945,216
Sandhills Center	$1,924,822	$1,956,427
Trillium Health Resources	$2,457,426	$2,497,775
Vaya Health	$2,315,471	$2,353,490

In the event that any county disengages from an LME/MCO and realigns with another LME/MCO during the 2017-2019 fiscal biennium, DMA shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make, taking into consideration the change in catchment area and covered population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium are achieved.

EXPAND NORTH CAROLINA INNOVATIONS WAIVER SLOTS

SECTION 11H.11. The Department of Health and Human Services, Division of Medical Assistance, shall amend the North Carolina Innovations waiver to increase the number of slots available under the waiver by 400 slots. These additional slots shall be made available on January 1, 2018.

INCREASE PERSONAL CARE SERVICES RATE

SECTION 11H.12.(a) Beginning January 1, 2018, the Department of Health and Human Services, Division of Medical Assistance, shall increase to three dollars and ninety cents ($3.90) the rate paid per 15-minute billing unit for personal care services provided pursuant to Clinical Coverage Policy 3L.

SECTION 11H.12.(b) Beginning January 1, 2018, the Department of Health and Human Services, Division of Medical Assistance, shall increase to three dollars and ninety cents ($3.90) the rate paid per 15-minute billing unit for in-home aide, respite care in-home aide, and personal care assistance services provided under the Community Alternatives Program for Children (CAP-C) waiver pursuant to Clinical Coverage Policy 3K-1.

RETROACTIVE PERSONAL CARE SERVICES PAYMENT

SECTION 11H.12A.(a) The Department of Health and Human Services, Division of Medical Assistance, shall amend Section 5.5, Retroactive Prior Approval for PCS, of Clinical Coverage Policy 3L, State Plan Personal Care Services (PCS), to extend the allowable retroactive period for prior approvals for personal care services from 10 days to 30 days upon the same conditions that are currently required for retroactive prior approval of personal care services. This section shall not be construed to require Medicaid reimbursement for personal care services provided within the retroactive period in excess of the number of hours approved through the prior approval process.

SECTION 11H.12A.(b) This section becomes effective August 1, 2017, and applies to Requests for Independent Assessment for Personal Care Services Attestation for Medical Need forms received on or after that date.

GRADUATE MEDICAL EDUCATION MEDICAID REIMBURSEMENT

SECTION 11H.13.(a) For the period of July 1, 2017, through June 30, 2019, the Department of Health and Human Services, Division of Medical Assistance (DMA), shall no longer be required to implement the prohibitions on reimbursement for Graduate Medical Education (GME) payments required by Section 12H.23 of S.L. 2015-241, as amended by Section 88 of S.L. 2015-264.

SECTION 11H.13.(b) It is the intent of the General Assembly to continue to appropriate funds to the Department of Health and Human Services in years beyond this fiscal biennium in order to maintain the GME add-on to the DRG Unit Value (Base) rate as part of Medicaid Transformation, as described in S.L. 2015-241.

SECTION 11H.13.(c) No later than January 1, 2018, DMA shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division on all of the following:

(1) The actual and forecasted total requirements less receipts for payments made for the GME add-on to the DRG Unit Value (Base) rate.

(2) The actual and forecasted total requirements less receipts for all Medicaid spending.

(3) Any specific actions the Department of Health and Human Services has taken or proposes to take to maintain total Medicaid spending within the amounts appropriated for the Medicaid program.

PLAN TO IMPLEMENT COVERAGE FOR HOME VISITS FOR PREGNANT WOMEN AND FAMILIES WITH YOUNG CHILDREN

SECTION 11H.14.(a) It is the intent of the General Assembly to provide Medicaid and NC Health Choice coverage for evidence-based home visits for pregnant women and families with young children designed to improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness that are consistent with the model used by Nurse-Family Partnership. No later than July 1, 2018, the Department of Health and Human Services, Division of Medical Assistance (Department), shall begin providing Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program.

The Department shall develop a plan to implement changes necessary to provide Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program; however, consistent with G.S. 108A-54(e)(4), the Department is not authorized to make any changes to eligibility for the Medicaid or NC Health Choice programs. The plan shall detail the design and scope of coverage for the home visits for pregnant women and families with young children and include the identification of any State Plan Amendments or waivers that may be necessary to submit to the Centers for Medicare and Medicaid Services.

SECTION 11H.14.(b) No later than November 1, 2017, the Department shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division a report containing the following information:

(1) As required by subsection (a) of this section, a copy of the plan to provide, no later than July 1, 2018, Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program.

(2) A detailed description of the coverage to be provided, including the proposed service definition, the home visit schedule, the scope of the covered service, and the anticipated reimbursement rate to be paid.

(3) An analysis of the total fiscal impact of adding Medicaid and NC Health Choice coverage for the home visits for pregnant women and families with young children. This shall include an outline of both costs and savings to the Medicaid and NC Health Choice programs, as well as any savings to other programs provided by the State.

(4) A description of how the Department intends to leverage any private funding that may be currently utilized to provide coverage for evidence-based home visits for pregnant women and families with young children.

(5) Whether the Department intends to add this coverage pursuant to its authority under G.S. 108A-54(e) or whether additional appropriations are required.

(6) Any plans to include pay-for-success initiatives as part of the Medicaid and NC Health Choice funding for the covered service.

(7) An anticipated time line for the implementation of the Department's plan and the submission of any necessary State Plan Amendments or waivers to the Centers for Medicare and Medicaid Services.

PLAN TO ESTABLISH MEDICAID COVERAGE FOR AMBULANCE TRANSPORTS TO ALTERNATIVE APPROPRIATE CARE LOCATIONS

SECTION 11H.14A.(a) It is the intent of the General Assembly to provide opportunities to divert individuals in behavioral health crisis from hospital emergency departments to alternative appropriate care locations. Consistent with Option 1 outlined in the Department of Health and Human Services' (Department) March 1, 2015, legislative report entitled "Ambulance Transports to Crisis Centers," the Department shall design a plan for adding Medicaid coverage for ambulance transports of Medicaid recipients in behavioral health crisis to behavioral health clinics or other alternative appropriate care locations. The plan shall ensure the following:

(1) Medicaid reimbursement is contingent upon an Emergency Medical Services (EMS) System's ability to demonstrate its EMS providers have received appropriate education in caring for individuals in behavioral health crisis and that the EMS System has at least one partnership with a receiving facility that is able to provide care appropriate for those individuals.

(2) An EMS System shall be required to include in its EMS System Plan a report on patient experiences and outcomes in accordance with rules adopted by the Department of Health and Human Services, Division of Health Regulation, Office of Emergency Medical Services.

SECTION 11H.14A.(b) No later than December 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on the plan for adding Medicaid coverage for ambulance transports of Medicaid recipients in behavioral health crisis to behavioral health clinics or other alternative appropriate care locations. The report shall include the following:

(1) The proposed reimbursement methodology to be utilized.

(2) An analysis of the financial impact of adding the coverage, including any anticipated costs to the Medicaid program.

(3) Whether the Department intends to add this coverage pursuant to its authority under G.S. 108A-54(e) or whether additional appropriations are required.

(4) If the Department intends to add this coverage pursuant to its authority under G.S. 108A-54(e), a time line for submission of any State Plan amendments or any waivers necessary for implementation and expected implementation date.

NC TRACKS ENHANCEMENTS TO PREVENT AND DETECT FRAUD, WASTE, AND ABUSE

SECTION 11H.15.(a) The Department of Health and Human Services (Department) shall enhance the capability of the NC Tracks Medicaid Management Information System (MMIS) to include the ability to detect and prevent fraud, waste, and abuse prior to the payment of claims. Program changes shall be made to MMIS to prevent claims payment to providers when fraud, waste, or abuse is identified. The new capability required by this subsection shall utilize publicly available data regarding Medicaid providers and recipients. For this new capability, the Department shall establish criteria for the identification of suspicious claims, suspicious patterns of activity, or both without preselecting providers or recipients for review. Claims or patterns of activity identified by this new capability shall be evaluated utilizing a combination of automated and manual processes to determine the validity of the suspected fraud, waste, or abuse prior to the issuance of any payment to the provider for the suspicious claims.

The new capability required by this subsection shall be implemented utilizing existing MMIS contracts no later than 150 days after this section becomes effective. Nothing in this section shall be construed to change or limit any current laws or rules regarding prompt payment to providers or provider prepayment claims review.

SECTION 11H.15.(b) This section is effective when it becomes law.

DURATION OF MEDICAID AND NC HEALTH CHOICE PROGRAM MODIFICATIONS

SECTION 11H.16. Except for eligibility categories and income thresholds and except for statutory changes, the Department of Health and Human Services shall not be required to maintain, after June 30, 2019, any modifications to the Medicaid and NC Health Choice programs required by this Subpart.

MEDICAID TRANSFORMATION TECHNICAL AND CLARIFYING CHANGES

SECTION 11H.17.(a) Section 4 of S.L. 2015-245, as amended by Section 2(b) of S.L. 2016-121, reads as rewritten:

"**SECTION 4.** Structure of Delivery System. – The transformed Medicaid and NC Health Choice programs described in Section 1 of this act shall be organized according to the following principles and parameters:

…

(4) Services covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice recipients, except as otherwise provided in this subdivision. The capitated contracts required by this subdivision shall not cover:

…

d. ~~Audiology, speech therapy, occupational therapy, physical therapy, nursing, and psychological services prescribed~~Services documented in an Individualized Education Program (IEP) and ~~performed by schools or individuals contracted with~~provided or billed by Local Education Agencies.

e. Services provided ~~directly~~and billed by a Children's Developmental Services Agency (CDSA) ~~or by a provider under contract with a CDSA if the service is authorized through the CDSA and is~~that are included on the child's Individualized Family Service Plan.

…."

SECTION 11H.17.(b) G.S. 143B-216.80(b)(1) reads as rewritten:

"(1) Employees of the Division of Health Benefits shall not be subject to the North Carolina Human Resources Act, except as provided in ~~G.S. 126-5(c1)(31).~~G.S. 126-5(c1)(33)."

PREPAYMENT CLAIMS REVIEW MODIFICATIONS

SECTION 11H.19.(a) G.S. 108C-7 reads as rewritten:

"**§ 108C-7. Prepayment claims review.**

(a) In order to ensure that claims presented by a provider for payment by the Department meet the requirements of federal and State laws and regulations and medical necessity criteria, a provider may be required to undergo prepayment claims review by the Department. Grounds for being placed on prepayment claims review shall include, but shall not be limited to, receipt by the Department of credible allegations of fraud, identification of aberrant billing practices as a result of ~~investigations or~~ investigations, data analysis performed by the ~~Department~~ Department, the failure of the provider to timely respond to a request for documentation made by the Department or one of its authorized representatives, or other grounds as defined by the Department in rule.

(b) Providers shall not be entitled to payment prior to claims review by the Department. The Department shall notify the provider in writing of the decision and the process for submitting claims for prepayment claims ~~review no less than 20 calendar days prior to instituting prepayment claims~~ review. The written notice shall be deposited, first-class postage

prepaid, in the United States mail and addressed to the most recent address given by the provider to the Department. The prepayment claims review shall be instituted no less than 20 calendar days from the date of the mailing of written notification. The notice shall contain all of the following:

…

(4) A specific list of all supporting documentation that the provider will need to submit ~~contemporaneously with the~~ to the prepayment review vendor for all claims that ~~will be~~ are subject to the prepayment claims review.

…

(d) The Department shall process all clean claims submitted for prepayment review within 20 calendar days of ~~submission by the provider~~ receipt of the supporting documentation for each claim by the prepayment review vendor. To be considered by the Department, the documentation submitted must be complete, legible, and clearly identify the provider to which the documentation applies. If the provider failed to provide any of the specifically requested supporting documentation necessary to process a claim pursuant to this section, the Department shall send to the provider written notification of the lacking or deficient documentation within 15 calendar days of ~~receipt of such claim~~ the due date of requested supporting documentation. The Department shall have an additional 20 days to process a claim upon receipt of the documentation.

(e) The provider shall remain subject to the prepayment claims review process until the provider achieves three consecutive months with a minimum seventy percent (70%) clean claims ~~rate~~rate, provided that the number of claims submitted per month is no less than fifty percent (50%) of the provider's average monthly submission of Medicaid claims for the three-month period prior to the provider's placement on prepayment review. If a provider does not submit any claims following placement on prepayment review in any given month, then the claims accuracy rating shall be zero percent (0%) for each month in which no claims were submitted. If the provider does not meet ~~this standard~~ the seventy percent (70%) clean claims rate minimum requirement for three consecutive months within six months of being placed on prepayment claims review, the Department may implement sanctions, including termination of the applicable Medicaid Administrative Participation Agreement, or continuation of prepayment ~~review for an additional six-month period.~~review. The Department shall give adequate advance notice of any modification, suspension, or termination of the Medicaid Administrative Participation Agreement. ~~In no instance shall prepayment claims review continue longer than 12 months.~~

Prepayment claims review shall not continue longer than 24 consecutive months unless the Department has initiated the termination or other sanction of the provider and the provider has appealed that termination or sanction. If the Department has initiated the termination or other sanction of the provider and the provider has appealed that termination or sanction, then the provider shall remain on prepayment review until the final disposition of the Department's termination or other sanction of the provider.

(e1) Failure of a provider to meet the seventy percent (70%) clean claims rate minimum requirement may result in a termination action. A termination action taken shall reflect the failure of the provider to meet the seventy percent (70%) clean claims rate minimum requirement and shall result in exclusion of the provider from future participation in the Medicaid program. If a provider fails to meet the seventy percent (70%) clean claims rate minimum requirement and subsequently requests a voluntary termination, the termination shall reflect the provider's failure to successfully complete prepayment claims review and shall result in exclusion of the provider from future participation in the Medicaid program.

(e2) A provider shall not withhold claims to avoid the claims review process. Any claims for services provided during the period of prepayment review may still be subject to review prior to payment regardless of the date the claims are submitted and regardless of whether the provider has been taken off of prepayment review for any reason, including attaining a

minimum of seventy percent (70%) clean claims rate for three consecutive months, the expiration of the 24-month time limit, or the termination of the provider.

(f) The decision to place or maintain a provider on prepayment claims review does not constitute a contested case under Chapter 150B of the General Statutes. A provider may not appeal or otherwise contest a decision of the Department to place or maintain a provider on prepayment review.

(g) If a provider elects to appeal the Department's decision to impose sanctions on the provider as a result of the prepayment review process to the Office of Administrative Hearings, then the provider shall have 45 days from the date that the appeal is filed to submit any documentation or records that address or challenge the findings of the prepayment review. The Department shall not review, and the administrative law judge shall not admit into evidence, any documentation or records submitted by the provider after the 45-day deadline. In order for a provider to meet its burden of proof under G.S. 108C-12(d) that a prior claim denial should be overturned, the provider must prove that (i) all required documentation was provided at the time the claim was submitted and was available for review by the prepayment review vendor and (ii) the claim should not have been denied at the time of the vendor's initial review."

SECTION 11H.19.(b) This section becomes effective October 1, 2017, and applies to providers who are placed on prepayment review on or after that date and written notices provided to providers on or after that date.

MEDICAID ELIGIBILITY MONITORING

SECTION 11H.20.(a) Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-55.5. Eligibility monitoring for medical assistance.**

(a) On at least a quarterly basis, the Department shall review information concerning changes in circumstances that may affect medical assistance beneficiaries' eligibility to receive medical assistance benefits. The Department shall share the information directly with, or make the information available to, the county department of social services that determined the beneficiary's eligibility.

(b) The information reviewed by the Department shall include all of the following:

(1) Earned and unearned income.
(2) Employment status and changes in employment.
(3) Residency status.
(4) Enrollment status in other State-administered public assistance programs.
(5) Financial resources.
(6) Incarceration status.
(7) Death records.
(8) Lottery winnings.
(9) Enrollment status in public assistance programs outside of this State.

(c) A county department of social services shall promptly review the information provided or made available by the Department in accordance with subsection (a) of this section to determine if the information indicates a change in circumstances that may affect a medical assistance beneficiary's eligibility to receive medical assistance benefits and take one of the following actions:

(1) If a review of the information does not result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility to receive medical assistance benefits, the county department of social services shall take no further action.
(2) If a review of the information does result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility for medical assistance benefits, the county department of social services shall provide written notice to the

beneficiary that describes in sufficient detail the circumstances of the discrepancy or change in circumstances that would affect the beneficiary's eligibility for medical assistance benefits. The notice must include the following information:

a. The beneficiary will have 12 calendar days from the time of mailing to respond.

b. A response from the beneficiary must be in writing.

c. Self-declarations made by the beneficiary will not be accepted as verification of information in the response.

d. The consequences of taking no action.

(d) After the expiration of 12 calendar days from the time of mailing the notice required under subsection (c) of this section, the county department of social services shall take one of the following actions:

(1) If a beneficiary did not respond to the notice, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

(2) If a beneficiary responds to the notice and disagrees with the information in the notice, the county department of social services shall reinvestigate the matter and take one of the following actions:

a. If the county department of social services determines that there has been an error and the beneficiary's eligibility to receive medical assistance benefits is not affected, then no further action shall be taken.

b. If the county department of social services determines that there is no error, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

(3) If a beneficiary responds to the notice and confirms the information in the notice is correct, then the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

If, at any time after receiving a beneficiary's response to the notice, the county department of social services determines that there is a risk of fraud or misrepresentation or inadequate documentation, then the county department of social services may request additional documentation from the beneficiary.

(e) Nothing in this section shall preclude the Department or any county department of social services from receiving or reviewing additional information related to a beneficiary's eligibility for medical assistance benefits that is obtained in a manner other than that provided for under this section."

SECTION 11H.20.(b) The Department of Health and Human Services may sign a memorandum of understanding with any department, agency, or division of the State to obtain information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to receive Medicaid benefits under G.S. 108A-55.5(a).

SECTION 11H.20.(c) The Department of Health and Human Services may contract with one or more vendors to provide information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to receive Medicaid benefits under G.S. 108A-55.5(a). The quarterly cost, net of receipts, of a contract entered into under this subsection must be less than the cost of claims, net of receipts, for the preceding quarter for individuals identified.

SECTION 11H.20.(d) The Department of Health and Human Services (Department) shall consider joining any multistate cooperative to identify individuals who are also enrolled in public assistance programs outside of this State, including the National

Accuracy Clearinghouse. No later than October 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice findings that explain the reasons for joining or not joining any multistate cooperative, and, if a determination has been made to join the multistate cooperative, a date when membership is expected.

SECTION 11H.20.(e) Subsection (a) of this section becomes effective January 1, 2018. The remainder of this section is effective when this act becomes law.

MEDICAID ELIGIBILITY DETERMINATION TIMELINESS REPORTING

SECTION 11H.21. Part 10 of Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-70.43. Reporting.**

No later than November 1 of each year, the Department shall submit a report for the prior fiscal year to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division containing the following information:

(1) The annual statewide percentage of Medicaid applications processed in a timely manner for the fiscal year.

(2) The statewide average number of days to process Medicaid applications for each month in the fiscal year.

(3) The annual percentage of Medicaid applications processed in a timely manner by each county department of social services for the fiscal year.

(4) The average number of days to process Medicaid applications for each month for each county department of social services.

(5) The number of months during the fiscal year that each county department of social services met the timely processing standards under G.S. 108A-70.38.

(6) The number of months during the fiscal year that each county department of social services failed to meet the timely processing standards under G.S. 108A-70.38.

(7) A description of all corrective action activities conducted by the Department and county departments of social services in accordance with G.S. 108A-70.36.

(8) A description of how the Department plans to assist county departments of social services in meeting timely processing standards for Medicaid applications, for every county in which the performance metrics for processing Medicaid applications in a timely manner do not show significant improvement compared to the previous fiscal year."

SUPPORT IMPROVEMENT IN THE ACCURACY OF MEDICAID ELIGIBILITY DETERMINATIONS

SECTION 11H.22.(a) G.S. 108A-25(b) reads as rewritten:

"(b) The program of medical assistance is established as a program of public assistance and shall be administered by the Department of Health and Human Services in accordance with G.S. 108A-54. Medicaid eligibility administration may be delegated to the county departments of social services under rules adopted by the Department of Health and Human Services."

SECTION 11H.22.(b) No later than November 1, 2017, the Department of Health and Human Services (Department) shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on progress made regarding the accuracy of county Medicaid eligibility determinations in response to the State Auditor's January 2017 Performance Audit entitled "North Carolina Medicaid Program Recipient Eligibility Determination." The Department's report shall include the following information:

(1) An identification of stakeholders, including the county departments of social services, the Department has engaged to address issues surrounding the accuracy of Medicaid eligibility determinations by county departments of social services.

(2) Opportunities identified by the Department and stakeholders to address accuracy in Medicaid determinations.

(3) Any steps the Department has taken, or plans to take, to assist county departments of social services with improving accuracy in Medicaid eligibility determinations, including a time line for implementation of each planned action.

(4) Any changes to legislation or needs for funding identified by the Department to assist with improving accuracy in Medicaid determinations.

SECTION 11H.22.(c) Article 2 of Chapter 108A of the General Statutes is amended by adding a new Part to read:

"Part 11. Medicaid Eligibility Determinations Accuracy and Quality Assurance.

"**§ 108A-70.45. Applicability.**

If a federally recognized Native American tribe within the State has assumed responsibility for the Medicaid program pursuant to G.S. 108A-25(e), then this Part applies to the tribe in the same manner as it applies to county departments of social services.

"**§ 108A-70.46. Audit of county Medicaid determinations.**

Beginning January 1, 2019, the Department of Health and Human Services, Division of Central Management and Support, shall, on an annual basis, audit all county departments of social services for compliance with the accuracy standards adopted under G.S. 108A-70.47 for Medicaid eligibility determinations made within a 12-month period. This annual audit shall also include an evaluation of compliance with the quality assurance standards under G.S. 108A-70.48 by the county department of social services. Audits shall be conducted for initial Medicaid eligibility determination applications as well as Medicaid reenrollment determinations.

"**§ 108A-70.47. Medicaid eligibility determination processing accuracy standards.**

(a) The Department shall require county departments of social services to comply with accuracy standards set forth in rule for the processing of Medicaid eligibility determinations. The Department shall set the following standards:

(1) Accuracy standards with regards to errors that caused an ineligible Medicaid recipient to be approved for Medicaid benefits.

(2) Accuracy standards with regards to errors that caused the denial of benefits to an applicant that should have been approved for Medicaid benefits.

(3) Accuracy standards with regards to errors made during the eligibility determination process that did not change the outcome of the eligibility determination.

(b) Standards under this section shall be developed by the Department in consultation with the State Auditor.

"**§ 108A-70.48. Quality assurance.**

The Department shall require county departments of social services to comply with quality assurance minimum standards set forth in rule. The quality assurance standards shall be based upon best practices and shall be developed by the Department in consultation with the State Auditor.

"**§ 108A-70.49. Corrective action.**

(a) If the Department's annual audit under G.S. 108A-70.46 results in a determination that a county department of social services fails to meet any of the standards adopted under G.S. 108A-70.47 or G.S. 108A-70.48, the Department and the county department of social services shall enter into a joint corrective action plan to improve the accurate processing of applications.

(b) A joint corrective action plan entered into pursuant to this section shall specifically identify the following components:

(1) The duration of the joint corrective action plan, not to exceed 24 months. If a county department of social services shows measurable progress in meeting the performance requirements in the joint corrective action plan, then the

duration of the joint corrective action plan may be extended by six months, but in no case shall a joint corrective action plan exceed 36 months.

(2) A plan for improving the accurate processing of applications that specifically describes the actions to be taken by the county department of social services and the Department.

(3) The performance requirements for the county department of social services that constitute successful completion of the joint corrective action plan.

(4) Acknowledgment that failure to successfully complete the joint corrective action plan will result in temporary assumption of Medicaid eligibility administration by the Department, in accordance with G.S. 108A-70.50.

"**§ 108A-70.50. Temporary assumption of Medicaid eligibility administration.**

(a) If a county department of social services fails to successfully complete its joint corrective action plan, the Department shall give the county department of social services, the county manager, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), at least 90 days' notice that the Department intends to temporarily assume Medicaid eligibility administration, in accordance with subsection (b) of this section. The notice shall include the following information:

(1) The date on which the Department intends to temporarily assume administration of Medicaid eligibility determinations.

(2) The performance requirements in the joint corrective action plan that the county department of social services failed to meet.

(3) Notice of the county department of social services' right to appeal the decision to the Office of Administrative Hearings, pursuant to Article 3 of Chapter 150B of the General Statutes.

(b) Notwithstanding any provision of law to the contrary, if a county department of social services fails to successfully complete its joint corrective action plan, the Department shall temporarily assume Medicaid eligibility administration for the county upon giving notice as required by subsection (a) of this section. During a period of temporary assumption of Medicaid eligibility administration, the following shall occur:

(1) The Department shall administer the Medicaid eligibility function in the county. Administration by the Department may include direct operation by the Department, including supervision of county Medicaid eligibility workers or contracts for operation to the extent permitted by federal law and regulations.

(2) The county department of social services is divested of the authority to administer Medicaid eligibility determinations.

(3) The Department shall direct and oversee the expenditure of all funding for the administration of Medicaid eligibility in the county.

(4) The county shall continue to pay the nonfederal share of the cost of Medicaid eligibility administration and shall not withdraw funds previously obligated or appropriated for Medicaid eligibility administration.

(5) The county shall pay the nonfederal share of additional costs incurred to ensure compliance with the accuracy and quality assurance standards required by this Part.

(6) The Department shall work with the county department of social services to develop a plan for the county department of social services to resume Medicaid eligibility administration and perform Medicaid eligibility determinations more accurately.

(7) The Department shall inform the county board of commissioners, the county manager, the county director of social services, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), of key activities and any ongoing concerns during the temporary assumption of Medicaid eligibility administration.

(c) Upon the Department's determination that Medicaid eligibility determinations can be performed accurately and with proper quality assurance by the county department of social services based on the standards adopted under G.S. 108A-70.47 and G.S. 108A-70.48, the Department shall notify the county department of social services, the county manager, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), that temporary assumption of Medicaid eligibility administration will be terminated and the effective date of termination. Upon termination, the county department of social services resumes its full authority to administer Medicaid eligibility determinations.

"**§ 108A-70.51. Reporting.**

Beginning with the calendar year 2020, no later than March 1 of each year, the Department shall submit a report to the Joint Legislative Committee on Medicaid and NC Health Choice, the Fiscal Research Division, and the State Auditor that contains the following information about the prior calendar year:

(1) The annual statewide percentage of county departments of social services that met the accuracy standards adopted under G.S. 108A-70.47 in the prior fiscal year.

(2) The annual statewide percentage of county departments of social services that met the quality assurance standards adopted under G.S. 108A-70.48 in the prior fiscal year.

(3) The annual audit result for each standard adopted under G.S. 108A-70.47 for each county of department services.

(4) The number of years in the preceding five-year period that each county department of social services failed to meet the standards in G.S. 108A-70.47 or G.S. 108A-70.48.

(5) A description of all corrective action activities conducted by the Department and county departments of social services in accordance with G.S. 108A-70.49.

(6) For every county in which the performance metrics for processing Medicaid applications in an accurate manner do not show significant improvement compared to the previous fiscal year, a description of how the Department plans to assist county departments of social services in accuracy and quality assurance standards for Medicaid applications."

SECTION 11H.22.(d) G.S. 150B-23(a5) reads as rewritten:

"(a5) A county that appeals a decision of the Department of Health and Human Services to temporarily assume Medicaid eligibility administration in accordance with ~~G.S. 108A-70.37~~G.S. 108A-70.42 or G.S. 108A-70.50 may commence a contested case under this Article in the same manner as any other petitioner. The case shall be conducted in the same manner as other contested cases under this Article."

SECTION 11H.22.(e) The Department of Health and Human Services, Division of Central Management and Support (Department), shall collaborate with the State Auditor to develop a plan of implementation of the annual audits under this section. The plan must include the following information:

(1) Accuracy standards and quality assurance standards to be implemented.

(2) The audit schedule that includes all counties.

(3) The audit methodology to be utilized, including any information that may vary based upon county size or other factors.

(4) Details illustrating that the audit methodology is statistically sound, including the statistically significant number of cases to be reviewed in each county.

(5) Anticipated costs of implementing the plan.

(6) A certification from the State Auditor that the Department's plan for the annual audits has the approval of the State Auditor.

No later than March 1, 2018, the Department shall submit a copy of the plan to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice with any proposed recommendations, suggested legislation, or funding requests.

SECTION 11H.22.(f) Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-25.1A. Responsibility for errors.**

(a) A county department of social services shall be financially responsible for the erroneous issuance of Medicaid benefits and Medicaid claims payments resulting when the county department of social services takes any action that requires payment of Medicaid claims for an ineligible individual, for ineligible dates, or in an amount that includes a recipient's liability and for which the State cannot claim federal participation.

(b) Notwithstanding subsection (a) of this section, a county department of social services shall not be financially responsible for the erroneous issuance of Medicaid benefits and Medicaid claims payments resulting from a failure or error attributable solely to the State.

(c) The amounts to be charged back to a county department of social services for erroneous payments of claims shall be the State and federal shares of all erroneous payments, not to exceed the lesser of the amount of actual error or claims payment."

SECTION 11H.22.(g) The Department of Health and Human Services (Department) shall design and implement a training and certification program for caseworkers utilizing North Carolina Families Accessing Services Through Technology (NC FAST). The training and certification program shall be available on a statewide basis, and the Department shall provide training to caseworkers at county departments of social services at a location within reasonable travel distance from the county departments of social services multiples times per year. No later than 18 months after the Department has implemented the training and certification program, the Department shall require all caseworkers inputting data or making determinations for eligibility for State programs through NC FAST to be certified. A certification may last no longer than three years before an individual is required to be recertified. The Department may adopt and amend rules to implement this training and certification program.

SECTION 11H.22.(h) No later than 18 months after the Department has implemented the training and certification program under subsection (g) of this section, the Department shall include in its audits required under G.S. 108A-70.46 a verification that all county departments of social services are in compliance with the certification program requirements for individuals involved in the Medicaid eligibility determination process.

SECTION 11H.22.(i) No later than March 1, 2018, the Department shall submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division a report on the implementation of the training and certification program required under this section. The report shall include the following:

(1) A detailed outline of what the training and certification program will entail, including how many hours of training will be required for certification, how frequently recertification will be required, and how often training will be provided by the Department to the county departments of social services.

(2) A plan of implementation of the training and certification program, including a specific time line of implementation.

(3) Anticipated costs to the Department, as well as any costs to the county department of social services, of implementing the training and certification program. This should include an identification of any additional resources required by the Department or a county department of social services in order to implement the training and certification program.

(4) Any other information the Department is able to provide regarding the training and certification program development.

SECTION 11H.22.(j) The Department of Health and Human Services may adopt and amend rules to implement this section.

SECTION 11H.22.(k) Subsection (f) of this section is effective when it becomes law and applies to errors identified on or after that date. The remainder of this section is effective when it becomes law.

MEDICAID SUBROGATION RIGHTS CONFORMING CHANGES

SECTION 11H.23. If Section 202(b) of the Bipartisan Budget Act of 2013, P.L. 113-67, takes effect on October 1, 2017, as provided in Section 202(c) of that act, as amended by Section 211 of the Protecting Access to Medicare Act of 2014, P.L. 113-93, and Section 220 of the Medicare Access and CHIP Reauthorization Act of 2015, P.L. 114-10, then G.S. 108A-57 reads as rewritten:

"**§ 108A-57. Subrogation rights; withholding of information a misdemeanor.**

(a) As used in this section, the term "beneficiary" means (i) the beneficiary of medical assistance, including a minor beneficiary, (ii) the medical assistance beneficiary's parent, legal guardian, or personal representative, (iii) the medical assistance beneficiary's heirs, and (iv) the administrator or the executor of the medical assistance beneficiary's estate.

Notwithstanding any other provisions of the law, to the extent of payments under this Part, the State shall be subrogated to all rights of recovery, contractual or otherwise, of ~~the~~ a beneficiary ~~of this assistance, or of the beneficiary's personal representative, heirs, or the administrator or executor of the estate,~~ against any person. A personal injury or wrongful death claim brought by a ~~medical assistance~~ beneficiary against a third party shall include a claim for all medical assistance payments for health care items or services furnished to the ~~medical assistance~~ beneficiary as a result of the injury, hereinafter referred to as the "Medicaid claim." Any personal injury or wrongful death claim brought by a ~~medical assistance~~ beneficiary against a third party that does not state the Medicaid claim shall be deemed to include the Medicaid claim.

(a1) ~~If the amount of the Medicaid claim does not exceed one-third of the medical assistance beneficiary's gross recovery, it is presumed that the gross recovery includes compensation for the full amount of the Medicaid claim. If the amount of the Medicaid claim exceeds one-third of the medical assistance beneficiary's gross recovery, it is presumed that one-third of the gross recovery represents compensation for the Medicaid claim.~~The Medicaid claim shall be a lien upon any recovery that a beneficiary obtains. The amount of the lien shall be equal to the total amount of the Medicaid claim but shall not exceed one-third of the gross amount of the recovery obtained.

If a beneficiary has claims against more than one third party related to the same injury, then the payment of the Medicaid lien on any individual recovery shall reduce the total balance of the Medicaid claim. The remaining balance of the Medicaid claim shall be applied as a lien on any subsequent recovery, provided that the lien on each recovery shall not exceed one-third of the gross amount of each recovery obtained.

~~(a2) A medical assistance beneficiary may dispute the presumptions established in subsection (a1) of this section by applying to the court in which the medical assistance beneficiary's claim against the third party is pending, or if there is none, then to a court of competent jurisdiction, for a determination of the portion of the beneficiary's gross recovery that represents compensation for the Medicaid claim. An application under this subsection shall be filed with the court and served on the Department pursuant to the Rules of Civil Procedure no later than 30 days after the date that the settlement agreement is executed by all parties and, if required, approved by the court, or in cases in which judgment has been entered, no later than 30 days after the date of entry of judgment. The court shall hold an evidentiary hearing no sooner than 30 days after the date the action was filed. All of the following shall apply to the court's determination under this subsection:~~

~~(1) The medical assistance beneficiary has the burden of proving by clear and convincing evidence that the portion of the beneficiary's gross recovery that~~

~~represents compensation for the Medicaid claim is less than the portion presumed under subsection (a1) of this section.~~

~~(2) The presumption arising under subsection (a1) of this section is not rebutted solely by the fact that the medical assistance beneficiary was not able to recover the full amount of all claims.~~

~~(3) If the beneficiary meets its burden of rebutting the presumption arising under subsection (a1) of this section, then the court shall determine the portion of the recovery that represents compensation for the Medicaid claim and shall order the beneficiary to pay the amount so determined to the Department in accordance with subsection (a5) of this section. In making this determination, the court may consider any factors that it deems just and reasonable.~~

~~(4) If the beneficiary fails to rebut the presumption arising under subsection (a1) of this section, then the court shall order the beneficiary to pay the amount presumed pursuant to subsection (a1) of this section to the Department in accordance with subsection (a5) of this section.~~

~~(a3) Notwithstanding the presumption arising pursuant to subsection (a1) of this section, the medical assistance beneficiary and the Department may reach an agreement on the portion of the recovery that represents compensation for the Medicaid claim. If such an agreement is reached after an application has been filed pursuant to subsection (a2) of this section, a stipulation of dismissal of the application signed by both parties shall be filed with the court.~~

(a4) Within 30 days of receipt of the proceeds of a settlement or judgment related to a claim described in subsection (a) of this section, the ~~medical assistance~~ beneficiary or any attorney retained by the beneficiary shall notify the Department of the receipt of the proceeds.

(a5) ~~The medical assistance~~ Within 30 days of receipt of the proceeds of a settlement or judgment related to a claim described in subsection (a) of this section, a beneficiary or any attorney retained by the beneficiary ~~shall, out of the proceeds obtained by or on behalf of the beneficiary by settlement with, judgment against, or otherwise from a third party by reason of injury or death,~~ shall distribute to the Department ~~the amount due pursuant to this section as follows:~~an amount sufficient to fully satisfy the Department's Medicaid lien as provided in subsection (a1) of this section. The Department's right to payment under this subsection shall be a right to first recovery and shall not be prorated with or otherwise reduced by the claims of any other persons or entities having medical subrogation or medical liens against the amount received or recovered by the beneficiary.

~~(1) If, upon the expiration of the time for filing an application pursuant subsection (a2) of this section, no application has been filed, then the amount presumed pursuant to subsection (a1) of this section, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the beneficiary's receipt of the proceeds, in the absence of an agreement pursuant to subsection (a3) of this section.~~

~~(2) If an application has been filed pursuant to subsection (a2) of this section and no agreement has been reached pursuant to subsection (a3) of this section, then the Department shall be paid as follows:~~

~~a. If the beneficiary rebuts the presumption arising under subsection (a1) of this section, then the amount determined by the court pursuant to subsection (a2) of this section, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the entry of the court's order.~~

~~b. If the beneficiary fails to rebut the presumption arising under subsection (a1) of this section, then the amount presumed pursuant to subsection (a1) of this section, as prorated with the claims of all~~

~~others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the entry of the court's order.~~

~~(3) If an agreement has been reached pursuant to subsection (a3) of this section, then the agreed amount, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the execution of the agreement by the medical assistance beneficiary and the Department.~~

(a6) The United States and the State of North Carolina shall be entitled to shares in each net recovery by the Department under this section. Their shares shall be promptly paid under this section and their proportionate parts of such sum shall be determined in accordance with the matching formulas in use during the period for which assistance was paid to the recipient.

(b) It is a Class 1 misdemeanor for any person seeking or having obtained assistance under this ~~Part~~ Part, for ~~himself~~ himself or herself or ~~another~~ for another, to willfully fail to disclose to the county department of social services or its attorney and to the Department the identity of any person or organization against whom the recipient of assistance has a right of recovery, contractual or otherwise.

(c) This section applies to the administration of and claims payments made by the Department of Health and Human Services under the NC Health Choice Program established under Part 8 of this Article.

(d) As required to ensure compliance with this section, the Department may apply to the court in which the ~~medical assistance~~ beneficiary's claim against the third party is pending, or if there is none, then to a superior court of competent jurisdiction for enforcement of this section."

STUDY PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

SECTION 11H.25.(a) The Department of Health and Human Services, Division of Medical Assistance (Department), shall conduct a study of the efficacy of the Program of All-Inclusive Care for the Elderly (PACE). In conducting the study, the Department shall engage a variety of stakeholders, including existing PACE organizations, PACE consumers, and the general public. The study shall consist of the following:

(1) An evaluation of the existing program to include information on and an assessment of the following:
   a. An update on all of the information required to be reported on under Section 12H.34(b) of S.L. 2014-100.
   b. The structures of the various PACE organizations.
   c. Any clinical outcome or quality measures available for each PACE service or PACE organization.

(2) A statewide assessment of anticipated long-term care needs over the next 10 years, broken down by county.

(3) A review of PACE experiences in other states, including an analysis of costs and quality.

(4) An evaluation of State regulations placed upon PACE providers. The study shall include the identification of any regulations that could be eliminated in order to reduce cost or unnecessary duplication.

(5) An assessment of the role of PACE in the continuum of care, including opportunities to apply the PACE model to additional populations under the PACE Innovations Act of 2015, P.L. 114-85.

SECTION 11H.25.(b) No later than March 1, 2018, the Department shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice a report containing the information outlined in subsection (a) of this section, as well as any recommendations and proposed legislative changes that further the goal of providing the highest quality programs at a low cost to keep aging individuals in their homes.

SUBPART XI-I. DIVISION OF HEALTH BENEFITS

DIVISION OF HEALTH BENEFITS FEDERAL FUNDS

SECTION 11I.1. To the extent that the Department of Health and Human Services, Division of Health Benefits', net appropriations are made available as a result of increased federal receipts collected as federal match for the Division of Health Benefits' Medicaid transformation project expenditures, those net appropriations shall not be transferred or used for any other purpose and shall revert at the end of the 2017-2019 fiscal biennium.

SUBPART XI-J. MISCELLANEOUS

JOINT OVERSIGHT SUBCOMMITTEES ON MEDICAL EDUCATION PROGRAMS AND MEDICAL RESIDENCY PROGRAMS

SECTION 11J.2.(a) The Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee shall each appoint a subcommittee to jointly examine the use of State funds to support medical education and medical residency programs. In conducting the study, the subcommittees shall examine at least all of the following:

(1) The health care needs of the State's residents and the State's goals in meeting those health care needs through the support and funding of medical education and medical residency programs located within the State.

(2) The short-term and long-term benefits to the State for allocating State funds to medical education and medical residency programs located within the State.

(3) Recommended changes and improvements to the State's current policies with respect to allocating State funds and providing other support to medical education programs and medical residency programs located within the State.

(4) Development of an evaluation protocol to be used by the State in determining (i) the particular medical education programs and medical residency programs to support with State funds and (ii) the amount of State funds to allocate to these programs.

(5) Any other relevant issues the subcommittees deem appropriate.

SECTION 11J.2.(b) The subcommittees may seek input from other states, stakeholders, and national experts on medical education programs, medical residency programs, and health care as it deems necessary.

SECTION 11J.2.(c) By February 1, 2018, the Department of Health and Human Services and The University of North Carolina shall provide the subcommittees the following information regarding State funds and other support provided by the State to medical education programs and medical residency programs located in North Carolina:

(1) The identity, location, and number of positions available in these medical education programs and medical residency programs, broken down by geographic area.

(2) The specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, broken down by program.

(3) The number of graduates of medical education programs and medical residency programs who are currently practicing in North Carolina, broken down by specialty areas in which North Carolina is experiencing a shortage, including:

a. Anesthesiology.
b. Neurology.
c. Neurosurgery.
c. Obstetrics/Gynecology.

d. Primary Care.
e. Psychiatry.
f. Surgery.
g. Urology.
h. Any other specialty areas determined by the Department of Health and Human Services or The University of North Carolina to be experiencing a shortage.

(4) The number of program graduates who practiced in North Carolina for at least five years after graduation.

(5) Any other information requested by the subcommittees.

SECTION 11J.2.(d) The subcommittees shall jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina in a manner that maximizes the State's financial and other support of these programs and addresses the short-term and long-term health care needs of the State's residents. Each subcommittee shall submit a report to its respective oversight committee on or before March 15, 2018, at which time each subcommittee shall terminate.

SECTION 11J.2.(e) This section is effective when this act becomes law.

AUTHORIZATION FOR CHIROPRACTIC PRECEPTORSHIPS

SECTION 11J.3.(a) Article 8 of Chapter 90 of the General Statutes is amended by adding a new section to read:

"**§ 90-142.1. Supervised training programs authorized.**

(a) As used in this section, "preceptorship program" means a clinical program of an approved chiropractic college in which a student of chiropractic, under the supervision of a licensed chiropractor, observes the licensed chiropractor and may perform the duties of a certified chiropractic clinical assistant as specified in G.S. 90-143.4.

(b) Each student enrolled in a chiropractic college that meets the accreditation requirements of G.S. 90-143 may participate in a preceptorship program."

SECTION 11J.3.(b) G.S. 90-143.4(b) reads as rewritten:

"(b) Any person employed as a chiropractic clinical assistant shall obtain a certificate of competency from the State Board of Chiropractic Examiners (Board) within 180 days after the person begins employment. Certification shall not be required for employees whose duties are limited to administrative activities of a nonclinical nature. Except as otherwise provided in G.S. 90-142.1 and this section, it shall be unlawful for any person to practice as a chiropractic clinical assistant unless duly certified by the Board."

SECTION 11J.3.(c) The section is effective when this act becomes law.

SUBPART XI-K. DIVISIONS OF VOCATIONAL REHABILITATION, SERVICES FOR THE BLIND, AND SERVICES FOR THE DEAF AND HARD OF HEARING [RESERVED]

SUBPART XI-L. DHHS BLOCK GRANTS

DHHS BLOCK GRANTS

SECTION 11L.1.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2019, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**FY 2017-2018**	**FY 2018-2019**
Local Program Expenditures		
Division of Social Services		
01. Work First Family Assistance	$49,479,444	$49,479,444
02. Work First County Block Grants	80,093,566	80,093,566

03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children Adoption Fund	2,026,877	2,026,877
05. Child Protective Services – Child Welfare Workers for Local DSS	9,412,391	9,412,391
06. Child Welfare Program Improvement Plan	775,176	775,176
07. Child Welfare Collaborative	400,000	400,000
08. Child Welfare Initiatives	1,400,000	1,400,000
Division of Child Development and Early Education		
09. Subsidized Child Care Program	53,605,680	58,112,735
10. NC Pre-K Services	6,000,000	12,200,000
10A. Swap Child Care Subsidy	392,420	294,697
Division of Public Health		
11. Teen Pregnancy Prevention Initiatives	2,950,000	2,950,000
DHHS Administration		
12. Division of Social Services	2,482,260	2,482,260
13. Office of the Secretary	34,042	34,042
14. Eligibility Systems – Operations and Maintenance	2,908,598	2,765,192
15. NC FAST Implementation	48,495	875,264
Transfers to Other Block Grants		
Division of Child Development and Early Education		
16. Transfer to the Child Care and Development Fund	71,773,001	71,773,001
Division of Social Services		
17. Transfer to Social Services Block Grant for Child Protective Services – Training	1,300,000	1,300,000
18. Transfer to Social Services Block Grant for Child Protective Services	5,040,000	5,040,000
19. Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	7,500,000	7,500,000
20. Transfer to Social Services Block Grant – Foster Care Services	1,385,152	1,385,152
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**$301,385,315**	**$312,678,010**
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Subsidized Child Care	$28,600,000	$28,600,000
02. Swap for Subsidized Child Care	3,304,255	0

TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS	**$31,904,255**	**$28,600,000**
SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01. County Departments of Social Services (Transfer From TANF $7,500,000)	$32,971,498	$33,003,632
02. EBCI Tribal Public Health and Human Services	244,740	244,740
03. Child Protective Services (Transfer From TANF)	5,040,000	5,040,000
04. State In-Home Services Fund	1,943,950	1,943,950
05. Adult Protective Services	1,245,363	1,245,363
06. State Adult Day Care Fund	1,994,084	1,994,084
07. Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program	901,868	901,868
08. Special Children Adoption Incentive Fund	462,600	462,600
09. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF)	1,300,000	1,300,000
10. Child Protective Services – Child Welfare Training for Counties	737,067	737,067
11. Home and Community Care Block Grant (HCCBG)	1,696,888	1,696,888
12. Child Advocacy Centers	582,000	582,000
13. Guardianship – Division of Social Services	815,362	815,362
14. Foster Care Services (Transfer From TANF)	1,385,152	1,385,152
Division of Central Management and Support		
15. DHHS Competitive Block Grants for Nonprofits	4,524,525	4,524,525
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
16. Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult	4,181,729	4,149,595
DHHS Program Expenditures		
Division of Services for the Blind		
17. Independent Living Program	3,361,323	3,361,323
Division of Health Service Regulation		
18. Adult Care Licensure Program	381,087	381,087
19. Mental Health Licensure and Certification Program	190,284	190,284
Division of Aging and Adult Services		
20. Guardianship	3,825,443	3,825,443

DHHS Administration		
21. Division of Aging and Adult Services	577,745	577,745
22. Division of Social Services	634,680	634,680
23. Office of the Secretary/Controller's Office	127,731	127,731
24. Legislative Increases/Fringe Benefits	236,278	236,278
25. Division of Child Development and Early Education	13,878	13,878
26. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	27,446	27,446
27. Division of Health Service Regulation	118,946	118,946
TOTAL SOCIAL SERVICES BLOCK GRANT	**$69,521,667**	**$69,521,667**
LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT		
Local Program Expenditures		
Division of Social Services		
01. Low-Income Energy Assistance Program (LIEAP)	$36,402,610	$35,419,272
02. Crisis Intervention Program (CIP)	36,402,610	35,419,272
Local Administration		
Division of Social Services		
03. County DSS Administration	5,978,512	5,817,014
DHHS Administration		
Division of Central Management and Support		
04. Division of Social Services	10,000	10,000
05. Office of the Secretary/DIRM	252,603	128,954
06. Office of the Secretary/Controller's Office	18,378	18,378
07. NC FAST Development	139,991	2,468,390
08. NC FAST Operations and Maintenance	2,135,701	2,539,033
Transfers to Other State Agencies		
Department of Environmental Quality		
09. Weatherization Program	10,716,043	10,426,573
10. Heating Air Repair and Replacement Program (HARRP)	5,701,752	5,547,732
11. Local Residential Energy Efficiency Service Providers – Weatherization	439,982	428,097
12. Local Residential Energy Efficiency Service Providers – HARRP	234,105	227,781
13. DENR – Weatherization Administration	439,982	428,097
14. DENR – HARRP Administration	234,105	227,781
Department of Administration		
15. N.C. Commission on Indian Affairs	87,736	87,736
TOTAL LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT	**$99,194,110**	**$99,194,110**

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Child Care Services (Smart Start $7,000,000)	$152,923,849	$152,416,794
02. Transfer from TANF Block Grant for Child Care Subsidies	71,773,001	71,773,001
03. Quality and Availability Initiatives (TEACH Program $3,800,000)	45,761,678	45,761,678
DHHS Administration		
Division of Child Development and Early Education		
04. DCDEE Administrative Expenses	9,042,159	8,929,324
Division of Social Services		
05. Local Subsidized Child Care Services Support	16,436,361	16,436,361
06. Direct Deposit for Child Care Payments	505,100	505,100
Division of Central Management and Support		
07. NC FAST Development	24,237	427,865
08. NC FAST Operations and Maintenance	2,758,389	2,581,225
09. DHHS Central Administration – DIRM Technical Services	645,162	645,162
10. Central Regional Maintenance	287,854	287,854
11. DHHS Central Administration	7,346	7,346
Division of Public Health		
12. Child Care Health Consultation Contracts	62,205	62,205
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	**$300,227,341**	**$299,833,915**
MENTAL HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Mental Health Services – Child	$3,619,833	$3,619,833
02. Mental Health Services – Adult/Child	10,967,792	10,967,792
03. Crisis Solutions Initiative – Critical Time Intervention	750,000	750,000
04. Mental Health Services – First Psychotic Symptom Treatment	1,430,851	1,430,851
DHHS Administration		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
05. Administration	200,000	200,000
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	**$16,968,476**	**$16,968,476**

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT		
Local Program Expenditures		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
01. Substance Abuse – HIV and IV Drug	$3,919,723	$3,919,723
02. Substance Abuse Prevention	8,998,382	8,998,382
03. Substance Abuse Services – Treatment for Children/Adults (Medication-Assisted Opioid Use Disorder Treatment Pilot Program $500,000; First Step Farm of WNC, Inc. $100,000)	27,722,717	27,621,286
04. Crisis Solutions Initiatives – Walk-In Crisis Centers	420,000	420,000
05. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,085,000	1,085,000
06. Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management	60,000	60,000
07. Crisis Solutions Initiatives – Innovative Technologies	41,000	41,000
DHHS Program Expenditures		
Division of Central Management and Support		
08. Competitive Block Grant	1,600,000	1,600,000
DHHS Administration		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
09. Administration	454,000	454,000
10. Controlled Substance Reporting System Enhancement	326,224	427,655
Division of Public Health		
11. HIV Testing for Individuals in Substance Abuse Treatment	965,949	965,949
Transfers to Other State Agencies		
Department of Military and Veterans Affairs		
12. Crisis Solutions Initiative – Veteran's Crisis	250,000	250,000
TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	**$45,842,995**	**$45,842,995**
MATERNAL AND CHILD HEALTH BLOCK GRANT		
Local Program Expenditures		
Division of Public Health		
01. Women and Children's Health Services (Safe Sleep Campaign $45,000; Sickle Cell Centers $100,000; Prevent Blindness $575,000; March of Dimes $350,000; Teen Pregnancy Prevention Initiatives $650,000; 17P Project $52,000; Nurse-Family		

Partnership $550,000; Carolina Pregnancy Care Fellowship $400,000; Perinatal & Neonatal Outreach Coordinator Contracts $440,000)	$11,802,435	$11,802,435
02. Oral Health	48,227	48,227
03. Evidence-Based Programs in Counties With Highest Infant Mortality Rates	1,575,000	1,575,000
03A. Every Week Counts	2,200,000	2,200,000
DHHS Program Expenditures		
04. Children's Health Services	1,427,323	1,427,323
05. Women's Health – Maternal Health	169,864	169,864
06. Women and Children's Health – Perinatal Strategic Plan Support Position	68,245	68,245
07. State Center for Health Statistics	158,583	158,583
08. Health Promotion – Injury and Violence Prevention	87,271	87,271
DHHS Administration		
09. Division of Public Health Administration	552,571	552,571
TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT	**$18,089,519**	**$18,089,519**
PREVENTIVE HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Physical Activity and Prevention	$3,545,093	$3,545,093
02. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	180,778	180,778
DHHS Program Expenditures		
Division of Public Health		
03. HIV/STD Prevention and Community Planning	145,819	145,819
04. Oral Health Preventive Services	451,809	451,809
05. Laboratory Services – Testing, Training, and Consultation	21,012	21,012
06. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	192,315	192,315
07. State Laboratory Services – Testing, Training, and Consultation	199,634	199,634
08. Performance Improvement and Accountability	1,104,455	1,104,455
09. State Center for Health Statistics	107,291	107,291
DHHS Administration		
Division of Public Health		
10. Division of Public Health	172,820	172,820
TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	**$6,121,026**	**$6,121,026**

COMMUNITY SERVICES BLOCK GRANT

01. Community Action Agencies	$24,187,142	$24,187,142
02. Limited Purpose Agencies	1,343,730	1,343,730
03. Office of Economic Opportunity	1,343,730	1,343,730
TOTAL COMMUNITY SERVICES BLOCK GRANT	**$26,874,602**	**$26,874,602**

GENERAL PROVISIONS

SECTION 11L.1.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

(1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.
(2) A delineation of the proposed State and local administrative expenditures.
(3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.
(4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.
(5) A projection of current year expenditures by program or activity.
(6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.

SECTION 11L.1.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the Block Grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2017-2018 and 2018-2019, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star rated facilities for four-year-old children and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 11L.1.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2019, according to the schedule enacted for State fiscal years 2017-2018 and 2018-2019 or until a new schedule is enacted by the General Assembly.

SECTION 11L.1.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section

shall be approved by the Office of State Budget and Management, and the Office of State Budget and Management shall consult with the Joint Legislative Oversight Committee on Health and Human Services for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

SECTION 11L.1.(f) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance for Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

SECTION 11L.1.(g) The sum of eighty million ninety-three thousand five hundred sixty-six dollars ($80,093,566) for each year of the 2017-2019 fiscal biennium appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures. The Division shall also have the authority to realign appropriated funds from Work First Family Assistance for electing counties to the Work First County Block Grant for electing counties based on current year expenditures so long as the electing counties meet Maintenance of Effort requirements.

SECTION 11L.1.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for each fiscal year of the 2017-2019 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2017-2018 and 2018-2019 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

SECTION 11L.1.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each fiscal year of the 2017-2019 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

SECTION 11L.1.(j) The sum of one million four hundred thousand dollars ($1,400,000) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used for child welfare initiatives to (i) enhance the skills of social workers to

improve the outcomes for families and children involved in child welfare and (ii) enhance the provision of services to families in their homes in the least restrictive setting.

SOCIAL SERVICES BLOCK GRANT

SECTION 11L.1.(k) The sum of thirty-two million nine hundred seventy-one thousand four hundred ninety-eight dollars ($32,971,498) for the 2017-2018 fiscal year and the sum of thirty-three million three thousand six hundred thirty-two dollars ($33,003,632) for the 2018-2019 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds, as well as State Social Services Block Grant funds, among the State-level services based on current year actual expenditures.

Of the funds appropriated in this subsection for each year of the 2017-2019 fiscal biennium for county block grants, three million dollars ($3,000,000) shall be used to assist counties in the implementation of Project 4, Child Services, in North Carolina Families Accessing Services Through Technology (NC FAST). These funds shall be available in each fiscal year of the fiscal biennium for this purpose.

SECTION 11L.1.(*l*) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used to support various child welfare training projects as follows:

(1) Provide a regional training center in southeastern North Carolina.
(2) Provide training for residential child caring facilities.
(3) Provide for various other child welfare training initiatives.

SECTION 11L.1.(m) The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

SECTION 11L.1.(n) Social Services Block Grant funds appropriated for the Special Children Adoption Incentive Fund shall require a fifty percent (50%) local match.

SECTION 11L.1.(o) The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services to replace the loss of Child Protective Services State funds that are currently used by county governments to pay for Child Protective Services staff at the local level. These funds shall be used to maintain the number of Child Protective Services workers throughout the State. These Social Services Block Grant funds shall be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

SECTION 11L.1.(p) The sum of four million five hundred twenty-four thousand five hundred twenty-five dollars ($4,524,525) for each year of the 2017-2019 fiscal biennium appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services (DHHS), Division of Central Management and Support, shall be used for DHHS competitive block grants pursuant to Section 11A.14 of this act. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 11L.1.(q) The sum of five hundred eighty-two thousand dollars ($582,000) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used to continue support for the Child Advocacy Centers, and the funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 11L.1.(r) The sum of three million eight hundred twenty-five thousand four hundred forty-three dollars ($3,825,443) for each fiscal year of the 2017-2019 fiscal biennium appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may expend funds appropriated in this section to support existing corporate guardianship contracts during the 2017-2018 and 2018-2019 fiscal years.

SECTION 11L.1.(s) The sum of seven hundred thirty-seven thousand sixty-seven dollars ($737,067) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. These funds shall be used to assist with training needs for county child welfare training staff and shall not be used to supplant any other source of funding for staff. County departments of social services are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

SECTION 11L.1.(t) Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services. Additional funds received shall be reported to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services.

SECTION 11L.1.(u) The sum of thirty-six million four hundred two thousand six hundred ten dollars ($36,402,610) for the 2017-2018 fiscal year and the sum of thirty-five million four hundred nineteen thousand two hundred seventy-two dollars ($35,419,272) for the 2018-2019 fiscal year appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.

County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

(1) Ensure that eligible households are made aware of the available assistance, with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.

(2) Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to (i) offer the opportunity to provide outreach and (ii) receive applications for energy assistance.

(3) Be approved by the local board of social services or human services board prior to submission.

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

SECTION 11L.1.(v) Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 11L.1.(w) If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may

move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

MENTAL HEALTH SERVICES BLOCK GRANT

SECTION 11L.1.(x) The sum of one million four hundred thirty thousand eight hundred fifty-one dollars ($1,430,851) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium is allocated for Mental Health Services – First Psychotic Symptom Treatment. The Division shall report on (i) the specific evidence-based treatment and services provided, (ii) the number of persons treated, and (iii) the measured outcomes or impact on the participants served. The Division shall report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

SECTION 11L.1.(y) The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Military and Veterans Affairs, for the call-in center established to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the Department of Military and Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

SECTION 11L.1.(z) The sum of five hundred thousand dollars ($500,000) allocated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used for a medication-assisted opioid use disorder treatment pilot program.

MATERNAL AND CHILD HEALTH BLOCK GRANT

SECTION 11L.1.(aa) If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2017-2018 fiscal year or the 2018-2019 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

SECTION 11L.1.(bb) The sum of one million five hundred seventy-five thousand dollars ($1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each fiscal year of the 2017-2019 fiscal biennium shall be used for evidence-based programs in counties with the highest infant mortality rates. The Division shall report on (i) the counties selected to receive the allocation, (ii) the specific evidence-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.

SECTION 11L.1.(cc) No more than fifteen percent (15%) of the funds provided in this section in the Maternal and Child Health Block Grant to Carolina Pregnancy Care

Fellowship shall be used for administrative purposes. The balance of those funds shall be used for direct services.

SECTION 11L.1.(dd) The sum of sixty-eight thousand two hundred forty-five dollars ($68,245) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, Women and Children's Health Section, for each fiscal year of the 2017-2019 fiscal biennium shall not be used to supplant existing State or federal funds. This allocation shall be used for a Public Health Program Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic Plan and provide staff support for the stakeholder work group.

SECTION 11L.1.(ee) The sum of one hundred thousand dollars ($100,000) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2017-2019 fiscal biennium for community-based sickle cell centers shall not be used to supplant existing State or federal funds.

PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

ELIMINATE PESTICIDE ADVISORY COMMITTEE

SECTION 12.1.(a) Effective July 1, 2017, the Pesticide Advisory Committee is abolished, and all records, property, and unexpended balances of funds of the Committee are transferred to the Structural Pest Control and Pesticides Division of the Department of Agriculture and Consumer Services.

SECTION 12.1.(b) G.S. 143-439 and subdivision (6) of G.S. 143-460 are repealed.

SUPPLEMENTAL FUNDING FOR DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 12.2. Of the nonrecurring funds appropriated to the Department of Agriculture and Consumer Services for the 2017-2018 fiscal year, the Department may use up to two hundred fifty thousand dollars ($250,000) to offset costs potentially incurred by the Department in federal litigation to protect the rights of landowners and citizens of the State impacted by the Environmental Protection Agency's "Waters of the United States" rule. Notwithstanding any other provision of law to the contrary, the Department may use the funds described in this section to employ and supervise private counsel if it decides to participate in the federal litigation.

KEEP LINVILLE RIVER NURSERY OPEN

SECTION 12.4. The North Carolina Forest Service shall continue operations at the Linville River Nursery in Avery County during the 2017-2018 fiscal year and shall not close the nursery without authorization from the General Assembly.

HEALTHY FOOD/SMALL RETAILER

SECTION 12.5.(a) The funds appropriated by this act for the Healthy Food/Small Retailer program shall be used to continue a program to reimburse small food retailers for expenditures related to enhancing access to healthy foods in areas that qualify as food desert zones according to the Economic Research Service of the United States Department of Agriculture. For the purposes of this section, a small food retailer is defined as a business that is a small retail outlet, including corner stores, convenience stores, cooperatives, and bodegas, of no more than 3,000 heated square feet that sells a limited selection of foods and other products. Funds may be used to reimburse small food retailers for the purchase and installation of refrigeration equipment, display shelving, and other equipment necessary for stocking nutrient-dense foods, including fresh vegetables and fruits, whole grains, nuts, seeds, beans and legumes, low-fat dairy products, lean meats, and seafood.

SECTION 12.5.(b) The Department of Agriculture and Consumer Services may reimburse up to twenty-five thousand dollars ($25,000) to each eligible small food retailer. Small food retailers receiving moneys from the program shall accept or agree to accept

Supplemental Nutrition Assistance Program benefits and shall accept or agree to apply to accept Special Supplemental Nutrition Program for Women, Infants, and Children benefits. The Department shall establish guidelines for application and receipt of funding for small food retailers to ensure that the funds shall be used to enhance and advertise the availability of nutrient-dense foods. The Department shall assist the small food retailer in identifying suppliers of nutrient-dense foods and in developing a strategy to encourage the sale of nutrient-dense foods to customers.

SECTION 12.5.(c) On or before October 1, 2018, the Department of Agriculture and Consumer Services shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on the activities, number of small food retailers receiving reimbursement, how the funds were used by the small food retailers, and the gross amount of nutrient-dense food, in dollars, sold to customers by participating small food retailers.

BEEHIVE GRANT FUND

SECTION 12.6. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 55A.

"Beehive Grants.

"**§ 106-650. Beehive Grant Fund.**

(a) Establishment. – The North Carolina Beehive Grant Fund is established as a special fund in the Department of Agriculture and Consumer Services. The Department is responsible for administering the Fund using personnel and other administrative resources of the Agricultural Development and Farmland Preservation Trust Fund program. The Fund may receive funds appropriated by the General Assembly and any gifts, grants, or donations from any public or private sources.

(b) Purposes. – Funds in the North Carolina Beehive Grant Fund shall be used, as available, to encourage the establishment of new beehives in the State. Grants from the Fund shall be made upon application to the Beehive Grant Program as set forth in G.S. 106-651.

"**§ 106-651. Beehive Grant Program.**

(a) Definitions. – The definitions in G.S. 105-164.3 and the following definitions apply in this Article:

(1) Eligible activity. – Any of the following:

a. The purchase of a new hive for bees.

b. The purchase of materials or supplies to be used for the construction of a new hive for bees.

(2) Eligible beekeeper. – A resident of the State who meets the following requirements:

a. The person is at least 18 years of age.

b. The person is a Certified Beekeeper as determined by the North Carolina State Beekeepers Association at the time of filing of the grant application.

(3) Fund. – The Beehive Grant Fund established by G.S. 106-650.

(b) Grants. – Any eligible beekeeper may apply for a grant from the Fund for an eligible activity. The Department shall specify the form and contents of the application, including procedures for the submission of applications electronically. The Board may establish a fee for grant applicants to recover the reasonable costs of reviewing and processing applications. Grants shall be limited to two hundred dollars ($200.00) per new hive, up to a maximum grant of two thousand four hundred dollars ($2,400) per grant recipient in any year, and shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, the grants shall be paid in the next fiscal year in which funds are available.

(c) Rulemaking. – The Board may issue rules to implement the requirements of this Article."

NEW MARKET OPPORTUNITIES FOR FARMERS

SECTION 12.7.(a) Notwithstanding any other provision of law to the contrary, the nonrecurring funds appropriated to the Marketing Division of the Department of Agriculture and Consumer Services for new market opportunities in the 2016-2017 fiscal year shall carry forward to the 2017-2018 fiscal year.

SECTION 12.7.(b) The funds available to the Marketing Division of the Department of Agriculture and Consumer Services for new market opportunities shall be used to identify new market opportunities for agricultural and silvicultural producers related to products that producers currently hold, produce, or are capable of producing. The funds are available for activities including identifying new markets and barriers to market entry; catalyzing efforts to accelerate and ease market participation; utilizing relevant agricultural, forestry, and stakeholder networks; and creating mechanisms to ensure quality assurance for products and service providers.

FOREST SERVICE DISASTER FUNDS

SECTION 12.9. The funds allocated to the North Carolina Forest Service by S.L. 2016-124 for the purposes described in subdivision (10) of Section 4.1 of that act that are unencumbered and unexpended for those purposes may be used by the Department to purchase and remove swine operations located in the 100-year floodplain in any county eligible for funding under S.L. 2016-124. As used in this section, "100-year floodplain" means any area subject to inundation by the one percent (1%) annual chance flood event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal Emergency Management Agency under the National Flood Insurance Program.

TOBACCO TRUST FUND COMMISSION/ADMINISTRATIVE AND OPERATING EXPENSES

SECTION 12.10. Notwithstanding G.S. 143-717(i), the Tobacco Trust Fund Commission may use three hundred seventy-five thousand dollars ($375,000) for the 2017-2018 fiscal year for administrative and operating expenses of the Commission and its staff and to purchase a grants management system.

PART XIII. DEPARTMENT OF ENVIRONMENTAL QUALITY

I & M AIR POLLUTION CONTROL ACCOUNT

SECTION 13.1. G.S. 143-215.3A(b1) reads as rewritten:

"(b1) The I & M Air Pollution Control Account is established as a nonreverting account within the Department. Fees transferred to the Division of Air Quality of the Department pursuant to G.S. 20-183.7(c) shall be credited to the I & M Air Pollution Control Account and shall be applied to ~~the costs of developing and implementing an air pollution control program for mobile sources.~~administering the air quality program."

VOLKSWAGEN SETTLEMENT FUNDS

SECTION 13.2.(a) In developing the "Beneficiary Mitigation Plan" (Plan) as mandated in the procedures for distribution of the State's share of the environmental mitigation trust established in the consent decree resolving the case *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, Civil Case No. 3:15-md-02672 in the United States District Court for the Northern District of California, the agency designated by the Governor as the lead agency under the procedures set forth in the trust agreement shall consult with the Department of Transportation, the Department of Commerce, and other interested State agencies in the formulation of the Plan.

SECTION 13.2.(b) As set forth in G.S. 114-2.4A(f), no funds may be expended under the Plan until the lead agency has submitted the Plan to the Joint Legislative Commission on Governmental Operations, the chairs of the House Appropriations Committee, the chairs of

the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division and the General Assembly has appropriated the funds. The lead agency designated by the Governor shall revise and resubmit the Plan to the trustee following the procedures set forth in the trust agreement to be consistent with the appropriation.

PRE-REGULATORY LANDFILL REPURPOSING

SECTION 13.3. Notwithstanding G.S. 130A-310.11(b), one million dollars ($1,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be allocated to the City of Havelock for the repurposing of the Phoenix Recycling site.

PRE-REGULATORY LANDFILL ASSUMPTION OF RISK

SECTION 13.4.(a) G.S. 130A-310.6(c) reads as rewritten:

"(c) The Secretary shall use funds allocated to the Department under ~~G.S. 130A-295.9(1)~~ G.S. 130A-295.9 to assess pre-1983 landfills, to determine the priority for remediation of pre-1983 landfills, and to develop and implement a remedial action plan for each pre-1983 landfill that requires remediation. Environmental and human health risks posed by a pre-1983 landfill may be mitigated using a risk-based approach for assessment and remediation. The Secretary shall develop a program to permit owners of property containing a pre-1983 landfill to suspend the further application of requirements of the program authorized by this subsection for as long as the owner continues to own the property if the owner complies with all of the following requirements:

(1) The property owner signs an assumption of liability agreement agreeing to accept all liability for potential on-site and off-site impacts caused by the pre-1983 landfill.

(2) The property owner provides financial assurance for any future impacts. The Department shall set the financial assurance requirement in a reasonable manner based on the information on current site conditions and historical disposal records or other information provided by the property owner. The requirement for financial assurance of this subdivision shall not apply where (i) the pre-1983 landfill served as the municipal landfill for a unit of local government and (ii) the unit of local government provided no financial compensation for the waste disposal to the owner of the landfill site."

SECTION 13.4.(b) The Department of Environmental Quality may issue temporary and permanent rules to implement this section.

SECTION 13.4.(c) The Department of Environmental Quality shall provide an interim report on its implementation of this section no later than April 1, 2018, and recurring updates on February 1 of each subsequent year until the Department has issued either a final guidance document or final rules implementing this section. The reports shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

STUDY SOLID WASTE DISPOSAL TAX

SECTION 13.5. The Environmental Review Commission shall study North Carolina's solid waste disposal tax imposed under Article 5G of Chapter 105 of the General Statutes. In conducting this study, the Commission shall examine (i) a detailed history of the annual revenue generated from the tax and its distribution over time to the Department of Environmental Quality and local governments; (ii) a detailed history of expenditures by the Department of Environmental Quality and by local governments of tax proceeds received to date, including to whom and for what purposes the expenditures were made; (iii) all work completed by the Department of Environmental Quality using proceeds of the tax, including

detailed information on the location of sites at which work was performed and a summary of the status of the sites; (iv) plans for future work to be conducted by the Department of Environmental Quality using proceeds of the tax, including detailed information on sites to be addressed and proposed schedules for work; (v) the current balance of the Inactive Hazardous Sites Cleanup Fund; and (vi) any other issue the Commission deems relevant. The Environmental Review Commission shall report its findings and recommendations, including any legislative proposals, to the 2018 Regular Session of the 2017 General Assembly upon its convening.

STUDY EROSION AND SEDIMENT CONTROL/NPDES STORMWATER MERGER

SECTION 13.6. The Department of Environmental Quality shall study the abolition of the Sedimentation Control Commission and transfer of duties to the Environmental Management Commission and a subsequent combination of the Sedimentation and Erosion Control permitting program with the Department's NPDES Stormwater permitting program. In its report, the Department shall set forth the potential cost savings from abolishing the Sedimentation Control Commission and the program merger, any positive or negative impacts on ease of environmental permitting and permit processing and issuance times, and any other impacts on each program and on the workload of the Environmental Management Commission. The Department shall provide its report no later than April 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

DIGITAL DATA STUDY

SECTION 13.7. The North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall develop a proposal to identify and acquire digital data relevant to environmental monitoring and natural resource management, including, but not limited to, the digitization of analog records. In developing the proposal, the Collaboratory shall consult with the Department of Environmental Quality and the Department of Information Technology. The Collaboratory shall assess the feasibility of transferring these data to a central, searchable, and publicly accessible digital database hosted by The University of North Carolina System. The Collaboratory shall provide its proposal no later than March 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

STUDY ACQUISITION OF DEDICATED DREDGING CAPACITY

SECTION 13.8.(a) The Division of Water Resources of the Department of Environmental Quality shall study the feasibility and cost-effectiveness of the acquisition by the State of North Carolina of one or more dredges. The study shall include all of the following:

(1) The capital and annual operating costs of one or more dredges and funding sources for those costs. In studying funding sources, the Division shall not consider the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund established by G.S. 143-215.73F.

(2) The expected level of utilization of one or more State-owned dredges and opportunities for defraying operating expenses by the sale of dredging services to other states, the federal government, and private parties.

(3) Options for minimizing costs and increasing cost-effectiveness, including an evaluation of public-private partnerships and shared ownership arrangements with neighboring states or the United States Army Corps of Engineers.

SECTION 13.8.(b) The Department shall provide its study and any recommendations for fiscal or legislative actions no later than April 1, 2018, to the Joint

Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS

SECTION 13.10. Notwithstanding G.S. 159G-22, funds appropriated in this act to the Division of Water Infrastructure for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund to provide State matching funds that are in excess of the amount required to draw down the maximum amount of federal capitalization grant funds may be used for State water and wastewater infrastructure grants awarded from the Wastewater Reserve and the Drinking Water Reserve that benefit rural and economically distressed areas of the State.

OYSTER RESEARCH REPORTING

SECTION 13.12. The Division of Marine Fisheries and the University of North Carolina at Wilmington shall annually report no later than March 1 to the chairs of the Senate and the House of Representatives appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division regarding the funding for oyster research and restoration activities provided by this act. The report shall include details regarding the use of the funds, including activities completed and additional personnel supported by the funds.

CONTINUE RESEARCH SUPPORT FOR SHELLFISH INDUSTRY

SECTION 13.13.(a) Section 14.11 of S.L. 2016-94 reads as rewritten:

"**PROMOTE SHELLFISH INDUSTRY**

…

"**SECTION 14.11.(d)** The ~~Chief Sustainability Officer of~~North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall convene a stakeholder working group to study and advance efforts to ecologically restore and achieve economic stability of the shellfish ~~aquaculture~~ industry, including (i) how best to spend financial resources to counter declining native oyster populations and shellfish habitats; (ii) the use of ~~nonnative~~ appropriate oyster species to accomplish oyster restoration; (iii) means of combating oyster disease and managing harvesting practices to balance the needs of the industry and promote long-term viability and health of oyster habitat and substrate; (iv) ~~economic aquaculture~~economically and scientifically sound mariculture methods to improve oyster stock and populations; (v) long-term, dedicated options for funding sources and water quality improvements; (vi) means to increase oyster production for both population growth and ~~harvest;~~harvest, including the use of triploid oyster species; (vii) options that expand ~~the use of~~ private shellfish hatchery capacity in the State; (viii) options for promoting the use of cultch planting to enhance and increase oyster habitat and population; (ix) other resources that might be leveraged to enhance reform efforts; and (x) any other issue the ~~Institute~~ Collaboratory deems relevant.

"**SECTION 14.11.(e)** In the conduct of the study required by subsection (d) of this section, the ~~Officer~~ Collaboratory shall convene and consult with a stakeholders group that ~~includes representatives of the commercial and recreational oyster harvesting industries, the North Carolina Division of Marine Fisheries, the Marine Fisheries Commission, nature conservation entities, and experts in the fields of marine biology and marine ecology.~~may consist of representatives from appropriate State and federal agencies; academic institutions; nongovernmental organizations; representatives of any industry working in, or benefitting from, shellfish mariculture; and any other individuals or groups deemed by the Collaboratory as being relevant to the overall success of the study. Nothing in this subsection is intended to require a particular process or level of procedural formality for the stakeholders group.

…."

SECTION 13.13.(b) In addition to the study required by Section 14.11(d) of S.L. 2016-94, as amended by subsection (a) of this section, the North Carolina Policy Collaboratory shall also prepare and deliver a Shellfish Mariculture Plan by December 31, 2018. Except as otherwise prohibited by State or federal law, all State entities shall provide all information, resources, and support deemed relevant by the Collaboratory for the creation of the Shellfish Mariculture Plan. The plan shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division and shall consider the following:

(1) A summary of available and relevant information on shellfish mariculture.

(2) An analysis of existing programs, policies, rules, and laws that govern or affect shellfish mariculture operations within the State, including an examination of workforce training and marketing programs that could facilitate the growth of shellfish mariculture within the State.

(3) A summary of shellfish mariculture plans from other states and countries, including a comparison of how these entities (i) promote and manage shellfish mariculture, (ii) reduce barriers to entry for potential participants in shellfish mariculture, and (iii) offer incentives to encourage entry into shellfish mariculture.

(4) Analysis of siting strategies that reduce potential user conflicts impeding the siting of shellfish mariculture operations and that protect riparian property owners and the public trust uses of estuarine waters for navigation, fishing, and recreation.

(5) Evaluation and consideration of enforcement mechanisms necessary to protect shellfish mariculture operations from theft and degradation and to ensure that shellfish mariculture operations make productive and fair use of public trust coastal waters dedicated to these operations.

(6) Opportunities for local traditional fishermen to effectively compete for shellfish mariculture sites in public waters and participate in enterprises in or near their own communities.

(7) Examination of environmental policies that protect or enhance shellfish mariculture operations.

(8) Consideration of the most appropriate substrate for cultch planting, with consideration of regional differences in bottom conditions within the State that may require different substrates to maximize shellfish sustainability.

(9) Strategies to mitigate or eliminate shellfish pests such as DMX, Dermo, and boring sponges.

(10) Any other issues deemed relevant by the Collaboratory to grow and support shellfish mariculture within the State.

SECTION 13.13.(c) The University of North Carolina at Chapel Hill shall not charge indirect facilities and administrative costs against the funding for the studies required by this section.

SECTION 13.13.(d) The North Carolina Policy Collaboratory, in consultation with the Economic Development Partnership of North Carolina, the Department of Commerce, and the Department of Natural and Cultural Resources, and any other stakeholders the Partnership deems relevant, including the North Carolina Tourism Advisory Board, the North Carolina Restaurant and Lodging Association, the North Carolina Shellfish Growers Association, and the North Carolina Fisheries Association, shall develop conceptual plans and recommendations for economic development related to promotion of the State's shellfish harvesting heritage. The plans and recommendations shall include the creation of a North Carolina Oyster Trail and a North Carolina Oyster Festival. Plan development shall be congruent with the ongoing work of the North Carolina Policy Collaboratory and its stakeholder group as described in this section

and shall include recommendations of locations, oversight, governmental support, cost, and timing of when such initiatives should be launched in the future, including, but not limited to, achieving production and acreage benchmarks, in addition to any other information deemed relevant for inclusion. The Collaboratory's recommendations shall be provided no later than March 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division. This study, as it may be subsequently amended after submission, shall be included as an appendix to the Shellfish Mariculture Plan required by subsection (b) of this section.

MARINE PATROL/SHELLFISH SANITATION EQUIPMENT SALES

SECTION 13.14.(a) The Division of Marine Fisheries of the Department of Environmental Quality may sell the following equipment and vessels from its fleet in order to modernize the fleet:

(1) 1991 Lull telehandler.
(2) 1984 LRT-100 crane.
(3) 1999 Hudson Brothers lowboy trailer.
(4) 1970s-era 135' M/V West Bay vessel.

Notwithstanding G.S. 143C-6-4 or any other provision of law, the Division may spend funds received from the sales authorized by this subsection for future equipment acquisitions to support the Shellfish Rehabilitation and Habitat Enhancement Programs. The sales proceeds are appropriated for that purpose and shall be incorporated into the authorized budget of the Division.

SECTION 13.14.(b) The Division shall report to the Fiscal Research Division and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the proceeds of the sales authorized by this section and the Division's plan for use of the proceeds.

ASSENT TO PROVISIONS OF CERTAIN FEDERAL FISHERIES ACTS

SECTION 13.15.(a) The title of Article 23 of Chapter 113 of the General Statutes reads as rewritten:

"Article 23.

"Administrative Provisions; ~~Regulatory Authority of Wildlife Resources Commission.~~Assent to Certain Federal Acts."

SECTION 13.15.(b) G.S. 113-307.1 reads as rewritten:

"**§ 113-307.1. Legislative assent to specific federal acts.**

…

(b) The State of North Carolina hereby assents to the provisions of the act of Congress entitled "An act to provide that the United States shall aid the states in wildlife restoration projects, and for other purposes," approved September 2, 1937 (Public Law 415, 75th ~~Congress),~~ Congress, also known as the "Pittman-Robertson Act"), 16 U.S.C. § 669, et seq., as amended, and the Wildlife Resources Commission ~~is~~ and the Division of Marine Fisheries of the Department of Environmental Quality are hereby authorized, empowered, and directed to perform such acts as may be necessary to the conduct and establishment of cooperative wildlife restoration projects, as defined in ~~said act of Congress,~~ the Pittman-Robertson Act, in compliance with ~~said act~~ the Act and rules and regulations promulgated by the Secretary of the Interior ~~thereunder; and no~~ under the Act. No funds accruing to the State of North Carolina from license fees paid by hunters shall be diverted for any other purpose than the protection and propagation of game and wildlife in North Carolina and administration of the laws enacted for such purposes, which laws are and shall be administered by the Wildlife Resources Commission. No funds accruing to the State of North Carolina from license fees paid by fishermen for license programs administered by the Division of Marine Fisheries shall be diverted for any other purpose than the administration by the Division of Marine Fisheries of

the Department of Environmental Quality of the portion of the State's fish programs applicable to the marine and estuarine resources over which the Division has authority under State law. Revenues collected from coastal recreational fishing licenses in accordance with the provisions of G.S. 113-175.1(c) and G.S. 113-175.5(c) shall be used solely for the administration of the Division of Marine Fisheries and for program functions described by this subsection.

(c) Assent is hereby given to the provisions of the act of Congress entitled "An act to provide that the United States shall aid the states in fish restoration and management projects, and for other purposes," approved August 9, 1950 (Public Law 681, 81st ~~Congress), and~~ Congress, also known as the "Dingell-Johnson Sport Fish Restoration Act"), 16 U.S.C. § 777, et seq., as amended, the Wildlife Resources ~~Commission is~~ Commission and the Division of Marine Fisheries of the Department of Environmental Quality are hereby authorized, empowered, and directed to perform such acts as may be necessary to the conduct and establishment of cooperative fish restoration projects, as defined in ~~said act of Congress,~~ the Dingell-Johnson Sport Fish Restoration Act, in compliance with ~~said act~~ the Act and rules and regulations promulgated by the Secretary of the Interior ~~thereunder;~~ under the Act; and no funds accruing to the State of North Carolina from license fees paid by fishermen shall be directed for any other purpose than the following:

(1) The administration of the Wildlife Resources Commission and ~~for~~ the protection, propagation, preservation, and investigation of fish and wildlife.

(2) The administration by the Division of Marine Fisheries of the Department of Environmental Quality of the portion of the State's fish programs applicable to the marine and estuarine resources over which the Division has authority under State law. Revenues collected from coastal recreational fishing licenses in accordance with the provisions of G.S. 113-175.1(c) and G.S. 113-175.5(c) shall be used solely for the administration of the Division of Marine Fisheries and for program functions described by this subdivision.

…."

SECTION 13.15.(c) G.S. 113-175.1 reads as rewritten:

"**§ 113-175.1. North Carolina Marine Resources Fund.**

…

(b) The State Treasurer shall hold the Marine Resources Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Marine Resources Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3, and all marine resources investment income shall be deposited to the credit of the Marine Resources Fund. The State Treasurer shall disburse the principal of the Marine Resources Fund and marine resources investment income only upon the written direction of the ~~Marine Fisheries Commission.~~Division of Marine Fisheries of the Department of Environmental Quality.

(c) The ~~Marine Fisheries Commission~~ Division of Marine Fisheries of the Department of Environmental Quality may authorize the disbursement of the principal of the Marine Resources Fund and marine resources investment income only to manage, protect, restore, develop, cultivate, conserve, and enhance the marine resources of the State. ~~The Marine Fisheries Commission is encouraged to consider supporting the Oyster Sanctuary Program managed by the Division of Marine Fisheries. The Marine Fisheries Commission~~ The Division of Marine Fisheries may not authorize the disbursement of the principal of the Marine Resources Fund and marine resources investment income to establish positions without specific authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission for the disbursement of funds from the Marine Resources Fund shall be made by and through the Fisheries Director.~~ Prior to authorizing disbursements from the Marine Resources Fund, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries shall consult with the Wildlife Resources Commission about these proposals. Expenditure of the assets of the Marine Resources Fund shall be made through the State budget accounts of the Division of Marine Fisheries in accordance with the provisions of the Executive Budget Act. The Marine

Resources Fund is subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

SECTION 13.15.(d) G.S. 113-175.5 reads as rewritten:

"**§ 113-175.5. North Carolina Marine Resources Endowment Fund.**

…

(b) The State Treasurer shall hold the Endowment Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Endowment Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The State Treasurer shall disburse the endowment investment income only upon the written direction of ~~both~~ the ~~Marine Fisheries Commission.~~Division of Marine Fisheries of the Department of Environmental Quality.

(c) Subject to the limitations set out in subsection (d) of this section, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries of the Department of Environmental Quality may authorize the disbursement of endowment investment income only to manage, protect, restore, develop, cultivate, conserve, and enhance the marine resources of the State. The ~~Marine Fisheries Commission~~ Division of Marine Fisheries may not authorize the disbursement of endowment investment income to establish positions without specific authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission for the disbursement of funds from the Endowment Fund shall be made by and through the Fisheries Director.~~ Prior to authorizing disbursements from the Marine Resources Endowment Fund, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries shall consult with the Wildlife Resources Commission about ~~these proposals.~~funding requests.

…."

DMF ARTIFICIAL REEFS PROGRAM FUNDING CLARIFICATION

SECTION 13.16. G.S. 113-175.1 is amended by adding a new subsection to read:

"(d) To enhance fishing opportunities, the Marine Resources Fund may be used to construct artificial reefs in the estuarine and ocean waters of the State and federal waters up to 20 nautical miles from land."

UST PROGRAM RULE MAKING AND REPORT

SECTION 13.19.(a) The Environmental Management Commission shall adopt temporary rules implementing Section 14.16B of S.L. 2015-241 no later than October 1, 2017. Notwithstanding G.S. 150B-21.1(d), the temporary rules shall remain in effect until the effective date of the permanent rule adopted to replace the temporary rule.

SECTION 13.19.(b) The Commission shall report regarding the status of the rule making required by this section and by Section 14.16B of S.L. 2015-241 to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than December 31, 2017.

MERCURY SWITCH PROGRAM EXTENSION

SECTION 13.21.(a) Section 9 of S.L. 2007-142, as amended by Section 14.1(a) of S.L. 2016-94, reads as rewritten:

"**SECTION 9.** Sections 1, 2, 6, 7, and 9 of this act become effective when this act becomes law. Sections 3, 4, and 8 of this act become effective 1 July 2007. Section 5 of this act becomes effective 1 July 2007 and applies to violations that occur on or after that date. The Department shall submit the first annual report required by G.S. 130A-310.57, as enacted by Section 7 of this act, on or before 1 October 2008. Effective June 30, ~~2017,~~2021, Part 6 of Article 9 of Chapter 130A of the General Statutes, as amended by this act, is repealed."

SECTION 13.21.(b) Section 14.1(c) of S.L. 2016-94 reads as rewritten:

"**SECTION 14.1.(c)** Subsection (b) of this section becomes effective June 30, ~~2017.~~2021. Funds remaining in the Mercury Pollution Prevention Fund (Fund Code 24300-2119) on that date shall be transferred to the Division of Waste Management (Fund Code 14300-1760)."

SECTION 13.21.(c) This section becomes effective June 30, 2017.

WATER AND SEWER INFRASTRUCTURE GRANTS

SECTION 13.22.(a) The following allocations are made from nonrecurring funds appropriated by this act to the Division of Water Infrastructure of the Department of Environmental Quality for water and sewer infrastructure grants:

(1) The sum of three million dollars ($3,000,000) for the 2017-2018 fiscal year and the sum of two million dollars ($2,000,000) for the 2018-2019 fiscal year to the Johnston County Research and Training Zone Association, Inc. for a regional wastewater project.

(2) The sum of one million dollars ($1,000,000) for the 2017-2018 fiscal year for grants to grantees located in development tier one or tier two areas, as defined in G.S. 143B-437.08, for any of the following:

a. Construction, protection, or expansion of water intake structures located in surface water impoundments. For purposes of this subdivision, protection of water intake structures may include the stabilization or restoration of natural stream functions upstream and downstream of the water intake.

b. Repair or replacement of sewer lines, when the repair project is necessary to protect or enhance (i) natural habitats or (ii) water quality.

(3) The following sums to the indicated local governments for the 2017-2018 fiscal year for various water infrastructure projects:

a. Eight hundred thirty thousand dollars ($830,000) to the Town of Wallace.

b. One hundred twenty-five thousand dollars ($125,000) to the Town of Taylorsville.

c. Eighty thousand dollars ($80,000) to the Town of Benson.

d. Forty thousand dollars ($40,000) to the Town of Four Oaks.

(4) The sum of one hundred thousand dollars ($100,000) for the 2017-2018 fiscal year to Davidson County for the Wil-Cox bridge sewer expansion.

Notwithstanding G.S. 159G-33 and G.S. 159G-34, no non-State match will be required for grants allocated by this section.

SECTION 13.22.(b) The Johnston County Research and Training Zone Association, Inc. shall submit a report detailing its use of State funds appropriated by this act. The report shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division by September 1, 2017, by September 1 of each subsequent year State funds are received, and more frequently as requested. The report shall include the information required by this subsection for the most recently ended fiscal year.

IN SITU NUTRIENT MANAGEMENT STRATEGIES

SECTION 13.24. Section 14.13(e) of S.L. 2016-94 reads as rewritten:

"**SECTION 14.13.(e)** The Department of Environmental Quality shall study alternative technologies for in situ approaches to nutrient management in Falls Lake and Jordan Lake. In its study, the Department shall consider in situ treatments, including algaecide and phosphorus-locking technologies, that have been certified by the United States Environmental Protection Agency for use in drinking water sources. Of the funds appropriated in this act to the Department of Environmental Quality, the sum of one million three hundred thousand dollars ($1,300,000) for the 2016-2017 fiscal year may be used ~~to implement~~only for permitting and implementation of a trial of these technologies. ~~If the Department decides to implement a trial, it shall enter into a contract for the trial by December 31, 2016.~~The Department shall begin any testing or sampling activities required to support permit applications for the trial by September

1, 2017. Any contract entered into under this subsection shall not be subject to Article 3 or Article 8 of Chapter 143 of the General Statutes. The study shall determine whether these treatments would provide improvements in water ~~quality and whether the improvements would be more cost-effective than more conventional nutrient mitigation strategies.~~quality. The Department shall submit an interim report no later than ~~March 1, 2017,~~September 1 of each year the study and trial required by this section are ongoing and a final report no later than ~~March 1, 2018,~~December 31, 2020, to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division. If the Department finds these strategies to be effective, it shall incorporate them into the Nutrient Strategies readoption required by subsection (d) of this section. Funds allocated by this subsection shall remain available until the conclusion of the study, and any funds unused at that time shall revert to the General Fund."

ON-SITE WATER PROTECTION BRANCH WELL INSPECTION PROGRAM TRANSFER STUDY

SECTION 13.25. The Department of Environmental Quality and the Department of Health and Human Services shall study whether the transfer of functions related to private well inspection and permitting from the Division of Public Health of the Department of Health and Human Services to the Division of Water Resources of the Department of Environmental Quality would enhance program effectiveness, operational and financial efficiency, and customer service. The Departments shall convene and consult with a stakeholders group that includes, but is not limited to, the well drillers, well inspectors, and local health department officials that participate in the inspection or permitting of private wells. The Departments shall make a recommendation regarding a transfer and shall report the recommendation and any proposed legislation to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Health and Human Services, the Environmental Review Commission, and the Fiscal Research Division by March 1, 2018.

DEPARTMENT OF ENVIRONMENTAL QUALITY REORGANIZATION THROUGH REDUCTION

SECTION 13.26.(a) Notwithstanding Section 8.3 of S.L. 2013-382, as amended by Section 55.3(g) of S.L. 2014-115 and Section 30.13(a) of S.L. 2015-241, the Office of State Human Resources shall allow the Department of Environmental Quality to use the Reorganization Through Reduction Program (RTR) throughout the 2017-2019 biennium to achieve the savings required by this act.

SECTION 13.26.(b) As part of the reorganization required by this section, the Department of Environmental Quality shall move the Utility Savings Initiative from the Division of Environmental Assistance and Customer Service to the State Energy Office.

FUNDING FOR OYSTER HIGHWAY PROJECT

SECTION 13.27. Of the funds appropriated in this act for oyster sanctuaries, the sum of one hundred thousand dollars ($100,000) shall be allocated to the North Carolina Wildlife Habitat Foundation for the Oyster Highway project on the New River in Onslow County. The Foundation shall report on its use of the funds allocated by this section no later than September 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division.

SUBPART XIII-A. WILDLIFE RESOURCES COMMISSION

MATTAMUSKEET LODGE REPAIRS

SECTION 13A.1. From funds available to it, the Wildlife Resources Commission shall repair the roof and stabilize the tower at the Mattamuskeet Lodge in Hyde County. The Commission shall complete the repairs required by this section no later than June 30, 2018.

WILDLIFE ENDOWMENT FUND CHANGES

SECTION 13A.2.(a) G.S. 143-250.1(f1) reads as rewritten:

"(f1) At all times during which the cash balance in the Wildlife Endowment Fund is equal to or greater than the sum of one hundred million dollars ($100,000,000), the Wildlife Resources Commission shall budget at least ~~fifty percent (50%)~~ twenty-five percent (25%) of the annual expendable interest from the Fund, as determined by the Board of Trustees of the Fund, to implement the conservation goals set forth in the Wildlife Resource Commission's strategic plan."

SECTION 13A.2.(b) G.S. 147-69.2(a) is amended by adding a new subdivision to read:

"(17k) The Wildlife Endowment Fund."

SECTION 13A.2.(c) G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to ~~subdivisions (a)(17i) or (a)(17j)~~ subdivisions (17i), (17j), and (17k) of subsection (a) of this section in any of the investments authorized under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The State Treasurer may require a minimum deposit, up to one hundred thousand dollars ($100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of participation pursuant to this subsection. Fees assessed by the State Treasurer may be used to defray the costs of administering the funds and expenditures authorized under this section. Funds deposited pursuant to this subsection shall remain the funds of the North Carolina Conservation Easement Endowment ~~Fund or~~ Fund, the Conservation Grant Fund, or the Wildlife Endowment Fund, as applicable, and interest or other investment income earned thereon shall be prorated and credited to the North Carolina Conservation Easement Endowment ~~Fund or~~ Fund, the Conservation Grant ~~Fund~~ Fund, or the Wildlife Endowment Fund on the basis of the amounts contributed to the respective Funds, figured according to sound accounting principles."

MODIFY LICENSE FEES REQUIRED TO HUNT, FISH, OR TRAP

SECTION 13A.3. G.S. 113-270.1B(e) reads as rewritten:

"(e) The Wildlife Resources Commission shall adopt rules to establish fees for the hunting, fishing, trapping, and activity licenses issued and administered by the Wildlife Resources Commission. No rule to increase fees above January 1, 2015, levels may increase a fee in excess of the ~~average~~ total increase in the Consumer Price Index for All Urban Consumers over the ~~preceding five years.~~period of time since the last fee change.

The statutory fees for the hunting, fishing, trapping, and activity licenses issued and administered by the Wildlife Resources Commission shall expire when the rules adopted pursuant to this subsection become effective."

PART XIV. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

VARIOUS NER AGENCY REPORT CHANGES

DEPARTMENT OF ENVIRONMENTAL QUALITY REPORT CHANGES

SECTION 14.1.(a) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources": G.S. 130A-310.76 and G.S. 143-58.5.

SECTION 14.1.(b) G.S. 77-96(c) reads as rewritten:

"(c) The accounts and records of the Commission showing the receipt and disbursement of funds from whatever source derived shall be in the form that the North Carolina Auditor and the Virginia Auditor of Public Accounts prescribe, provided that the accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by similar enterprises. The accounts and records of the Commission shall be subject to an annual audit by the North Carolina Auditor and the Virginia Auditor of Public Accounts or their legal representatives, and the costs of the audit services shall be borne by the Commission. The

results of the audits shall be delivered by March 1 of each year to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly of North Carolina and as provided by the Commonwealth of Virginia."

SECTION 14.1.(c) G.S. 77-115(b) reads as rewritten:

"(b) The accounts and records of each commission showing the receipt and disbursement of funds from whatever source derived shall be in the form that the Auditor of North Carolina and the State Auditor of South Carolina prescribe. The accounts and records of each commission shall be subject to an annual audit by the Auditor of North Carolina and the State Auditor of South Carolina or their legal representatives. The cost of the annual audits shall be borne by each commission. The results of the audits shall be delivered by March 1 of each year to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly of North Carolina and to the General Assembly of South Carolina as the General Assembly of South Carolina shall provide."

SECTION 14.1.(d) G.S. 113-182.1(e) reads as rewritten:

"(e) The Secretary of Environmental Quality shall monitor progress in the development and adoption of Fishery Management Plans in relation to the Schedule for development and adoption of the plans established by the Marine Fisheries Commission. The Secretary of Environmental Quality shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division within 30 days of the completion or substantial revision of each proposed Fishery Management Plan. The ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources shall review each proposed Fishery Management Plan within 30 days of the date the proposed Plan is submitted by the Secretary. The ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources may submit comments and recommendations on the proposed Plan to the Secretary within 30 days of the date the proposed Plan is submitted by the Secretary."

SECTION 14.1.(e) G.S. 136-28.8(g) reads as rewritten:

"(g) On or before October 1 of each year, the Department shall report to the Division of Environmental Assistance and Outreach of the Department of Environmental Quality as to the amounts and types of recycled materials that were specified or used in contracts that were entered into during the previous fiscal year. On or before January 15 of each year, the Division of Environmental Assistance and Outreach shall prepare a summary of this report and submit the summary to the ~~Joint Legislative Commission on Governmental Operations and~~Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Transportation Oversight ~~Committee.~~Committee, and the Fiscal Research Division. The summary of this report shall also be included in the report required by G.S. 130A-309.06(c)."

SECTION 14.1.(f) G.S. 143-64.12(j) reads as rewritten:

"(j) The State Energy Office shall submit a report by December 1 of every odd-numbered year to the Joint Legislative Energy Policy ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division describing the comprehensive program to manage energy, water, and other utility use for State agencies and State institutions of higher learning required by subsection (a) of this section. The report shall also contain the following:

…."

SECTION 14.1.(g) G.S. 143-64.17H reads as rewritten:

"**§ 143-64.17H. Report on guaranteed energy savings contracts entered into by State governmental units.**

A State governmental unit that enters into a guaranteed energy savings contract or implements an energy conservation measure pursuant to G.S. 143-64.17L must report either (i) the contract and the terms of the contract or (ii) the implementation of the measure to the State Energy Office of the Department of Environmental Quality within 30 days of the date the contract is entered into or the measure is implemented. In addition, within 60 days after each annual anniversary date of a guaranteed energy savings contract, the State governmental unit must report the status of the contract to the State Energy Office, including any details required by the State Energy Office. The State Energy Office shall compile the information for each fiscal year and report it to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and ~~to~~ the Local Government Commission annually by December 1. In compiling the information, the State Energy Office shall include information on the energy savings expected to be realized from a contract or implementation and shall evaluate whether expected savings have in fact been realized."

SECTION 14.1.(h) G.S. 143-214.13(a) reads as rewritten:

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

SECTION 14.1.(i) G.S. 143-215.3A(c) reads as rewritten:

"(c) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the cost of the State's environmental permitting programs contained within the Department on or before 1 November of each year. The report shall include, but is not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all other sources, interest ~~earned~~ earned, and any other information requested by the General Assembly."

SECTION 14.1.(j) G.S. 143-215.9A(a) reads as rewritten:

"(a) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on or before 1 October of each year on the status of facilities discharging into surface waters during the previous fiscal year. The report shall include:

…

(4) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, or the Fiscal Research Division."

SECTION 14.1.(k) G.S. 143-215.10M(a) reads as rewritten:

"(a) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and

Economic Resources, and the Fiscal Research Division on or before 1 October of each year as required by this section. Each report shall include:

…

(10) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, or the Fiscal Research Division."

SECTION 14.1.(*l*) G.S. 143-215.94M(a) reads as rewritten:

"(a) The Secretary shall present an annual report to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, the chairs of the Senate Appropriations ~~Subcommittee~~ Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources ~~which~~ that shall include at least the following:

…."

SECTION 14.1.(m) G.S. 143B-279.8(e) reads as rewritten:

"(e) The Coastal Resources Commission, the Environmental Management Commission, and the Marine Fisheries Commission shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on progress in developing and implementing the Coastal Habitat Protection Plans, including the extent to which the actions of the three commissions are consistent with the Plans, on or before 1 September of each year."

SECTION 14.1.(n) G.S. 143B-279.17 reads as rewritten:

"**§ 143B-279.17. Tracking and report on permit processing times.**

The Department of Environmental Quality shall track the time required to process all permit applications in the One-Stop for Certain Environmental Permits Programs established by G.S. 143B-279.12 and the Express Permit and Certification Reviews established by G.S. 143B-279.13 that are received by the Department. The processing time tracked shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. No later than March 1 of each year, the Department shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division of the General ~~Assembly~~ Assembly, and the Environmental Review Commission on the permit processing times required to be tracked pursuant to this section."

DEPARTMENT OF COMMERCE REPORT CHANGES

SECTION 14.1.(o) The following statutes are amended by deleting the language "General Assembly" or "legislature" wherever either appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 18C-115(a), 62-17(a1), 62-110.1, and 94-2.

SECTION 14.1.(p) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 62-15(h), 62-133.8(j), 62-133.9(i), 97-78(e), and 113-315.36.

SECTION 14.1.(q) The following statutes are amended by deleting the language "General Assembly" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 96-35, 143B-434.01(*l*), 143B-434.2(d), 143B-438.10(a)(7a), 143B-438.10(a)(8), and 143B-438.14(d).

SECTION 14.1.(r) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 143B-431.01(d)(1) and G.S. 143B-431.01(f).

SECTION 14.1.(s) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 143B-435.1(d), 143B-437.02(k), 143B-437.012(m), 143B-472.35(*l*), and 143B-1285(3).

SECTION 14.1.(t) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" and "General Assembly" wherever either appears and substituting "Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 143B-437.07(b) and G.S. 143B-437.08(k).

SECTION 14.1.(u) G.S. 62-133.5(k) reads as rewritten:

"**§ 62-133.5. Alternative regulation, tariffing, and deregulation of telecommunications utilities.**

…

(k) To evaluate the affordability and quality of local exchange service provided to consumers in this State, a local exchange company or competing local provider offering basic local residential exchange service that elects to have its rates, terms, and conditions for its services determined pursuant to the plans described in subsection (h) or (m) of this section shall make an annual report to the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources on the state of its company's operations. The report shall be due 30 days after the close of each calendar year and shall cover the period from January 1 through December 31 of the preceding year. The Joint Legislative ~~Commission on Governmental Operations must~~ Oversight Committee on Agriculture and Natural and Economic Resources shall review the annual reports and shall decide whether to recommend that the General Assembly take corrective action in response to those reports. The report shall include the following:

…."

SECTION 14.1.(v) G.S. 96-40 reads as rewritten:

"**§ 96-40. Unemployment insurance program integrity; reporting.**

…

(c) Quarterly Reporting. – Beginning October 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the directives in this section to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations

Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

…

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the ~~General Assembly~~ chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

…."

SECTION 14.1.(w) G.S. 136-18.01 reads as rewritten:

"**§ 136-18.01. Consultation required for welcome and visitor centers.**

The Department of Commerce and the Department of Transportation shall consult with the ~~Joint Legislative Commission on Governmental Operations and the House and Senate Appropriations Subcommittees on Natural and Economic Resources~~ chairs of the Joint Legislative Transportation Oversight Committee, the chairs of the Senate Appropriations Committee on Department of Transportation, the chairs of the House of Representatives Appropriations Committee on Transportation, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources before beginning the design or construction of any new welcome center or visitor center buildings."

SECTION 14.1.(x) G.S. 143B-421.3 reads as rewritten:

"**§ 143B-421.3. Consultation required for welcome and visitor centers.**

The Department of Commerce and the Department of Transportation shall consult with the ~~Joint Legislative Commission on Governmental Operations and the House and Senate Appropriations Subcommittees on Natural and Economic Resources~~ chairs of the Joint Legislative Transportation Oversight Committee, the chairs of the Senate Appropriations Committee on Department of Transportation, the chairs of the House of Representatives Appropriations Committee on Transportation, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources before beginning the design or construction of any new welcome center or visitor center buildings."

SECTION 14.1.(y) G.S. 143B-434.01(*l*) reads as rewritten:

"**§ 143B-434.01. Comprehensive Strategic Economic Development Plan.**

….

(*l*) Accountability. – The Secretary shall make all data, plans, and reports available to ~~the General Assembly, the Joint Legislative Commission on Governmental Operations,~~ the Joint Legislative Economic Development and Global Engagement Oversight Committee, the chairs of the Senate Appropriations Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources at appropriate times and upon request. The Secretary shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective."

SECTION 14.1.(z) G.S. 143B-437.8(1) and G.S. 143B-437.83(1) are repealed.

SECTION 14.1.(aa) G.S. 143B-437.74(a) reads as rewritten:

"**§ 143B-437.74. Reports; study.**

(a) Reports. – The Department of Commerce shall publish a report on the use of funds in the One North Carolina Fund at the end of each fiscal quarter. The report shall contain

information on the commitment, disbursement, and use of funds allocated under the One North Carolina Fund. The report is due no later than one month after the end of the fiscal quarter and ~~must~~ shall be submitted to the following:

(1) The ~~Joint Legislative Commission on Governmental Operations.~~chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources.

(1a) The House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources.

…

(5) The Joint Legislative Economic Development and Global Engagement Oversight Committee."

SECTION 14.1.(bb) G.S. 159B-30.1 reads as rewritten:

"**§ 159B-30.1. Additional reports.**

Beginning March 1, 1996, and annually thereafter, each joint agency operating under the authority of Chapter 159B of the General Statutes shall file a report with the ~~Joint Legislative Commission on Governmental Operations~~ chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources describing the activities of the joint agency carried out pursuant to the authority granted by G.S. 159B-2, 159B-11(19b), 159B-12 and 159B-17(c). The report shall cover the preceding calendar year. Each joint agency shall file such additional reports as the ~~Joint Legislative Commission on Governmental Operations~~committees shall request."

DEPARTMENT OF NATURAL AND CULTURAL RESOURCES REPORT CHANGES

SECTION 14.1.(cc) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division": G.S. 121-7.3, 121-9, 143B-71, 143B-73, and 146-26.

SECTION 14.1.(dd) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources": G.S. 121-7.7, 121-21.1, 143B-53.3, 143B-87.2, and 143B-135.244.

SECTION 14.1.(ee) G.S. 121-12.1 reads as rewritten:

"**§ 121-12.1. Grants-in-aid.**

Under the concepts of reorganization of State government, responsibility for administering appropriations to the Department of Natural and Cultural Resources for grants-in-aid to private nonprofit organizations in the areas of history, art, and culture is ~~hereby~~ assigned to the Department of Natural and Cultural Resources. ~~It shall be the responsibility of the~~ By February 15 of each year, the Department of Natural and Cultural Resources ~~to~~ shall receive, analyze, and recommend to the ~~Governor and the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division the disposition of any request for funding received by it from or for any of these ~~organizations, and to~~ organizations. The Department shall disburse under provisions of law any appropriations made to the Department for them. Appropriations to the Department of Natural and Cultural Resources for grants-in-aid to assist in the restoration of historic sites owned by private nonprofit organizations shall ~~in addition~~ be expended only in accordance with G.S. 121-11, 121-12 and 143B-53.1."

SECTION 14.1.(ff) G.S. 125-2 reads as rewritten:

"**§ 125-2. Powers and duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall have the following powers and duties:

…

(2) To make to the ~~Governor~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economics Resources, and the Fiscal Research Division a biennial report of its activities and needs, including recommendations for improving its services to the State, ~~to be transmitted by the Governor to the General Assembly.~~by February 15 of each odd-numbered year.

…."

SECTION 14.1.(gg) G.S. 140-5.14 reads as rewritten:

"**§ 140-5.14. Board of Trustees – powers and duties.**

The Board of Trustees ~~shall be~~ is the governing body of the North Carolina Museum of Art and ~~shall have~~ has the following powers and duties:

…

(10) To make a biennial report by February 15 of each odd-numbered year to the ~~Governor and the General Assembly~~ Governor, Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the activities of the Board of Trustees and of the North Carolina Museum of Art;

…."

SECTION 14.1.(hh) G.S. 143-406 reads as rewritten:

"**§ 143-406. Duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall take action to carry out the following purposes as funds and staff permit:

…

~~The~~ By February 15 of each odd-numbered year, the Department of Natural and Cultural Resources shall, in addition to such other recommendations, ~~studies~~ studies, and plans as it may submit from time to time, submit a biennial report of progress to the Governor, ~~and thus, to the General Assembly.~~the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division."

SECTION 14.1.(ii) G.S. 143B-131.4 reads as rewritten:

"**§ 143B-131.4. Commission reports.**

The Commission shall submit a ~~quarterly~~ semiannual report by January 15 and July 15 of each year to the Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and ~~to~~ the Fiscal Research Division of the General Assembly. The report shall include:

(1) A summary of actions taken by the Commission consistent with the powers and duties of the Commission set forth in G.S. 143B-131.2.

(2) Recommendations for legislation and administrative action to promote and develop the Elizabeth II State Historic Site and Visitor Center.

(3) An accounting of funds received and expended."

SECTION 14.1.(jj) G.S. 143B-135.102(c) reads as rewritten:

"(c) The Secretary, with advice of the Committee, shall study trail needs and potentials, and make additions to the State Trails System as needed. ~~He~~ The Secretary shall submit an annual report by October 1 of each year to the ~~Governor and General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources,

and the Fiscal Research Division on trail activities by the Department, including rights-of-way that have been established and on the program for implementing this Part. Each report shall include a short statement on the significance of the various trails to the System. The Secretary shall make such rules as to trail development, management, and use that are necessary for the proper implementation of this Part."

SECTION 14.1.(kk) G.S. 143B-135.156 reads as rewritten:

"**§ 143B-135.156. Administrative agency; federal grants; additions to the system; regulations.**

(a) The Department is the agency of the State of North Carolina with the duties and responsibilities to administer and control the North Carolina natural and scenic rivers system.

(b) The Department ~~shall be~~ is the agency of the State with the authority to accept federal grants of assistance in planning, developing (which would include the acquisition of land or an interest in land), and administering the natural and scenic rivers system.

(c) The Secretary of the Department shall study and from time to time submit to the ~~Governor and to the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division proposals for the additions to the system of rivers and segments of rivers which, in ~~his~~ the Secretary's judgment, fall within one or more of the categories set out in G.S. 143B-135.148. Each proposal shall specify the category of the proposed addition and shall be accompanied by a detailed report of the facts which, in the Secretary's judgment, makes the area a worthy addition to the system.

(c1) Before submitting any proposal ~~to the Governor or the General Assembly~~ under subsection (c) of this section for the addition to the system of a river or segment of a river, the Secretary or ~~his~~ the Secretary's authorized ~~representative,~~ representative shall hold a public hearing in the county or counties where ~~said~~ the river or segment of river is situated. Notice of ~~such~~ the public hearing shall be given by publishing a notice once each week for two consecutive weeks in a newspaper having general circulation in the county where ~~said~~ the hearing is to be held, the second of ~~said~~ the notices appearing not less than 10 days before ~~said~~ the hearing. Any person attending ~~said~~ the hearing shall be given an opportunity to be heard. ~~Notwithstanding the provisions of the foregoing, no~~ No public ~~hearing~~ hearing, however, ~~shall be~~ is required with respect to a river bounded solely by the property of one owner, who consents in writing to the addition of ~~such~~ the river to the system.

(c2) The Department shall also conduct an investigation on the feasibility of the inclusion of a river or a segment of river within the system and shall file a written report with the ~~Governor when submitting a proposal.~~proposal described in subsection (c) of this section.

(c3) The ~~Department shall also,~~ Department, before submitting ~~such~~ a ~~proposal to the Governor or the General Assembly,~~ proposal under subsection (c) of this section, shall notify in writing the owner, lessee, or tenant of any lands adjoining ~~said~~ the river or segment of river of its intention to make ~~such~~ the proposal. In the event the Department, after due diligence, is unable to determine the owner or lessee of ~~any such~~ the land, the Department may publish a notice for four successive weeks in a newspaper having general circulation in the county where the land is situated of its intention to make a proposal ~~to the Governor or General Assembly~~ for the addition of a river or segment of river to the system.

(d) Upon receipt of a request in the form of a resolution from the commissioners of the county or counties in which a river segment is located and upon studying the segment and determining that it meets the criteria set forth in G.S. 143B-135.150, the Secretary may designate the segment a potential component of the natural and scenic rivers system. The designation as a potential component shall be transmitted to the Governor and all appropriate State agencies. Any segment so designated is subject to the provisions of this Part applicable to designated rivers, except for acquisition by condemnation or otherwise, and to any rules adopted pursuant to this Part. The Secretary shall make a full report and, if appropriate, a proposal for an addition to the natural and scenic rivers system to the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the

Fiscal Research Division within 90 days after the convening of the next session of the General Assembly following issuance of the designation, and the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources shall determine whether to designate the segment as a component of the natural and scenic rivers system. If the next session of the General Assembly fails to take affirmative action on the designation, the designation as a potential component shall expire.

(e) The Department may adopt rules to implement this Part."

SECTION 14.1.(*ll*) G.S. 143B-135.221 reads as rewritten:

"**§ 143B-135.221. Reports to General Assembly.**

The Commission shall prepare and submit a report outlining the needs of the North Carolina State Museum of Natural Sciences and recommendations for improvement of the effectiveness of the North Carolina State Museum of Natural Sciences ~~for the purpose hereinabove set forth to the General Assembly, to the Fiscal Research Division of the General Assembly, and to the Joint Legislative Commission on Governmental Operations~~ to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on or before October 1 of each year."

SECTION 14.1.(mm) G.S. 143B-135.256 reads as rewritten:

"**§ 143B-135.256. Powers and duties of the Secretary.**

The Secretary shall:

…

(7) Submit to the ~~Governor and the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division a biennial report on or before February 15 of odd-numbered years describing the activities of the past biennium and plans for the coming biennium, and detailing specific recommendations for action that the Secretary deems necessary for the improvement of the Program."

DEPARTMENT OF LABOR REPORT CHANGES

SECTION 14.1.(nn) G.S. 95-25.23C(c) reads as rewritten:

"(c) Report. – No later than February 1 of each year, the Commissioner shall submit a written report to the ~~General Assembly,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division of the General Assembly on the Department of Labor's investigative, inspection, and enforcement activities under the Wage and Hour Act pertaining to youth employment. Each report submitted pursuant to this subsection shall contain data and information about the calendar year preceding the date on which the last written report was submitted. The report shall include at least all of the following:

…."

SECTION 14.1.(oo) G.S. 95-136.1(d) reads as rewritten:

"(d) The Department shall by March 1, 1995, and annually thereafter, report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly on the impact of the special emphasis inspection program on safety and health compliance and enforcement."

SECTION 14.1.(pp) G.S. 95-227(e) reads as rewritten:

"(e) The Commissioner shall report no later than May 1 of each year to the Chairpersons of the Senate Appropriations Committee on Natural and Economic ~~Resources and~~ Resources, the Chairpersons of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic ~~Resources~~ Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division regarding the number of annual preoccupancy certifications issued, the number of operators with one hundred percent (100%) compliance at the preoccupancy inspection, the

number of postoccupancy inspections conducted by the Department of Labor of North Carolina, the number and type of citations and fines issued, the total number of migrant worker beds in the State, and the identification of operators who fail to apply for or obtain permits to operate migrant housing pursuant to this Article."

SECTION 14.1.(qq) G.S. 113-391(e) reads as rewritten:

"(e) The Department shall submit an annual report on its activities conducted pursuant to this Article and rules adopted ~~thereunder~~ under it to the Environmental Review Commission, the Joint Legislative Commission on Energy Policy, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate ~~and House of Representatives~~ Appropriations ~~Subcommittees~~ Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division of the General Assembly on or before October 1 of each year."

TOBACCO TRUST FUND COMMISSION REPORT CHANGE

SECTION 14.1.(rr) G.S. 143-722(a) reads as rewritten:

"(a) The chair of the Commission shall report each year by November 1 to the ~~Joint Legislative Commission on Governmental Operations and~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House and Senate Appropriations ~~Committees~~ Committees, and the Fiscal Research Division regarding the implementation of this Article, including a report on funds disbursed during the fiscal year by amount, purpose, and category of recipient, and other information as requested by the ~~Joint Legislative Commission on Governmental Operations.~~Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources. A written copy of the report shall also be sent to the Legislative Library by November 1 each year."

DEPARTMENT OF AGRICULTURE

SECTION 14.1.(ss) G.S. 122D-18(c) reads as rewritten:

"(c) ~~Within six months after the end of each fiscal year,~~ By October 1 of each year, the Authority shall submit to the ~~Governor and to the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division an annual report on the operations of the ~~Authority. Within 60 days after receipt thereof, the~~ Authority during the past fiscal year. The annual report shall include a mission statement and a description of the Authority's activities during the past fiscal year. The Authority shall submit to the ~~Governor and to the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division a copy of the report of every audit of the books and accounts of the ~~Authority.~~Authority within 60 days after receipt of the report."

MILITARY BUFFERS

SECTION 14.2. The funds appropriated in this act to the Clean Water Management Trust Fund and the North Carolina Agricultural Development and Farmland Preservation Trust Fund for the purpose of military buffers shall only be expended on land that buffers a military facility from incompatible use encroachment.

CLARIFYING CHANGES TO DEPARTMENT OF NATURAL AND CULTURAL RESOURCES FUNDS

SECTION 14.3.(a) G.S. 121-5(e) reads as rewritten:

"(e) Archives and Records Management Fund. The Archives and Records Management Fund is established as a special revenue fund. The Fund consists of donations, gifts, devises, and the fees credited to it under Chapter 161 of the General Statutes. Revenue in the Fund may be used only to offset the Department's costs in providing essential records management and archival services for public records pursuant to Chapter 121 and Chapter 132 of the General Statutes."

SECTION 14.3.(b) G.S. 121-7.6(a) reads as rewritten:

"(a) Fund Established. – The North Carolina Transportation Museum Fund is created as a special ~~interestbearing,~~ interest-bearing, nonreverting enterprise fund in the Department of Natural and Cultural Resources. The Fund shall be used to pay all costs associated with the ~~operation~~ operation, interpretation, development, expansion, preservation, and maintenance of the North Carolina Transportation Museum."

SECTION 14.3.(c) G.S. 121-7.7(a) reads as rewritten:

"(a) Fund. – The State Historic Sites and Museums Fund is created as a special, interest-bearing revenue fund in the Division of State Historic Sites and the Division of State History Museums. The Fund consists of all receipts derived from the lease or rental of property or facilities, disposition of structures or products of the land, ~~private donations,~~ donations, gifts, devises, and admissions and fees collected at the State Historic Sites, State History Museums, and Maritime Museums. The revenues in the Fund may be used only for the operation, interpretation, maintenance, preservation, development, and expansion of the individual State Historic Site, State History Museum, and Maritime Museum where the receipts are generated. The respective Division and the staff from each State Historic Site, State History Museum, and Maritime Museum ~~will~~ shall determine how the funds ~~will~~ shall be used at that Historic Site, State History Museum, and Maritime Museum."

SECTION 14.3.(d) G.S. 143B-53.3(a) reads as rewritten:

"(a) Fund. – The Queen Anne's Revenge Project Special Fund is created as a special, interest-bearing revenue fund within the Department of Natural and Cultural Resources, Office of Archives and History. The Fund shall consist of all receipts derived from ~~private donations, grant funds,~~ donations, gifts, devises, and earned revenue. The monies in the Fund may be used only for contracted services, personal services and operations, conference and meeting expenses, travel, staff salaries, operations for laboratory needs, museum exhibits, and other administrative costs related to the Queen Anne's Revenge Project. The staff of the Office of Archives and History and the Department of Natural and Cultural Resources shall determine how the funds ~~will~~ shall be used for the purposes of the Queen Anne's Revenge Project, and those funds are hereby appropriated for those purposes."

SECTION 14.3.(e) G.S. 143B-79(7) reads as rewritten:

"(7) The Committee may dispose of property held in the Executive Mansion after consultation with a review committee comprised of one person from the Executive Mansion Fine Arts Committee, appointed by its chairman; one person from the Department of Administration appointed by the Secretary of Administration; and two qualified professionals from the Department of Natural and Cultural Resources, Division of Archives and History, appointed by the Secretary of Natural and Cultural Resources. Upon request of the Executive Mansion Fine Arts Committee, the review committee ~~will~~ shall view proposed items for disposition and shall make a recommendation to the North Carolina Historical Commission who ~~will~~ shall make a final decision. The Historical Commission ~~must~~ shall consider whether the disposition is in the best interest of the State of North Carolina. If any property is sold, the net proceeds of each sale and any interest earned thereon shall be deposited in the State Treasury to the credit of the Executive Mansion, Special Fund, and shall be used only for the purchase, conservation, ~~restoration~~ restoration, or repair of other property for use in the Executive Mansion."

SECTION 14.3.(f) G.S. 143B-87.2(a) reads as rewritten:

"(a) Fund. – The A+ Schools Special Fund is created as a special interest-bearing revenue fund in the Department of Natural and Cultural Resources, North Carolina Arts Council. The Fund shall consist of all receipts derived from ~~private donations, grant funds,~~ donations, gifts, devises, and earned revenue. The revenue in the Fund may be used only for contracted services, conference and meeting expenses, travel, staff salaries, and other administrative costs related to the A+ Schools program. The staff of the North Carolina Arts

Council and the Department shall determine how the funds ~~will~~ shall be used for the purposes of the A+ Schools program."

SECTION 14.3.(g) G.S. 143B-135.56(a) reads as rewritten:

"(a) Fund Created. – There is established a Parks and Recreation Trust Fund in the State Treasurer's Office. The Trust Fund shall be a special revenue fund consisting of ~~gifts and grants~~ donations, gifts, and devises to the Trust Fund and other monies appropriated to the Trust Fund by the General Assembly."

SECTION 14.3.(h) G.S. 143B-135.188 reads as rewritten:

"**§ 143B-135.188. North Carolina Aquariums; fees; fund.**

…

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special fund. The North Carolina Aquariums Fund shall be used for the following purposes with respect to the aquariums and the pier operated by the Division of North Carolina Aquariums:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction. Funds used for repair, renovation, and expansion projects may be transferred to a capital projects fund to account for use of the funds for each project.

…

(c) Disposition of Receipts. – All receipts derived from the collection of admissions charges and other fees and the lease or rental of property or facilities shall be credited to the aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:

…

(3) Any ~~private donations,~~ donations, gifts, and devises received by the North Carolina aquariums.

…."

SECTION 14.3.(i) G.S. 143B-135.209 reads as rewritten:

"**§ 143B-135.209. North Carolina Zoo Fund.**

(a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina Zoo Fund shall be used for the following types of projects at the North Carolina Zoological Park and to match private funds raised for these types of projects:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction. Funds used for repair, renovation, and expansion projects may be transferred to a capital projects fund to account for use of the funds for each project.

…

(b) Disposition of Receipts. – All receipts derived from the collection of admissions charges and other ~~fees and~~ fees, the lease or rental of property or facilities, and the disposition of products of the land or structures shall be credited to the North Carolina Zoological Park's General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Zoological Park's General Fund operating budget to the North Carolina Zoo Fund an amount not to exceed the sum of one million five hundred thousand dollars ($1,500,000) and any ~~private donations,~~ donations, gifts, and devises received by the North Carolina Zoological Park.

…."

SECTION 14.3.(j) G.S. 143B-135.213 is amended by adding a new subsection to read:

"(c) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Council may dispose of any exhibit, exhibit component, or object from the collections of the North Carolina Zoological Park by sale, lease, or trade. A sale, lease, or trade under this subsection shall be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the

American Association of Zoos and Aquariums. After deducting the expenses attributable to the sale or lease, the net proceeds of any sale or lease shall be credited to the North Carolina Zoo Fund."

PROMOTE ACCESS TO AND EXCHANGE OF LIBRARY MATERIALS

SECTION 14.5. G.S. 125-2 reads as rewritten:

"**§ 125-2. Powers and duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall have the following powers and duties:

…

(10) To ~~plan and coordinate cooperative programs between the various types of libraries within the State of North Carolina, and to coordinate State development with regional and national cooperative library programs; and to assist nonprofit corporations in organization and operation for the purposes of cooperative programs.~~do the following:

a. Plan and coordinate cooperative programs between the various types of libraries within the State of North Carolina.

b. Coordinate State development with regional and national cooperative library programs.

c. Assist nonprofit corporations in the organization and operation of cooperative programs.

d. Enter into contracts to coordinate cooperative programs or to promote the access and exchange of library materials under this subdivision."

EXEMPTION FOR FOOD AND VENDING FACILITIES AT NORTH CAROLINA ZOO

SECTION 14.6.(a) Article 3 of Chapter 111 of the General Statutes is amended by adding a new section to read:

"**§ 111-47.4. Food service at North Carolina Zoological Park.**

Notwithstanding any other provision of this Article, the North Carolina Zoological Park may operate or contract for the operation of food or vending services at the North Carolina Zoological Park. Notwithstanding G.S. 111-43, the net proceeds of revenue generated by food and vending services operated by the North Carolina Zoological Park or a vendor with whom the North Carolina Zoological Park has contracted shall be credited to the North Carolina Zoo Fund."

SECTION 14.6.(b) This section becomes effective July 1, 2017, and applies to any contract for food or vending services at the North Carolina Zoological Park entered into on or after that date.

CORRECT DNCR SALARY AND BENEFIT BASE BUDGET EXPENDITURES

SECTION 14.7. Notwithstanding G.S. 143C-6-4, the Office of State Budget and Management, after coordination with the Department of Natural and Cultural Resources and the Fiscal Research Division, shall adjust personal services line items, as appropriate, within the Division of Parks and Recreation, the North Carolina Aquariums, and the North Carolina Zoological Park within the Department of Natural and Cultural Resources to correct errors in the base budget. The line item adjustments shall be corrected as part of the 2017-2019 biennial budget certification process. The Department shall make corresponding adjustments in the BEACON system to reflect the updated source of funds as necessary.

ABOLISH ROANOKE ISLAND COMMISSION

SECTION 14.8.(a) Article 19 of Chapter 143 of the General Statutes reads as rewritten:

"Article 19.

"Roanoke Island Historical Association.

"**§ 143-199. Association under patronage and control of State.**

Roanoke Island Historical Association, Incorporated is hereby permanently placed under the patronage and control of the State.

"**§ 143-200. Members of board of directors; terms; appointment.**

The governing body of the Association shall be a board of directors consisting of ~~the Governor of the State, the Attorney General, the~~ 25 voting members appointed as follows:

(1) The following officials, or their designees, shall serve ex officio:

a. The Superintendent of Public ~~Instruction, the~~ Instruction.

b. The Chair of the Dare County Board of ~~Commissioners, and the~~ Commissioners.

c. The Secretary of Natural and Cultural ~~Resources, or their designees, as ex officio members, and the following 21 members: J. Spencer Love, Greensboro; Miles Clark, Elizabeth City; Mrs. Richard J. Reynolds, Winston-Salem; D. Hiden Ramsey, Asheville; Mrs. Charles A. Cannon, Concord; Dr. Fred Hanes, Durham; Mrs. Frank P. Graham, Chapel Hill; Bishop Thomas C. Darst, Wilmington; W. Dorsey Pruden, Edenton; John A. Buchanan, Durham; William B. Rodman, Jr., Washington; J. Melville Broughton, Raleigh; Melvin R. Daniels, Manteo; Paul Green, Chapel Hill; Samuel Selden, Chapel Hill; R. Bruce Etheridge, Manteo; Theodore S. Meekins, Manteo; Roy L. Davis, Manteo; M. K. Fearing, Manteo; A. R. Newsome, Chapel Hill.~~ Resources.

(2) Four persons shall be appointed as follows:

a. Two by the Governor, initially, one for a one-year term and one for a three-year term. Successors shall be appointed for a term of three years and until their successors are appointed.

b. One by the General Assembly, in accordance with G.S. 120-121, upon the recommendation of the President Pro Tempore of the Senate, for a three-year term. Successors shall also be appointed for a term of three years and until their successors are appointed.

c. One by the General Assembly, in accordance with G.S. 120-121, upon the recommendation of the Speaker of the House of Representatives, initially for a one-year term. Successors shall be appointed for a term of three years and until their successors are appointed.

(3) The remaining 18 members of the board of directors ~~herein named other than the ex officio members, shall serve for a term of three years and until their successors are appointed. Appointments thereafter~~ shall be made by the membership of the Association in the regular annual meeting or special meeting called for such purpose. In the event the Association through its membership should fail to make such appointments, then the appointments shall be made by the Governor of the State. If a vacancy occurs between annual meetings, the board of directors may fill the vacancy until the next annual meeting. All vacancies occurring on the board of directors not filled by the board of directors within 30 days of the vacancy shall be filled by the ~~Governor of the State.~~Governor. Members appointed under this subdivision shall serve for a term of three years and until their successors are appointed.

"**§ 143-201. Bylaws; officers of board.**

The ~~said~~ board of directors when organized under the terms of this Article shall have authority to adopt bylaws for the organization and ~~said~~ the bylaws shall thereafter be subject to change only by three-fifths vote of a quorum of ~~said~~ the board of ~~directors; the~~ directors. The board of directors shall choose from its membership or from the membership of the Association a chairman, a vice-chairman, a secretary and a treasurer, which offices in the discretion of the

board may be combined in one, and also a historian and a general counsel. The board also in its discretion may choose one or more honorary vice-chairmen. ~~The~~ In addition to their other lawful duties, the duly elected officers of the Association shall also serve as an advisory committee to the Secretary of Natural and Cultural Resources concerning matters relating to "The Lost Colony" historical ~~drama.~~drama, the Roanoke Island Festival Park, and the Elizabeth II State Historic Site and Visitor Center.

"**§ 143-202. Exempt from taxation; gifts and donations.**

The ~~said~~ Association is and shall be an educational and charitable association within the meaning of the laws of the State of North Carolina, and the property and income of such Association, real and personal, shall be exempt from all taxation. The ~~said~~ Association is authorized and empowered to receive gifts and donations and administer the same for the charitable and educational purposes for which the Association is formed and in keeping with the will of the donors, and such gifts and donations to the extent permitted by law shall be exempted from the purpose of income taxes and gift taxes.

"**§ 143-202.1. Memorandum of Agreement for operation of Roanoke Festival Park and Elizabeth II State Historic Site and Visitor Center.**

The Department of Natural and Cultural Resources shall negotiate a Memorandum of Agreement (MOA) with the Association for the management and operation of Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center. The MOA shall include, at a minimum, the following:

(1) The establishment and collection of any admission charges or user fees for properties and events operated at Roanoke Island Festival Park by the Association. Nothing in this subdivision is intended to require the charging of admission to any property or event.

(2) The adoption and enforcement of bylaws, rules, and guidelines needed for the Association to carry out the duties imposed by the MOA.

(3) Provisions for the transfer of that portion of revenues collected from operations of the Roanoke Island Festival Park and associated facilities and enterprises from the Association to the Historic Roanoke Island Fund as the MOA may specify.

(4) The delegation of any powers and the transfer of any assets, liabilities, contracts, or agreements from the Department to the Association necessary to carry out the duties imposed by the MOA. Any delegation or transfer shall be made in accordance with applicable law."

SECTION 14.8.(b) Section 19.9 of S.L. 2013-360 is codified as G.S. 143-202.2 and reads as rewritten:

"**§ 143-202.2. Friends of Elizabeth II support for Roanoke Island Festival Park.**

~~The Roanoke Island Commission~~ The Department of Natural and Cultural Resources as successor in interest to the Roanoke Island Commission shall request financial support from the Friends of Elizabeth II, Inc., in the amount of three hundred twenty-five thousand dollars ($325,000) or a sum equal to the average of the last three consecutive years of the Friends' investment earnings, whichever is greater, for each fiscal ~~year of the 2013-2015 biennium and for each subsequent fiscal year.~~year. These funds shall be deposited by the Department to a separate fund within the Historic Roanoke Island Fund and used ~~pursuant to G.S. 143B-131.2.~~only for the following purposes:

(1) To operate Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center and the Elizabeth II as permanent memorials commemorating the Roanoke Voyages, 1584-1587.

(2) By cooperative arrangement with other agencies, groups, individuals, and other entities, including the Association, to coordinate and schedule historical and cultural events on Roanoke Island."

SECTION 14.8.(c) G.S. 143B-131.8A and G.S. 143B-131.9 are recodified as G.S. 143-202.3 and G.S. 143-202.4, respectively, and read as rewritten:

"**§ 143-202.3. Historic Roanoke Island Fund.**

(a) The Historic Roanoke Island Fund is established as a nonreverting enterprise fund and shall be administered by the Department of Natural and Cultural Resources. ~~All operating revenues generated by the Roanoke Island Commission, including revenues collected from any property operated by the Roanoke Island Commission, together with all gifts, grants, donations, or other financial assets of whatever kind received or held by the Roanoke Island Commission shall be credited to the Historic Roanoke Island Fund and~~ The fund shall be used only ~~(i) for the~~ for the following purposes in addition to those set forth in G.S. 143-202.2:

(1) The expenses of operating and maintaining ~~the Roanoke Island Commission and~~ the properties managed by the ~~Roanoke Island Commission,~~ Roanoke Island Historical Association pursuant to G.S. 143-202.1, including the salaries and benefits of Roanoke Island Festival Park ~~staff, (ii) to carry out any of the other duties and purposes set out by this Part, or (iii) capital~~ for staff.

(2) Capital expenditures for the properties operated by the ~~Commission.~~Association pursuant to G.S. 143-202.1.

(3) The restoration, preservation, and enhancement of the appearance, maintenance, and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264 Bypass travel corridor on Roanoke Island and the grounds on Roanoke Island Festival Park. However, the local government with jurisdiction over the affected portion of the travel corridor shall process the applications for and issue the certificates of appropriateness and shall be responsible for the enforcement of those certificates and any ordinances or rules adopted by the local government regarding that portion of the travel corridor within the local government's jurisdiction, and no reimbursement shall be made from the Fund to any local government for the processing of applications or issuance of certificates of appropriateness or the enforcement of those certificates, local ordinances, or rules.

(4) To identify, preserve, and protect properties located on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo consistent with applicable State laws and rules.

(b) The Department of Natural and Cultural Resources shall transfer to the Fund on a monthly basis a pro rata share of the utilities, maintenance, and operating expenses of the Outer Banks History Center, which is located in the Roanoke Island Festival Park. The funds received pursuant to this subsection shall be credited to the Historic Roanoke Island Fund.

(c) The Department of Natural and Cultural Resources shall credit to the Historic Roanoke Island Fund all rental proceeds received by the Department from the rental properties located near the Outer Banks Island Farm.

"**§ 143-202.4. Roanoke Island Festival Park staff.**

The ~~Commission~~ Association shall serve as a search committee to seek out, interview, and recommend to the Secretary of Natural and Cultural Resources an Executive Director of Roanoke Island Festival Park. All ~~employees of the Commission shall be transferred to~~ Festival Park staff shall be considered employees of the Department of Natural and Cultural Resources and shall be paid from the Historic Roanoke Island Fund as provided in ~~G.S. 143B-131.8A.~~G.S. 143-202.3. Except as otherwise provided in this section, or G.S. 126-5, ~~all employees who are transferred from the Commission to the Department of Natural and Cultural Resources~~ these employees shall retain the same designations under the North Carolina Human Resources Act, Chapter 126 of the General Statutes, as they had prior to the transfer."

SECTION 14.8.(d) G.S. 121-7.3 reads as rewritten:

"**§ 121-7.3. Admission and related activity fees and operating hours.**

The Department of Natural and Cultural Resources may charge a reasonable admission and related activity fee to the Roanoke Island Festival Park and any historic site or museum

administered by the Department. Admission and related activity fees collected under this section are receipts of the Department and shall be deposited in the appropriate special fund. The revenue collected pursuant to this section shall be used only for the individual ~~historic site or museum~~ site or venue where the receipts were generated. The Secretary may adopt rules necessary to carry out the provisions of this section. The Department is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at the Roanoke Island Festival Park, historic ~~sites~~ sites, and museums. The Department shall submit a report to the Joint Legislative Commission on Governmental Operations on the amount and purpose of a fee change within 30 days following its effective date."

SECTION 14.8.(e) Effective October 1, 2017, Part 27A of Article 2 of Chapter 143B of the General Statutes is repealed and the Roanoke Island Commission is abolished. All powers, assets, liabilities, contracts, and agreements with, of, or issued by the Roanoke Island Commission are vested in and transferred to the Department of Natural and Cultural Resources as the successor in interest to the Commission. Any references to purposes of the Commission set forth in G.S. 143B-131.2 shall be construed to refer to the purposes set forth in G.S. 143-202.2, as enacted by subsection (b) of this section.

SECTION 14.8.(f) Any certificates of appropriateness for the U.S. Highway 64/264 or the U.S. 64/264 Bypass travel corridor issued by any local government under former Part 27A of Article 2 of Chapter 143B of the General Statutes remain valid and in effect as issued.

SECTION 14.8.(g) Notwithstanding G.S. 143-200(2)b. and c., as enacted by subsection (a) of this section, the initial appointments of the General Assembly to the Roanoke Island Historical Association Board shall be the chair and vice-chair of the Roanoke Island Commission holding that office on September 30, 2017, who shall serve the initial term set forth in G.S. 143-200(2)b. and c.

SECTION 14.8.(h) The Department of Natural and Cultural Resources shall enter into the Memorandum of Agreement required by G.S. 143-202.1, as enacted by subsection (a) of this section, no later than January 15, 2018, and shall submit a copy of the Memorandum of Agreement to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division prior to the convening of the 2018 Regular Session of the 2017 General Assembly.

SECTION 14.8.(i) This section becomes effective October 1, 2017.

LUMBER RIVER STATE PARK

SECTION 14.9. The Division of Parks and Recreation of the Department of Natural and Cultural Resources may move the Lumber River State Park's primary office and headquarters to the Lumber River Visitors Center in Fair Bluff. If the Division decides to relocate the headquarters, the Division and the Department of Transportation shall work together to enable and facilitate the move.

SCIENCE MUSEUM FUNDING

SECTION 14.11. G.S. 143B-135.227(b1) reads as rewritten:

"(b1) Tier-Based Funding Preferences. – The Museum of Natural Sciences shall reserve seven hundred fifty thousand dollars ($750,000) for the purpose of awarding grants to museums located in development tier one counties and six hundred thousand dollars ($600,000) for museums located in development tier two counties. The development tier designation of a county shall be determined as provided in G.S. 143B-437.08. If, after the initial awarding of grants to all museum applicants who meet the eligibility criteria provided for in subsection (d) of this section, there are funds remaining in any development tier category, the Museum of Natural Sciences may reallocate those funds to another development tier category. The maximum amount of each grant awarded in any fiscal year shall be (i) seventy-five thousand dollars ($75,000) for a museum in a development tier one county; (ii) sixty thousand dollars ($60,000) for a museum in a development tier two county; and (iii) fifty thousand dollars

($50,000) for a museum in a development tier three county. For purposes of this subsection, a museum located in a rural census tract, as defined in G.S. 143B-472.127(a)(2), in a development tier two or development tier three county shall be subject to the maximum grant amount for a development tier one county."

YOUTH CONSERVATION CORPS

SECTION 14.12. Article 3 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-58.7. Contracts with Youth Conservation Corps.**

State departments, institutions, and agencies may contract with the North Carolina Youth Conservation Corps to perform trail construction and maintenance, invasive species removal, and other conservation projects in State parks, State forests, and other State-owned facilities where the projects provide direct public benefits to the citizens of the State and offer youth and young adults of the State a structured program that connects them to natural resources and teaches job skills, leadership, community service, and personal responsibility. Contracts under this section are exempt from the competitive bidding procedures described in this Article and the rules adopted under it."

MAYO RIVER STATE PARK ACCESS

SECTION 14.13. Five hundred thousand dollars ($500,000) of the funds available to the Parks and Recreation Trust Fund for the 2017-2018 fiscal year shall be used for construction of an access bridge from real property owned by the State of North Carolina over the Mayo River for the purpose of addressing public safety issues and service vehicle access to monitor, maintain, repair, or replace the existing sewer line traversing portions of Mayo River State Park.

CWMTF/PARTF FUNDS

SECTION 14.14. Five hundred forty-five thousand dollars ($545,000) of the nonrecurring funds available to the Clean Water Management Trust Fund for the 2017-2018 fiscal year and five hundred thousand dollars ($500,000) of the nonrecurring funds available to the Parks and Recreation Trust Fund for the 2017-2018 fiscal year shall be held in a reserve at the Office of State Budget and Management to provide matching funds for a Readiness and Environmental Protection Integration grant to purchase the Archers Creek tract on Bogue Banks in Carteret County. Funds allocated by this section but not encumbered at the end of the 2017-2018 fiscal year shall revert to the respective funds.

HICKORY NUT GORGE TRAIL

SECTION 14.15. The General Assembly authorizes the Department of Natural and Cultural Resources to add the Hickory Nut Gorge trail to the State Parks System as a State trail, as provided in G.S. 143B-135.54(b). The Department shall support, promote, encourage, and facilitate the establishment of trail segments on State park lands and on lands of other federal, State, local, and private landowners. On segments of the Hickory Nut Gorge trail that cross property controlled by agencies or owners other than the Department's Division of Parks and Recreation, the laws, rules, and policies of those agencies or owners shall govern the use of the property. The requirement of G.S. 143B-135.54(b) that additions be accompanied by adequate appropriations for land acquisition, development, and operations shall not apply to the authorization set forth in this section. For purposes of this section, the "Hickory Nut Gorge trail" refers to the trail through the Hickory Nut Gorge located within Henderson, Rutherford, and Buncombe counties, and encompasses current and future permanently publicly accessible recreational trails inside, or within five miles of, the physical boundaries of the Hickory Nut Gorge, Lake Lure, Broad River, or Chimney Rock State Park.

CLEAN WATER MANAGEMENT TRUST FUND PRIORITIZATION

SECTION 14.17. Of the funds appropriated in this act to the Clean Water Management Trust Fund for the 2017-2018 fiscal year for grants, two million six hundred

sixty-four thousand dollars ($2,664,000) shall be used to purchase 1,100 or more acres of property for new Wildlife Resource Commission gameland directly adjacent to 600 or more acres of gameland purchased in calendar year 2017.

STATE PARKS BOAT RAMPS

SECTION 14.18. Part 32 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-135.58. State Parks boat ramps.**

Any park that includes an existing boat ramp suitable for launch of motorized watercraft shall ensure the ramp is accessible to the public during the park's regular operating hours."

SCOTTS HILL AQUARIUM SATELLITE FACILITY

SECTION 14.19. Of the funds appropriated by this act to the Division of North Carolina Aquariums in the North Carolina Department of Natural and Cultural Resources, the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2017-2018 fiscal year is allocated for planning of Blake Farms satellite aquarium area in Scotts Hill, North Carolina, and the Division is authorized to expend funds for this purpose.

PART XV. DEPARTMENT OF COMMERCE

NER BLOCK GRANTS FOR 2018 AND 2019 PROGRAM YEARS/USE OF DEOBLIGATED FUNDS

SECTION 15.1.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2018, and June 30, 2019, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01.	State Administration	$ 1,037,500
02.	Neighborhood Revitalization	10,000,000
03.	Economic Development	10,737,500
04.	Infrastructure	21,725,000

TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT – 2018 Program Year	**$ 43,500,000**
2019 Program Year	**$ 43,500,000**

SECTION 15.1.(b) If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION 15.1.(c) Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION 15.1.(d) Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars ($1,037,500) may be used for State Administration, up to ten million dollars ($10,000,000) may be used for Neighborhood Revitalization, up to ten million seven hundred thirty-seven thousand five hundred dollars ($10,737,500) may be used for Economic Development, and up to twenty-one million seven hundred twenty-five thousand dollars ($21,725,000) may be used for infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION 15.1.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

(1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety, the Director of the Budget may authorize the reallocation without consulting the Commission. The Department of Commerce shall report to the Commission on the reallocation no later than 30 days after it was authorized and shall identify in the report the emergency, the type of action taken, and how it was related to the emergency.

(2) The State will lose federal block grant funds or receive less federal block grant funds in the next fiscal year unless a reallocation is made. The Department of Commerce shall provide a written report to the Commission on the proposed reallocation and shall identify the reason that failure to take action will result in the loss of federal funds. If the Commission does not hear the issue within 30 days of receipt of the report, the Department may take the action without consulting the Commission.

SECTION 15.1.(f) By September 1, 2017, and September 1, 2018, the Department of Commerce shall report to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on the use of Community Development Block Grant Funds appropriated in the prior fiscal year. The report shall include the following:

(1) A discussion of each of the categories of funding and how the categories were selected, including information on how a determination was made that there was a statewide need in each of the categories.

(2) Information on the number of applications that were received in each category and the total dollar amount requested in each category.

(3) A list of grantees, including the grantee's name, county, category under which the grant was funded, the amount awarded, and a narrative description of the project.

SECTION 15.1.(g) For purposes of this section, eligible activities under the category of infrastructure in subsection (a) of this section shall be defined as provided in the HUD State Administered Community Development Block Grant definition of the term "infrastructure." Notwithstanding the provisions of subsection (e) of this section, funds allocated to the infrastructure category in subsection (a) of this section shall not be reallocated to any other category.

SECTION 15.1.(h) Throughout each year, deobligated funds arise in the various funding categories and program years of the Community Development Block Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in the CDBG program may vary from year to year based upon the amount of State-appropriated funds allocated and the amount of eligible in-kind funds identified.

SECTION 15.1.(i) To allow the Department of Commerce and the Department of Environmental Quality to quickly deploy deobligated and surplus federal administrative funds as they are identified throughout the program year, the following shall apply to the use of deobligated CDBG funds and surplus federal administrative funds:

(1) All surplus federal administrative funds shall be divided equally between the Departments of Commerce and Environmental Quality and shall be used as provided in subdivisions (2) and (3) of this subsection.

(2) All deobligated funds allocated to the Department of Commerce and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:

a. To issue grants in the CDBG economic development or neighborhood revitalization program category.

b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.
c. For additional assistance for pilot broadband projects.
d. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

(3) All deobligated funds allocated to the Department of Environmental Quality and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
a. To issue grants in the CDBG infrastructure program category.
b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

TRAVEL AND TOURISM BOARD TECHNICAL CORRECTION

SECTION 15.2. G.S. 143B-434.1(d) reads as rewritten:

"(d) The members of the Board shall serve the following terms: the Secretary of Commerce, the chief executive officer of the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), and the Chair of the Travel and Tourism Coalition shall serve on the Board while they hold their respective offices. Each member of the Board appointed by the Governor shall serve during his or her term of office. The members of the Board appointed by the ~~General Assembly~~Speaker of the House of Representatives and the President Pro Tempore of the Senate shall serve two-year terms beginning on September 1 of ~~odd-numbered~~even-numbered years and ending on August 31. The first such term shall begin on September 1, 2016, or as soon thereafter as the member is appointed to the Board, and end on August 31, 2018. All other members of the Board shall serve a term which includes the portion of calendar year 2016 that remains following their appointment or designation and ends on August 31, 2017, and, thereafter, two-year terms which shall begin on September 1 of an ~~even-numbered~~ odd-numbered year and end on August 31. The first such two-year term shall begin on September 1, 2017, and end on August 31, 2019."

EDPNC REPORTING DATE CHANGE

SECTION 15.3.(a) G.S. 143B-431.01 reads as rewritten:

"**§ 143B-431.01. Department of Commerce – contracting of functions.**

…

(e) Mandatory Contract Terms. – Any contract entered into under this section ~~must~~ shall include all of the following:

…

(2) A provision requiring the nonprofit corporation to provide by ~~September 1~~ January 31 of each year, and more frequently as requested, a report to the Department on prior ~~State fiscal~~ calendar year program activities, objectives, and accomplishments and prior ~~State fiscal~~ calendar year itemized expenditures and fund sources. The report shall also include all of the following:

…

(f) Report. – By ~~September 30~~ March 1 of each year, and more frequently as requested, the Department shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on any performance for which the Department has contracted pursuant to this section. The report shall contain, at a minimum, each of the ~~following:~~following presented on a calendar year basis:

…."

SECTION 15.3.(b) To enable data comparison, portions of the report required pursuant to G.S. 143B-431.01(f) that contain references to prior submitted reports or data shall, where possible, be presented on a calendar year basis.

SECTION 15.3.(c) This section becomes effective October 1, 2017, and applies to the report due on or before March 1 of 2018 and subsequent years.

EDPNC CONTRACT MODIFICATIONS

SECTION 15.4. Notwithstanding G.S. 143B-431.01(e)(14), the Secretary of Commerce shall enter into negotiations with the Economic Development Partnership of North Carolina to amend the contract with the Partnership for the fund-raising year in effect as of the effective date of this section to (i) reduce to five hundred thousand dollars ($500,000) the amount the Partnership must receive from fund-raising efforts and sources other than State funds and (ii) permit amounts for the fiscal year raised in excess of the amount required by this section to apply to the amount required to be raised for the subsequent fiscal year.

BUDGET CODE REORGANIZATION FOR COMMERCE

SECTION 15.5.(a) The Office of State Budget and Management shall establish a fund code for the International Recruitment Coordination Office (IRCO) in the budget for the Department of Commerce in Budget Code 14600 for the purpose of removing the IRCO from the Administrative Services fund code. Notwithstanding any other provision of law to the contrary, the nonrecurring funds appropriated to IRCO in fund code 1111 in the 2016-2017 fiscal year shall carry forward to the 2017-2018 fiscal year.

SECTION 15.5.(b) The Office of State Budget and Management shall reorganize the various economic development funds by moving the following funds within Budget Code 14602 (Commerce – Economic Development):

(1) Site and Building Development Fund.
(2) Job Maintenance and Capital Development Fund.
(3) Job Development Investment Grant Fund.
(4) One NC Fund.
(5) The nonadministrative portion of the Main Street Solutions Fund.
(6) Downtown Revitalization and Economic Development Grants Fund.
(7) The nonadministrative portion of the Rural Grants Fund.

SECTION 15.5.(c) The Office of Budget and Management shall move the fund code for the Economic Development Partnership of North Carolina (14600-1114) to Budget Code 14602 (Commerce – Economic Development) and shall update the fund code accordingly.

SECTION 15.5.(d) The fund code changes authorized by this section shall be completed by September 30, 2017, but are effective from July 1, 2017, and shall be reflected in the base budget for the 2019-2021 fiscal biennium.

DEPARTMENT OF COMMERCE WEB SITE

SECTION 15.6. Notwithstanding any provision of law to the contrary, of the funds appropriated in this act to the Department of Commerce, the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to enter into an agreement with a third-party vendor to develop and implement a new state-of-the-art Internet Web site for the Department.

NC READY SITES PROGRAM

SECTION 15.7A.(a) Program. – There is created within the Department of Commerce the NC Ready Sites Fund (Fund), a special fund. Of the funds appropriated in this act to the Fund, the Department of Commerce shall allocate two million dollars ($2,000,000) in the 2017-2018 fiscal year to the Rural Infrastructure Authority for the assistance program described in this section, as governed by agreements entered into by the Rural Infrastructure Authority.

SECTION 15.7A.(b) Purposes. – Moneys in the NC Ready Sites Program shall assist local government units to fund improvement of public infrastructure that serves publicly owned or publicly controlled industrial sites that have the potential to attract employers that can create jobs and have a significant positive effect on the local, regional, and State economies. Agreements entered into by local governments and the Rural Infrastructure Authority for the program shall be administered by the Rural Economic Development Division.

SECTION 15.7A.(c) Program Guidelines. – The Department and the Rural Infrastructure Authority shall develop guidelines related to the administration of this program. At least 20 days before the effective date of any guidelines or nontechnical amendments to the guidelines, the Department shall publish the proposed guidelines on the Department's Web site and provide notice to persons who have requested notice of proposed guidelines. In addition, the Department shall accept oral and written comments on the proposed guidelines during the 15 business days beginning on the first day that the Department has completed these notifications. Guidelines adopted under this section shall not be subject to the requirements of Article 2A of Chapter 150B of the General Statutes. The guidelines shall include, at a minimum, the following provisions:

(1) The applicant shall be a unit of local government located in a development tier one or tier two area, pursuant to G.S. 143B-437.08.
(2) The site to be served by the public infrastructure shall be publicly owned or publicly controlled.
(3) The site shall have a minimum size of 50 contiguous acres.
(4) There shall be evidence of appropriate local financial support for site development, which includes, but is not limited to, site acquisition, development costs, or infrastructure improvements.
(5) There shall be evidence of recent private sector interest in developing an industrial project on the site.
(6) There shall be evidence of a well thought-out strategy to identify and market the site to appropriate private sector businesses.
(7) Improvements that would be funded shall result in a site that is ready for development; funds are to be used to eliminate or reduce the infrastructure gap and time needed to make the site development ready.
(8) Funds shall only be utilized for public infrastructure improvements including new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure.

SECTION 15.7A.(d) Report. – The Department of Commerce shall submit a report detailing its use of State funds appropriated by this section. The report shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division by September 1, 2017, by September 1 of each subsequent year State funds are received, and more frequently as requested. The report shall include the information required by this section for the most recently ended fiscal year.

REVITALIZATION AND ECONOMIC DEVELOPMENT GRANTS

SECTION 15.8.(a) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of five million seven hundred seventy-five thousand dollars ($5,775,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide grants-in-aid for downtown revitalization projects for each of the following counties and municipalities in the following amounts:

(1) Four hundred thousand dollars ($400,000) to the City of Thomasville.
(2) Two hundred fifty thousand dollars ($250,000) each to the Town of Louisburg, the City of Fayetteville, and the City of High Point.

(3) Two hundred twenty-five thousand dollars ($225,000) to the City of Newton.
(4) Two hundred thousand dollars ($200,000) each to the Town of Bath, the Town of Fair Bluff, and the Town of Rich Square.
(5) One hundred sixty thousand dollars ($160,000) to the Town of Gibsonville.
(6) One hundred thirty-five thousand dollars ($135,000) to the Town of Cooleemee.
(7) One hundred thousand dollars ($100,000) each to the City of Archdale, the City of Asheboro, the Village of Clemmons, the unincorporated community of Cliffside in Rutherford County, the Town of Emerald Isle, the City of Hendersonville, the City of Kannapolis, the Town of Kernersville, the City of Lumberton, the Town of Oakboro, the Town of Old Fort, the Town of Pembroke, the City of Randleman, the City of Roxboro, the City of Trinity, the Town of Troy, and the Town of Yadkinville.
(8) Ninety thousand dollars ($90,000) each to the City of King and the Town of Walnut Cove.
(9) Seventy-five thousand dollars ($75,000) each to the Town of Midway and the Town of Wallburg.
(10) Seventy thousand dollars ($70,000) to the Town of Liberty.
(11) Sixty thousand dollars ($60,000) to the Town of Ramseur.
(12) Fifty thousand dollars ($50,000) each to the City of Bessemer City, the Town of Biscoe, the Town of Blowing Rock, the Town of Boiling Springs, the City of Burlington, the Town of Butner, the City of Cherryville, the Town of Dallas, the City of Graham, the Town of Lawndale, the City of Mebane, the City of Shelby, the Town of Star, the City of Washington, and the Town of West Jefferson.
(13) Forty thousand dollars ($40,000) to the Town of Maysville.
(14) Thirty-five thousand dollars ($35,000) each to Swain County and Jackson County.
(15) Thirty-three thousand three hundred thirty-four dollars ($33,334) each to the Town of Littleton and the Town of Weldon.
(16) Thirty-three thousand three hundred thirty-three dollars ($33,333) each to the Town of Enfield, the Town of Garysburg, the Township of Seaboard, and the Town of Woodland.
(17) Thirty thousand dollars ($30,000) each to Haywood County and the unincorporated community of Cleveland in Johnston County.
(18) Twenty-five thousand dollars ($25,000) to the Town of Lattimore.
(19) Twenty thousand dollars ($20,000) each to the Town of Benson, the Town of Pollocksville, the Town of Selma, the Town of Smithfield, and the Town of Trenton.
(20) Sixteen thousand dollars ($16,000) each to the Town of Four Oaks, the Town of Kenly, the Town of Pine Level, and the Town of Princeton.
(21) Fifteen thousand dollars ($15,000) the Town of Wilson's Mills.
(22) Eleven thousand dollars ($11,000) to the Town of Micro.
(23) Ten thousand dollars ($10,000) to the Town of Calypso.

SECTION 15.8.(b) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of one million three hundred seventy thousand dollars ($1,370,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide grants-in-aid for each of the following counties and municipalities in the following amounts and for the following projects:

(1) One hundred eighty thousand dollars ($180,000) to the Town of Mount Olive for agriculture projects.

(2) One hundred seventy-five thousand dollars ($175,000) to Stanly County for the Stanly County Livestock Arena.
(3) One hundred fifty thousand dollars ($150,000) to the City of Lumberton for the Lumberton Riverwalk project.
(4) One hundred thousand dollars ($100,000) to the City of Fayetteville to support the parking management plan.
(5) One hundred thousand dollars ($100,000) to the City of Fayetteville to support urban planning.
(6) One hundred thousand dollars ($100,000) to the Town of Apex for the Apex Senior Center.
(7) One hundred thousand dollars ($100,000) to the Town of Cornelius for the Community Arts Center.
(8) One hundred thousand dollars ($100,000) to the City of Kings Mountain for the Patriots Park Amphitheater.
(9) One hundred thousand dollars ($100,000) to the City of Monroe to support the redevelopment of the Monroe Center Theatre.
(10) Fifty thousand dollars ($50,000) to the Town of Coats for public works projects.
(11) Fifty thousand dollars ($50,000) to the Town of Erwin for the Erwin Depot revitalization project.
(12) Fifty thousand dollars ($50,000) to Caswell County for the Caswell County Civic Center.
(13) Fifty thousand dollars ($50,000) to the City of Fayetteville for bank stabilization activities at the Cross Creek Linear Park.
(14) Forty thousand dollars ($40,000) to the City of Sanford for the mural restoration project.
(15) Twenty-five thousand dollars ($25,000) to the Town of Stedman for repairs to the town hall.

SECTION 15.8.(c) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of eight hundred thirty-five thousand dollars ($835,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide grants-in-aid for each of the following groups in the following amounts and for the following projects:

(1) Two hundred fifty thousand dollars ($250,000) to the Randolph County Economic Development Corporation for the Petty's Garage project.
(2) Two hundred thousand dollars ($200,000) to the Transylvania Economic Alliance to support the Ecusta Road economic development project.
(3) One hundred eighty thousand dollars ($180,000) to the Burke Partnership for Economic Development, Inc., for workforce-related projects in Burke County.
(4) One hundred thousand dollars ($100,000) to Washington Harbor District Alliance, Inc., for historic rehabilitation projects.
(5) Seventy-five thousand dollars ($75,000) to Edenton Farmers Market.
(6) Thirty thousand dollars ($30,000) to the Textile Heritage Museum in Glencoe, NC.

SECTION 15.8.(d) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of one million five hundred thousand dollars ($1,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used as a challenge grant to the City of High Point to raise the sum of one million five hundred thousand dollars ($1,500,000) in private funds for the development of a design factory project in downtown High Point, which will provide a makerspace for entrepreneurs, designers, manufacturers, and artisans to collaborate and work together. The allocation of one million five hundred thousand dollars ($1,500,000) under this section is contingent upon receipt by the City

of High Point of one million five hundred thousand dollars ($1,500,000) in private funds for the purpose of developing a design factory project in downtown High Point.

The Rural Economic Development Division shall disburse the challenge grant funds of one million five hundred thousand dollars ($1,500,000) to the City of High Point upon notification and appropriate documentation that the sum of one million five hundred thousand dollars ($1,500,000) in private funds has been raised pursuant to this section. Any unmatched funds pursuant to this section shall revert to the General Fund on June 30, 2019.

SECTION 15.8.(e) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of fifty thousand dollars ($50,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a matching grant to the Cucalorus Film Foundation for the purpose of advertising and marketing of the Connect Conference in New Hanover County. The Division shall provide one dollar for every non-State dollar provided in kind or otherwise, up to a maximum of fifty thousand dollars ($50,000) for the matching grant described in this subsection.

HAW RIVER MILL PROJECT

SECTION 15.9A. The funds appropriated in this act to the Department of Commerce as a grant-in-aid to the Town of Haw River shall be used for a historic mill renovation project. In addition to the provisions governing reporting, oversight, and administration of grant funds contained in G.S. 143C-6-23, the Town of Haw River shall enter into an agreement with any subgrantee receiving funds. The agreement shall contain, at a minimum, (i) a provision that funds received under the agreement may be used only for mill rehabilitation purposes, (ii) a provision allowing the Town of Haw River to inspect all records of the subgrantee that may be used to confirm compliance with the agreement, (iii) a provision establishing methods for determining compliance with the agreement, and (iv) a provision requiring recapture of all grant funds if the subgrantee fails to comply with the terms of the agreement. In the event of a violation of the agreement, the Town of Haw River shall take action to recapture all grant funds. The Commerce Finance Center shall, in cooperation with the Town of Haw River, conduct an annual review of the mill restoration project and shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on April 1 each year beginning April 1, 2021, until project completion.

PROSPERITY ZONE REPORTING

SECTION 15.10.(a) For each Collaboration for Prosperity Zone established in G.S. 143B-28.1, the employees of the Department of Commerce in the zone shall submit a report on or before September 1 of each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on the following criteria:

(1) Jobs anticipated to result from efforts of the employees, including the name and contact person of each company creating new jobs in the zone.

(2) The location of each project, including the development tier designation of the location.

(3) Project leads that were not submitted to the Department for possible discretionary incentives pursuant to Chapter 143B of the General Statutes.

(4) Proactive local government outreach to share information and planning services that are available.

(5) Coordination of regular meetings with Prosperity Zones agency representatives to increase collaboration of services and resources to local communities.

(6) Completion of strategic economic development plans, downtown revitalization project plans, implementation services, market studies, Geographical Information Systems (GIS) mapping, and assistance with

development policies for local governments that can be measured for economic impact, including investment, business growth, and jobs as a result of the planning effort.

(7) Existing business expansion activities, service requests, and number of contacts and inquiries.

(8) New business location activities and number of contacts and inquiries.

SECTION 15.10.(b) The Department of Commerce shall develop performance metrics for Community Planners for the Collaboration for Prosperity Zones established in G.S. 143B-28.1 using the criteria listed in subsection (a) of this section. The Department of Commerce shall submit a report on or before September 1 of each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division detailing the performance metrics and the measurements observed for each Community Planner within the Collaboration for Prosperity Zones.

YOUTH WORKFORCE INVESTMENT PROGRAM CHANGES

SECTION 15.12.(a) The local Workforce Development Boards created pursuant to G.S. 143B-438.11 shall include in their State-developed criteria to be used in awarding grants for youth workforce investment activities pursuant to Section 129 of the federal Workforce Innovation and Opportunity Act a competitive process that requires grant recipients to provide at least the following information as part of the application process and consideration of grant awards:

(1) The extent to which the organization specifically focuses on serving at-risk youth, including youth who are at risk of school dropout or at risk of school displacement due to suspension or expulsion.

(2) Whether the organization leverages community-based resources, including partnerships with organizations that provide mentoring services and private-sector employer involvement.

(3) The use of an evidence-based program model by the organization with a proven track record of success.

(4) The inclusion of rigorous, quantitative performance measures by the organization to confirm effectiveness of the program.

(5) The deployment of comprehensive support services to youth, including addressing behavioral issues, emphasizing academic and career growth, and enhancing parent and family engagement.

SECTION 15.12.(b) The local Workforce Development Boards shall coordinate with the NCWorks Commission to update the Workforce Innovation and Opportunity Act Unified State Plan, as needed, to reflect the inclusions to the State-developed criteria required by subsection (a) of this section.

SECTION 15.12.(c) On or before October 1 of each year, the local Workforce Development Boards shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources. The report shall also contain a list of grant recipients and the amount received by the grant recipients.

APPRENTICESHIPNC/TRANSFER STATE APPRENTICESHIP PROGRAM

SECTION 15.13.(a) All functions, powers, duties, obligations, resources, and appropriations vested in the Apprenticeship Program and the Apprenticeship Council are transferred to, vested in, and consolidated into the North Carolina Community Colleges System Office as a Type I transfer, as defined in G.S. 143A-6. The State Board of Community Colleges, the Community Colleges System Office, and the Office of State Budget and

Management are authorized to take all other steps necessary to consolidate the Apprenticeship Program and the Apprenticeship Council into the Community Colleges System Office. Joint delivery of Apprenticeship and Community College workforce training programs shall ensure coordination of program delivery and appropriate classroom training supporting the needs of students and employers.

SECTION 15.13.(b) Chapter 94 of the General Statutes is repealed.

SECTION 15.13.(c) Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 1A.
"ApprenticeshipNC.

"**§ 115D-11.5. Purpose.**

The purposes of this Article are to open to young people the opportunity to obtain training that will equip them for profitable employment and citizenship; to set up, as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts and crafts of industry and trade, with parallel instruction in related and supplementary education; to promote employment opportunities for young people under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to coordinate workforce education and customized training tools to fill talent pipeline gaps, as appropriate, with local business and industry; to establish an Apprenticeship Council and apprenticeship committees and sponsors to assist in effectuating the purposes of this Article; to leverage the collaborative and regional structure of the community college service areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1; to provide for a Director of ApprenticeshipNC within the Community Colleges System Office; to provide for reports to the legislature and to the public regarding the status of apprentice training in the State; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

"**§ 115D-11.6. Apprenticeship Council.**

The State Board of Community Colleges shall appoint an Apprenticeship Council composed of four representatives each from employer and employee organizations respectively and three representatives from the public at large. One State official designated by the Department of Public Instruction and one State official designated by the Department of Commerce shall be a member ex officio of the council, without vote. The terms of office of the members of the Apprenticeship Council shall be designated by the State Board. Any member appointed to fill a vacancy occurring prior to the expiration of the term of his or her predecessor shall be appointed for the remainder of the term. Each member of the Council not otherwise compensated by public moneys, shall be reimbursed for transportation and shall receive such per diem compensation as is provided generally for boards and commissions under the biennial maintenance appropriation acts for each day spent in attendance at meetings of the Apprenticeship Council. The State Board of Community Colleges shall annually appoint one member of the Council to act as its chair.

The Apprenticeship Council shall meet at the call of the State Board of Community Colleges and shall aid the State Board and the Community Colleges System Office in formulating policies for the effective administration of this Article. The Apprenticeship Council shall establish standards for apprentice agreements which in no case shall be lower than those prescribed by this Article, shall recommend rules and regulations to the State Board of Community Colleges as may be necessary to carry out the intent and purposes of this Article, and shall perform other functions as the State Board of Community Colleges may direct. Not less than once a year the Apprenticeship Council shall make a report through the Community Colleges System Office of its activities and findings to the legislature and to the public.

"**§ 115D-11.7. ApprenticeshipNC.**

The State Board of Community Colleges is hereby directed to appoint a Director of ApprenticeshipNC, which appointment shall be subject to the confirmation of the State

Apprenticeship Council by a majority vote. Upon the recommendation of the Director, the State Board of Community Colleges may appoint and employ clerical, technical, and professional help as necessary to effectuate the purposes of this Article. The Director shall supervise clerical, technical, and professional staff appointed to administer the ApprenticeshipNC program.

"**§ 115D-11.8. Powers and duties of Director of ApprenticeshipNC.**

The Director, under the supervision of the President of the North Carolina Community College System or the President's designee and with the advice and guidance of the Apprenticeship Council, is authorized to administer the provisions of this Article; in cooperation with the Apprenticeship Council and apprenticeship committees and sponsors, to set up conditions and training standards for apprentice agreements, which conditions or standards shall in no case be lower than those prescribed by this Article; to act as secretary of the Apprenticeship Council; to approve for the Council any apprentice agreement that meets the standards established under this Article; to terminate or cancel any apprentice agreement in accordance with the provisions of the agreement; to keep a record of apprentice agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform other duties as are necessary to carry out the intent of this Article, including other on-the-job training necessary for emergency and critical civilian production. The administration and supervision of related and supplemental instruction for apprentices, coordination of instruction with job experiences, and the selection and training of teachers and coordinators for the instruction is the responsibility of State and local boards responsible for career and technical education.

"**§ 115D-11.9. Apprenticeship committees and program sponsors.**

(a) As used in this Article:

(1) "Apprenticeship agreement" means a written agreement between an apprentice and either his or her employer or an apprenticeship committee or sponsor acting as agent for employers, which agreement satisfies the requirements of G.S. 115D-11.11.

(2) "Apprenticeship committee" means those persons designated by the sponsor, and approved by the Apprenticeship Council, to act for it in the administration of the apprenticeship program. A committee may be "joint," i.e., it is composed of an equal number of representatives of the employer and of the employees represented by a bona fide collective bargaining agent and has been established to conduct, operate, or administer an apprenticeship program and enter into apprenticeship agreements with apprentices. A committee may be "unilateral" or "nonjoint" which shall mean a program sponsor in which employees or a bona fide collective bargaining agent is not a party.

(3) "ApprenticeshipNC" means the statewide apprenticeship program administered by the Community Colleges System Office in accordance with this Article.

(4) "Apprenticeship program" means a plan containing all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including such matters as the requirement for a written apprenticeship agreement.

(5) "Employer" means any person, firm, corporation, or organization employing an apprentice whether or not such person, firm, corporation, or organization is a party to an apprenticeship agreement with the apprentice.

(6) "Sponsor" means any person, firm, corporation, organization, association, or committee operating an apprenticeship program and in whose name the apprenticeship program is approved.

(b) An apprenticeship committee may be appointed by the Apprenticeship Council in any trade or group of trades in a city or trade area, whenever the apprentice training needs of the trade or group of trades justifies such establishment.

(c) The function of the apprenticeship committee, or sponsor when there is no apprenticeship committee, shall be to cooperate with school authorities in regard to the education of apprentices; in accordance with the standards set up by the apprenticeship committee for the same trade or group of trades, where a committee has been appointed, to work in an advisory capacity with employers and employees in matters regarding schedule of operations, application of wage rates, and working conditions for apprentices and to specify the number of apprentices which shall be employed locally in the trade under the apprenticeship agreements under this Article; to adjust apprenticeship disputes, subject to the approval of the Director; to ascertain the prevailing rate for journeymen in the city or trade area and specify the graduated scale of wages applicable to apprentices in the trade in that area; to ascertain employment needs in the trade or group of trades and specify the appropriate current ratio of apprentices to journeymen; and to make recommendations for the general good of apprentices engaged in the trade or trades represented by the committee. An apprenticeship committee may appoint a representative and delegate to the representative the authority for implementation and performance of any standards adopted by the committee pursuant to any of the aforementioned functions.

"**§ 115D-11.10. Definition of an apprentice.**

The term "apprentice" means a person at least 16 years of age who is covered by a written apprenticeship agreement approved by the Apprenticeship Council, which apprenticeship agreement provides for not less than 2,000 hours of reasonably continuous employment for the person for his or her participation in an approved schedule of work experience and for organized, related supplemental instruction in technical subjects related to the trade. A minimum of 144 hours of related supplemental instruction for each year of apprenticeship is recommended. The required hours for apprenticeship agreements and the recommended hours for related supplemental instruction may be decreased or increased in accordance with standards adopted by the apprenticeship committee or sponsor, subject to approval of the State Board of Community Colleges.

"**§ 115D-11.11. Contents of agreement.**

Every apprentice agreement entered into under this Article shall contain:

(1) The names of the contracting parties.

(2) The date of birth of the apprentice.

(3) A statement of the trade, craft, or business which the apprentice is to be taught, and the time at which the apprenticeship will begin and end.

(4) A statement showing (i) the number of hours to be spent by the apprentice in work on the job and (ii) the number of hours to be spent in related and supplemental instruction, which is recommended to be not less than 144 hours per year. In no case shall the combined weekly hours of work and of required related and supplemental instruction of the apprentice exceed the maximum number of hours of work prescribed by law for a person of the age of the apprentice.

(5) A statement setting forth a schedule of the processes in the trade or industry division in which the apprentice is to be taught and the approximate time to be spent at each process.

(6) A statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated.

(7) A statement providing for a period of probation of not more than 500 hours of employment and instruction extending over not more than four months, during which time the apprentice agreement shall be terminated by the Director at the request in writing of either party, and providing that after the probationary period the apprentice agreement may be terminated by the Director by mutual agreement of all parties or canceled by the Director for good and sufficient reason. The Council at the request of a joint apprentice committee may lengthen the period of probation.

(8) A provision that all controversies or differences concerning the apprentice agreement which cannot be adjusted locally in accordance with G.S. 115D-11.9 shall be submitted to the Director for determination.

(9) A provision that an employer who is unable to fulfill his or her obligation under the apprentice agreement may with the approval of the Director transfer the contract to any other employer; provided, that the apprentice consents and that the other employer agrees to assume the obligations of the apprentice agreement.

(10) Any additional terms and conditions as may be prescribed or approved by the Director not inconsistent with the provisions of this Article.

"**§ 115D-11.12. Approval of apprentice agreements; signatures.**

No apprentice agreement under this Article shall be effective until approved by the Director. Every apprentice agreement shall be signed by the employer, or by an association of employers or an organization of employees as provided in G.S. 115D-11.13, and by the apprentice, and if the apprentice is a minor, by either of the minor's parents, or by any person, agency, organization, or institution standing in loco parentis. Where a minor enters into an apprentice agreement under this Article for a period of training extending into his or her majority, the apprentice agreement shall likewise be binding for a period as may be covered during the apprentice's majority.

"**§ 115D-11.13. Rotation of employment.**

For the purpose of providing greater diversity of training or continuity of employment, any apprentice agreement made under this Article may in the discretion of the Director of ApprenticeshipNC be signed by an association of employers or an organization of employees instead of by an individual employer. In this case, the apprentice agreement shall expressly provide that the association of employers or organization of employees does not assume the obligation of an employer but agrees to use its best endeavors to procure employment and training for the apprentice with one or more employers who will accept full responsibility for all the terms and conditions of employment and training set forth in the agreement between the apprentice and employer association or employee organization during the period of each employment. The apprentice agreement in this case shall also expressly provide for the transfer of the apprentice, subject to the approval of the Director, to such employer or employers who shall sign in written agreement with the apprentice, and if the apprentice is a minor with his or her parent or guardian, as specified in G.S. 115D-11.12, contracting to employ the apprentice for the whole or a definite part of the total period of apprenticeship under the terms and conditions of employment and training set forth in the agreement entered into between the apprentice and employer association or employee organization.

"**§ 115D-11.14. Limitation.**

Nothing in this Article or in any apprentice agreement approved under this Article shall invalidate any apprenticeship provision in any collective agreement between employers and employees that sets up higher apprenticeship standards. None of the terms or provisions of this Article apply to any person, firm, corporation, or crafts unless, until, and only so long as the person, firm, corporation, or crafts voluntarily elects that the terms and provisions of this Article apply. Any person, firm, corporation, or crafts terminating an apprenticeship agreement shall notify the Director of ApprenticeshipNC."

SECTION 15.13.(d) Notwithstanding G.S. 115D-11.6, as enacted by this section, the current members serving on the Apprenticeship Council pursuant to G.S. 94-2 as of July 1, 2017, shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members of the Apprenticeship Council shall be appointed by the State Board of Community Colleges in accordance with G.S. 115D-11.6, as enacted by this section.

SECTION 15.13.(e) Within 90 days of the date this act becomes law, the Department of Commerce shall submit a Workforce Innovation and Opportunity Act State Plan amendment to the United States Department of Labor to designate the Community Colleges

System Office as the State agency responsible for the administration of ApprenticeshipNC as provided for in this section.

JMAC ELIGIBILITY MODIFICATION

SECTION 15.14.(a) G.S. 143B-437.012 reads as rewritten:

"**§ 143B-437.012. Job Maintenance and Capital Development Fund.**

…

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of either subdivision ~~(1)~~(1), (1a), or (2) of this subsection and satisfies subdivision (4) of this subsection:

(1) The business is a major employer. A business is a major employer if the business meets the following requirements:

a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars ($200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.

b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.

c. The project is located in a development tier one area at the time the business applies for a grant.

(1a) The business previously received a grant as a major employer under this section and meets the following requirements:

a. The Department certifies that the business has invested or intends to invest at least one hundred fifty million dollars ($150,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences. Amounts certified as invested under sub-subdivision a. of subdivision (1) of this subsection shall not be included in the amount required by this sub-subdivision.

b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.

c. The project is at the same location as that for which a grant was previously awarded under subdivision (1) of this subsection.

…

(4) All newly hired employees of the business must be citizens of the United States or have proper identification and documentation of their authorization to reside and work in the United States.

…

(n) Limitations. – The Department may enter into no more than ~~five~~ six agreements under this section. The total aggregate cost of all agreements entered into under this section may not exceed ~~seventy-nine million dollars ($79,000,000).~~one hundred thirty-nine million dollars ($139,000,000). The total annual cost of an agreement entered into under this section may not exceed six million dollars ($6,000,000)."

SECTION 15.14.(b) This section is effective when it becomes law.

EXTEND JDIG SUNSET

SECTION 15.15.(a) G.S. 143B-437.62 reads as rewritten:

"**§ 143B-437.62. Expiration.**

The authority of the Committee to award new grants expires January 1, ~~2019.~~2021."

SECTION 15.15.(b) This section is effective when it becomes law.

TRANSFORMATIVE PROJECT

SECTION 15.15A.(a) G.S. 143B-437.51 is amended by adding a new subsection to read:

"(9a) Transformative project. – A project for which the agreement requires that a business invest at least four billion dollars ($4,000,000,000) in private funds and create at least 5,000 eligible positions."

SECTION 15.15A.(b) G.S. 143B-437.52 reads as rewritten:

"**§ 143B-437.52. Job Development Investment Grant Program.**

…

(c) Award Limitations. – The following limitations apply to grants awarded under this Part:

(1) Maximum liability. – The maximum amount of total annual liability for grants awarded in any single calendar year under this Part, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is twenty million dollars ($20,000,000) for a year in which no grants are awarded for a high-yield project and is thirty-five million dollars ($35,000,000) for a year in which a grant is awarded for a high-yield project. No agreement may be entered into that, when considered together with other existing agreements governing grants awarded during a single calendar year, could cause the State's potential total annual liability for grants awarded in a single calendar year to exceed the applicable amount. The Department shall make every effort to ensure that the average percentage of withholdings of eligible positions for grants awarded under this Part does not exceed the average of the range provided in G.S. 143B-437.56(a). The limitation in this subdivision does not apply to transformative projects.

(2) Semiannual commitment limitations. – Of the amount authorized in subdivision (1) of this subsection, no more than fifty percent (50%), excluding roll-over amounts, may be awarded in any single calendar semiannual period. A roll-over amount is any amount from a previous semiannual period in the same calendar year that was not awarded as a grant. The limitation of this subdivision does not apply to a grant awarded to a high-yield or transformative project.

…."

SECTION 15.15A.(c) 143B-437.56 reads as rewritten:

"**§ 143B-437.56. Calculation of minimum and maximum grants; factors considered.**

…

(a1) Notwithstanding the percentage specified by subsection (a) of this section, if the project is a high-yield or transformative project, the business has met the investment and job creation requirements, and, for three consecutive years, the business has met all terms of the agreement, the amount of the grant awarded shall be no more than one hundred percent (100%) of the withholdings of eligible positions for each consecutive year the business maintains the minimum job creation requirement and meets all terms of the agreement. A business receiving an enhanced percentage of the withholdings of eligible positions under this subsection that fails to maintain the minimum job creation requirement or meet all terms of the agreement will be disqualified from receiving the enhanced percentage and will have the applicable percentage set

forth in subsection (a) of this section applied in the year in which the failure occurs and all remaining years of the grant term.

(b) The term of the grant shall not exceed the duration listed in this subsection. The first grant payment must be made within six years after the date on which the grant was awarded. The number of years in the base period for which grant payments may be made shall not exceed five years. Maximum durations are as follows:

(1) For high-yield projects in which the business receives the enhanced percentage pursuant to subsection (a1) of this section, 20 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.

(1a) For transformative projects in which the business receives the enhanced percentage pursuant to subsection (a1) of this section, 25 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.

(2) For all other projects, 12 years starting with the first year a grant payment is made.

(c) The grant may be based only on eligible positions created during the base period.

(d) For any eligible position that is located in a development tier three area, seventy-five percent (75%) of the annual grant approved for disbursement shall be payable to the business, and twenty-five percent (25%) shall be payable to the Utility Account pursuant to G.S. 143B-437.61. For any eligible position that is located in a development tier two area, ninety percent (90%) of the annual grant approved for disbursement shall be payable to the business, and ten percent (10%) shall be payable to the Utility Account pursuant to G.S. 143B-437.61. A position is located in the development tier area that has been assigned to the county in which the project is located at the time the application is filed with the Committee. This subsection does not apply to a high-yield or transformative project in years in which the business receives the enhanced percentage pursuant to subsection (a1) of this section.

…."

SECTION 15.15A.(d) If the Office of Budget and Management and the Department of Commerce certify in writing to the Director of the Budget that the conditions set forth for infrastructure development of a site for the purpose of securing a community economic development agreement under G.S. 143B-437.57 for a transformative project, as defined in G.S. 143B-437.51, have been met, then the Director of the Budget may use the Savings Reserve Account in the General Fund to implement this section. To implement this section, the State Controller may transfer up to fifty million dollars ($50,000,000) to a reserve in the Office of State Budget and Management for each transformative project for uses consistent with the Site Infrastructure Development Fund established pursuant to G.S. 143B-437.02, and such funds are hereby appropriated for this purpose. Under no circumstances shall the total amount that may be transferred pursuant to this section exceed eighty million dollars ($80,000,000). If it is not necessary to expend all of these funds in accordance with this section, the State Controller shall transfer the remaining funds to the Savings Reserve Account. The authority to transfer amounts pursuant to this subsection expires June 30, 2019.

SECTION 15.15A.(e) Amounts committed in Governor's Letters issued pursuant to Part 2H of Article 10 of Chapter 143B of the General Statutes for transformative projects, as

defined in G.S. 143B-437.51, do not count towards the limitation provided in G.S. 143B-437.71(b1). Amounts committed pursuant to this subsection may be up to five thousand dollars ($5,000) per job covered by a company performance agreement per year for each job created within a five-year period from the time the first job was created. Amounts paid for a single job may not exceed a term of five years. The authority to commit amounts pursuant to this subsection expires June 30, 2019.

INDUSTRIAL COMMISSION SERVICE OF PROCESS

SECTION 15.17. G.S. 97-86 reads as rewritten:

"**§ 97-86. Award conclusive as to facts; appeal; certified questions of law.**

The award of the Industrial Commission, as provided in G.S. 97-84, if not reviewed in due time, or an award of the Commission upon such review, as provided in G.S. 97-85, shall be conclusive and binding as to all questions of fact; but either party to the dispute may, within 30 days from the date of ~~such~~ the award or within 30 days after receipt of notice to be sent by ~~registered mail~~ any class of U.S. mail that is fully prepaid or ~~certified mail~~ electronic mail of ~~such~~ the award, but not thereafter, appeal from the decision of ~~said~~ the Commission to the Court of Appeals for errors of law under the same terms and conditions as govern appeals from the superior court to the Court of Appeals in ordinary civil actions. The procedure for the appeal shall be as provided by the rules of appellate procedure.

The Industrial Commission of its own motion may certify questions of law to the Court of Appeals for decision and determination by ~~said~~ the Court. In case of an appeal from the decision of the Commission, or of a certification by ~~said~~ the Commission of questions of law, to the Court of Appeals, ~~said~~ the appeal or certification shall operate on a supersedeas except as provided in G.S. 97-86.1, and no employer shall be required to make payment of the award involved in ~~said~~ the appeal or certification until the questions at issue therein shall have been fully determined in accordance with the provisions of this Article. If the employer is a noninsurer, then the appeal of ~~such~~ the employer shall not act as a supersedeas and the plaintiff in such case shall have the same right to issue execution or to satisfy the award from the property of the employer pending the appeal as obtains to the successful party in an action in the superior court.

When any party to an appeal from an award of the Commission is unable, by reason of ~~his~~ the party's poverty, to make the deposit or to give the security required by law for ~~said~~ the appeal, any member of the Commission or any deputy commissioner shall enter an order allowing ~~said~~ the party to appeal from the award of the Commission without giving security therefor. The party appealing from the judgment shall, within 30 days from the filing of the appeal from the award, make an affidavit that ~~he~~ the party is unable by reason of ~~his~~ the party's poverty to give the security required by law. The request shall be passed upon and granted or denied by a member of the Commission or deputy commissioner within 20 days from receipt of the ~~affidavit specified above.~~affidavit."

INDUSTRIAL COMMISSION LITIGATION EXPENSE CARRYFORWARD

SECTION 15.18.(a) The North Carolina Industrial Commission (Commission) may carry forward up to two hundred fifty thousand dollars ($250,000) of State funds appropriated in the 2015-2016 fiscal year for legal services. Any funds remaining after completion of the legal services for which the funds were appropriated shall be retained by the Commission.

SECTION 15.18.(b) Notwithstanding G.S. 147-17 and G.S. 114-2.3, the North Carolina Industrial Commission is authorized to use the funds carried forward under subsection (a) of this section to employ and supervise private counsel.

SECTION 15.18.(c) Notwithstanding G.S. 1-521, 147-17, and 114-2.3, of the funds appropriated to the North Carolina Industrial Commission in this act, the sum of three hundred thousand dollars ($300,000) for the 2017-2018 fiscal year may be used for private legal services, litigation-related expenses, and the defense of any member in his or her official capacity arising from S.L. 2016-125. The funds allocated in this section shall not revert.

SECTION 15.18.(d) Subsection (a) of this section becomes effective June 30, 2017.

INDUSTRIAL COMMISSION CASE MANAGEMENT SYSTEMS

SECTION 15.19.(a) The Industrial Commission shall coordinate with the Department of Information Technology and other State agencies to replace the Industrial Commission's case management systems by assessing system requirements and to find the most cost-effective means of meeting those requirements.

SECTION 15.19.(b) The Industrial Commission may retain the additional revenue up to one million two hundred thousand dollars ($1,200,000) of the fee charged to parties for the filing of compromise settlement agreements to be used for the purpose of replacing and maintaining the Industrial Commission's case management systems and related expenditures.

SECTION 15.19.(c) Of the funds appropriated in this act to the Industrial Commission, the sum of seven hundred fifty thousand dollars ($750,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium shall be allocated for the purpose of replacing and maintaining the Industrial Commission's case management systems and related expenditures.

SECTION 15.19.(d) For the 2019-2021 fiscal biennium only, the Director of the Budget shall also include in the base budget, as defined by G.S. 143C-1-1(d)(1c), the sum of seven hundred fifty thousand dollars ($750,000) in nonrecurring funds for each year of the 2019-2021 fiscal biennium for the purposes set forth in subsection (c) of this section.

SECTION 15.19.(e) The fee retention authorization in subsection (b) of this section shall expire on June 30, 2021.

TRANSFER INDUSTRIAL COMMISSION TO DEPARTMENT OF INSURANCE

SECTION 15.19A.(a) Article 9 of Chapter 143A of the General Statutes is amended by adding a new section to read:

"**§ 143A-79.3. North Carolina Industrial Commission; transfer.**

The statutory authority, powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Industrial Commission are transferred to the Department of Insurance with all of the elements of a Type II transfer as defined by G.S. 143A-6. Nothing in this section shall be construed to alter the statutory duties or the independent operation of the Industrial Commission."

SECTION 15.19A.(b) G.S. 143B-431(a)(2)d. and G.S. 143B-433(1)d. are repealed.

FEDERAL TAX REFORM ALLOCATION COMMITTEE QECB REALLOCATION

SECTION 15.23. G.S. 143-433.9 is amended by adding a new subsection to read:

"(c) In administering the allocation and reallocation of authority for issuance of qualified energy conservation bonds allocated to the State and reallocated to any "large local government" as defined in 26 U.S.C. § 54D(e), the Committee shall establish procedures (i) to monitor whether the initial sub-allocations of qualified energy conservation bonds to large local governments will be utilized by October 1, 2017; (ii) for the waiver and return to the Committee of sub-allocations that will not meet the deadline imposed by this subsection; and (iii) for the reallocation of returned sub-allocations for other projects or purposes that qualify under 26 U.S.C. § 54D(f) for financing with qualified energy conservation bonds. The Committee shall also develop programs described by 26 U.S.C. § 54D(f)(1)(A)(iii) and shall consider those programs along with other eligible uses for qualified energy conservation bonds in determining the reallocation of unused and returned qualified energy conservation bond allocation."

SUBPART XV-A. COMMERCE – STATE AID

NC BIOTECHNOLOGY CENTER

SECTION 15A.1.(a) Of the funds appropriated in this act to the Department of Commerce, the sum of thirteen million six hundred thousand three hundred thirty-eight dollars

($13,600,338) for each fiscal year in the 2017-2019 biennium shall be allocated to the North Carolina Biotechnology Center (hereinafter "Center") for the following purposes:

(1) Job Creation: AgBiotech Initiative, Economic and Industrial Development, and related activities – two million nine hundred twenty-four thousand seventy-three dollars ($2,924,073).

(2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – eight million eight hundred thirteen thousand nineteen dollars ($8,813,019).

(3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – one million eight hundred sixty-three thousand two hundred forty-six dollars ($1,863,246).

SECTION 15A.1.(b) The Center shall prioritize funding and distribution of loans over existing funding and distribution of grants.

SECTION 15A.1.(c) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center.

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 15A.2.(a) The entities listed in subsection (c) of this section shall do the following for each year that State funds are expended:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division a copy of the entity's annual audited financial statement within 30 days of issuance of the statement.

SECTION 15A.2.(b) Funds appropriated by this act to the North Carolina Coastal Federation for a crab pot cleanup program are not subject to Article 3 of Chapter 143 of the General Statutes. The North Carolina Coastal Federation may use up to ten percent (10%) of these funds for administrative and overhead costs. Funds not expended or encumbered by June 30, 2018, shall revert. The North Carolina Coastal Federation shall report on the total amount of funds used, including amount spent per crab pot recovered and amount paid to third parties utilized in the cleanup program, and any recommendations to improve the program, including mechanisms to reuse or repurpose recovered crab pots and to increase efficiency of the program, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on or before April 1, 2018.

SECTION 15A.2.(c) The following entities shall comply with the requirements of subsection (a) of this section:

(1) North Carolina Biotechnology Center.

(2) High Point Market Authority.
(3) RTI International.
(4) Blue Ridge Parkway Foundation.
(5) Carolina Small Business Development Fund.
(6) Cary Chamber of Commerce.
(7) First Flight Society.
(8) North Carolina Coastal Federation.
(9) Salvation Army of Winston-Salem.
(10) StepUp Ministry.
(11) Jim Shaw ACE Academy.
(12) Make a Difference in King.
(13) North Carolina Business Leadership Network.
(14) North Carolina's Eastern Alliance Corporation.
(15) Sturgeon City of Jacksonville, NC.

PART XVI. DEPARTMENT OF PUBLIC SAFETY

NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES

SECTION 16.2.(a) Notwithstanding any other provision of law, the Office of State Budget and Management shall not transfer any positions, personnel, or funds from the Department of Public Safety to any other State agency during the 2017-2019 fiscal biennium unless the transfer was included in the base budget for one or both fiscal years of the biennium. This subsection shall not apply to the annual transfer of two hundred thirty-four thousand eight hundred ninety-one dollars ($234,891) to the Office of the Governor for administrative support.

SECTION 16.2.(b) This section becomes effective July 1, 2017. If any transfers that violate this section were made in fiscal year 2016-2017, prior to this section becoming effective, those transfers shall be rescinded within 15 days of this section becoming effective.

LAPSED SALARY REPORT

SECTION 16.3. The Department of Public Safety shall report on February 1 and August 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety. The report shall include the following:

(1) Amount of lapsed salary generated by fund code for the previous six months.
(2) An itemized accounting of the use of lapsed salary funds including:
    a. Fund code.
    b. Current certified budget.
    c. Annual projected expenditure.
    d. Annual projected shortfall.
    e. Amount of lapsed salary funds transferred to date.

The August 1 report shall include an annual accounting of this information for the previous fiscal year.

PILOT PROJECT TO TREAT OPIATE OVERDOSE

SECTION 16.3A.(a) Pilot Project. – The Department of Public Safety, in conjunction with the City of Wilmington, shall develop and implement a pilot project to establish a Quick Response Team (QRT) to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. The QRT shall be staffed by firefighters, police officers, medics, behavioral health specialists, and other law enforcement as determined by the Department of Public Safety and the City of Wilmington. The Department of Public Safety and the City of Wilmington shall work together to develop the policy and procedures for the QRT. In doing so, all of the following shall be considered:

(1) Increase engagement and treatment with family counseling and recovery groups.

(2) Provide follow-up care to survivable overdose incidents with police or medics and licensed counselors.
(3) Provide short-term and long-term support to overdose victims and families.
(4) Provide follow-up within three to five days after an initial incident.
(5) Create a fatality review panel to analyze and keep track of the deaths of those served by QRT.

SECTION 16.3A.(b) Report. – The Department of Public Safety and the City of Wilmington shall report on the results of the pilot project to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2019.

GRANT REPORTING AND MATCHING FUNDS

SECTION 16.5.(a) The Department of Public Safety, the Department of Justice, and the Judicial Department shall each report by May 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on grant funds received or preapproved for receipt by those departments. The report shall include information on the amount of grant funds received or preapproved for receipt by each department, the use of the funds, the State match expended to receive the funds, and the period to be covered by each grant. If a department intends to continue the program beyond the end of the grant period, that department shall report on the proposed method for continuing the funding of the program at the end of the grant period. Each department shall also report on any information it may have indicating that the State will be requested to provide future funding for a program presently supported by a local grant.

SECTION 16.5.(b) Notwithstanding the provisions of G.S. 143C-6-9, the Department of Public Safety may use up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2017-2018 fiscal year and up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2018-2019 fiscal year from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

EXPAND CRIME VICTIMS' SERVICES

SECTION 16.6.(a) G.S. 15B-2 reads as rewritten:

"**§ 15B-2. Definitions.**

As used in this Article, the following definitions apply, unless the context requires otherwise:

(1) Allowable expense. – Reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, rehabilitation, medically-related property, and other remedial treatment and care. Reasonably needed services include (i) counseling for immediate family members of children under the age of 18 who are victims of rape, sexual assault, or domestic violence and (ii) family counseling and grief counseling for immediate family members of homicide victims. The cumulative total for counseling services provided to immediate family members shall not exceed three thousand dollars ($3,000) per family.

Allowable expense includes a total charge not in excess of five thousand dollars ($5,000) for expenses related to funeral, cremation, and burial, including transportation of a body, but excluding expenses for flowers, gravestone, and other items not directly related to the funeral service.

Allowable expense for medical care, counseling, rehabilitation, medically-related property, and other remedial treatment and care of a victim shall be limited to sixty-six and two-thirds percent (66 2/3%) of the amount usually charged by the provider for the treatment or care. By accepting the

compensation paid as allowable expense pursuant to this subdivision, the provider agrees that the compensation is payment in full for the treatment or care and shall not charge or otherwise hold a claimant financially responsible for the cost of services in addition to the amount of allowable expense.

…."

SECTION 16.6.(b) This section is effective when it becomes law.

GRANTS FOR LAW ENFORCEMENT CAMERAS

SECTION 16.7.(a) Funds appropriated in S.L. 2015-241 to the Department of Public Safety for body-worn camera grants shall not revert but shall be used to provide matching grants to local and county law enforcement agencies to purchase and place into service body-worn or dashboard video cameras, as defined by G.S. 132-1.4A, and for training and related expenses. These grant funds shall be administered by the Governor's Crime Commission, which shall develop guidelines and procedures for the administration and distribution of grants to those agencies. These guidelines and procedures shall include the following requirements and limitations:

(1) The maximum grant amount shall not exceed one hundred thousand dollars ($100,000).

(2) Recipient law enforcement agencies shall be required to provide one dollar ($1.00) of local funds for every one dollar ($1.00) of grant funds received.

(3) Grantees shall be required to have appropriate policies and procedures in place governing the operation of body-worn or dashboard cameras, as defined by G.S. 132-1.4A, and the proper storage of images recorded with those cameras.

SECTION 16.7.(b) The Governor's Crime Commission shall submit a report on the grant funds distributed pursuant to this section during the 2017-2018 fiscal year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety no later than August 1, 2018.

SECTION 16.7.(c) Definition. – The term "body-worn camera" means an operational video camera, including a microphone or other mechanism for allowing audio capture, affixed to a law enforcement officer's uniform and positioned in a way that allows the video camera to capture interactions the law enforcement officer has with the public.

SUBPART XVI-A. GENERAL PROVISIONS [RESERVED]

SUBPART XVI-B. DIVISION OF LAW ENFORCEMENT

STATE CAPITOL POLICE/CREATION OF RECEIPT-SUPPORTED POSITIONS

SECTION 16B.1.(a) Creation of Receipt-Supported Positions Authorized. – The State Capitol Police may contract with State agencies for the creation of receipt-supported positions to provide security services to the buildings occupied by those agencies.

SECTION 16B.1.(b) Annual Report Required. – No later than September 1 of each fiscal year, the State Capitol Police shall report to the Joint Legislative Oversight Committee on Justice and Public Safety the following information for the fiscal year in which the report is due:

(1) A list of all positions in the State Capitol Police. For each position listed, the report shall include at least the following information:
   a. The position type.
   b. The agency to which the position is assigned.
   c. The source of funding for the position.

(2) For each receipt-supported position listed, the contract and any other terms of the contract.

SECTION 16B.1.(c) Additional Reporting Required Upon Creation of Receipt-Supported Positions. – In addition to the report required by subsection (b) of this

section, the State Capitol Police shall report the creation of any position pursuant to subsection (a) of this section to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Fiscal Research Division within 30 days of the position's creation. A report submitted pursuant to this section shall include at least the following information:

(1) The position type.
(2) The agency to which the position is being assigned.
(3) The position salary.
(4) The total amount of the contract.
(5) The terms of the contract.

SECTION 16B.1.(d) Format of Reports. – Reports submitted pursuant to this section shall be submitted electronically and in accordance with any applicable General Assembly standards.

USE OF SEIZED AND FORFEITED PROPERTY

SECTION 16B.2.(a) Seized and forfeited assets transferred to the Department of Justice or to the Department of Public Safety during the 2017-2019 fiscal biennium pursuant to applicable federal law shall be credited to the budget of the recipient department and shall result in an increase of law enforcement resources for that department. The Department of Public Safety and the Department of Justice shall each make the following reports to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and Senate Appropriations Committee on Justice and Public Safety:

(1) A report upon receipt of any assets.
(2) A report that shall be made prior to use of the assets on their intended use and the departmental priorities on which the assets may be expended.
(3) A report on receipts, expenditures, encumbrances, and availability of these assets for the previous fiscal year, which shall be made no later than September 1 of each year.

SECTION 16B.2.(b) The General Assembly finds that the use of seized and forfeited assets transferred pursuant to federal law for new personnel positions, new projects, acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice and Department of Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly.

SECTION 16B.2.(c) Nothing in this section prohibits State law enforcement agencies from receiving funds from the United States Department of Justice, the United States Department of the Treasury, and the United States Department of Health and Human Services.

SECTION 16B.2.(d) The Joint Legislative Oversight Committee on Justice and Public Safety shall study the impact on State and local law enforcement efforts of the receipt of seized and forfeited assets. The Committee shall report its findings and recommendations prior to the convening of the 2018 Regular Session of the 2017 General Assembly.

PROTECT HOSPITAL SECURITY PERSONNEL

SECTION 16B.3.(a) G.S. 14-34.6 reads as rewritten:

"**§ 14-34.6. Assault or affray on a firefighter, an emergency medical technician, medical responder, and hospital personnel.**

(a) A person is guilty of a Class I felony if the person commits an assault or affray causing physical injury on any of the following persons who are discharging or attempting to discharge their official duties:

(1) An emergency medical technician or other emergency health care provider.
(2) A medical responder.
(3) Hospital personnel and licensed healthcare providers who are providing or attempting to provide health care services to a patient in a hospital.

(4) Repealed by Session Laws 2011-356, s. 2, effective December 1, 2011, and applied to offenses committed on or after that date.

(5) A firefighter.

(6) Hospital security personnel.

(b) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class H felony if the person violates subsection (a) of this section and (i) inflicts serious bodily injury or (ii) uses a deadly weapon other than a firearm.

(c) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person violates subsection (a) of this section and uses a firearm."

SECTION 16B.3.(b) This section becomes effective December 1, 2017, and applies to offenses committed on or after that date.

LIEUTENANT GOVERNOR EXECUTIVE PROTECTION DETAIL

SECTION 16B.4.(a) Article 4 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-189.1. Lieutenant Governor Executive Protection Detail.**

(a) Creation. – There is created within the Highway Patrol a Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor shall submit the names of three sworn members in good standing of the North Carolina Highway Patrol to the Commander, and the Commander shall assign those officers to serve in the Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor is authorized to remove any members of the detail, with or without cause. If the Lieutenant Governor removes a member of the detail, the Lieutenant Governor shall submit to the Commander the name of an officer to replace the member who has been removed and the Commander shall assign the replacement. Members of the Lieutenant Governor's Executive Protection Detail shall continue to be employed by the North Carolina Highway Patrol subject to the laws, rules, and regulations of the Highway Patrol. The North Carolina Highway Patrol shall provide vehicles necessary for the carrying out of the Detail's duties under this Article.

(b) Duties. – The members of the Lieutenant Governor's Executive Protection Detail shall protect the Lieutenant Governor and the Lieutenant Governor's immediate family and perform duties as assigned by the Lieutenant Governor relating to the protection of the Lieutenant Governor."

SECTION 16B.4.(b) This section is effective when this act becomes law.

STUDIES TO ENHANCE PUBLIC SAFETY/PED

SECTION 16B.5.(a) The Joint Legislative Program Evaluation Oversight Committee shall revise the biennial 2017-2018 work plan for the Program Evaluation Division to include the following:

(1) An evaluation of the Voice Interoperability Plan for Emergency Responders (VIPER) and FirstNet technologies. Specifically, the Program Evaluation Division shall:

a. Examine the current state of VIPER and FirstNet technology and identify long-term future equipment needs and upgrades.

b. Examine the services provided by VIPER and FirstNet, the interoperability of the two systems, whether or not there are duplications in the system functions, and any opportunities for efficiencies and cost-sharing.

c. Evaluate the need for VIPER upgrades, including the immediate transition to GTR base stations and the potential establishment of regularly scheduled updates to ensure the system remains current and reliable in the future.

d. Identify the most effective governance and operational financing structure to ensure equitable and reasonable cost-sharing and optimal system adoption by public safety agency stakeholders.

(2) An evaluation of the current security measures for the downtown Raleigh State Government complex and options to create cost-efficient and comprehensive security plans.

SECTION 16B.5.(b) The Program Evaluation Division shall submit the evaluation required under subdivision (a)(1) of this section to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2018.

SECTION 16B.5.(c) Pursuant to G.S. 132-1.7, the public security information collected by the Program Evaluation Division as a result of the evaluation required under subdivision (a)(2) of this section is not a public record. The Program Evaluation Division shall complete its evaluation no later than March 1, 2018. Notwithstanding G.S. 120-36.16(3), the Program Evaluation Division shall submit its evaluation, including findings and recommendations to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The evaluation is not a public record as defined in G.S. 132-1.

9/11 AS FIRST RESPONDERS DAY

SECTION 16B.6. G.S. 103-4(a) is amended by adding a new subdivision to read:

"**§ 103-4. Dates of public holidays.**

(a) The following are declared to be legal public holidays:

…

(10a) First Responders Day, September 11.

…."

SHP ELIGIBLE FOR PSAP GRANT/911 PROJECTS

SECTION 16B.7. G.S. 143B-1407 is amended by adding a new subsection to read:

"(f) Application to State Highway Patrol. – The State Highway Patrol is an eligible PSAP for purposes of applying to the 911 Board for a grant from the PSAP Grant and Statewide 911 Projects Account. This subsection applies to funds collected on or after July 1, 2017."

USE OF STATE HIGHWAY PATROL LOGO PERMITTED

SECTION 16B.8.(a) Article 4 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-187.5. Trademark authorization.**

The North Carolina Troopers Association is authorized to use all trademarks identifying the North Carolina State Highway Patrol held by the North Carolina Department of Public Safety or its Divisions. The use authorized under this section shall be limited to purposes that support the State Highway Patrol, employees of the State Highway Patrol, and the family members of the employees of the State Highway Patrol."

SECTION 16B.8.(b) This section is effective when it becomes law.

STATE HIGHWAY PATROL SECURITY DETAIL FOR SPEAKER/PRESIDENT PRO TEMPORE FOR STATE BUSINESS

SECTION 16B.9. Article 4 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-189.2. State Highway Patrol Security Detail.**

The Speaker of the House of Representatives and the President Pro Tempore of the Senate, while traveling within the State on State business, may request a security detail. The request shall be made to the commander of the State Highway Patrol. If the request is made at least 48 hours in advance, the commander shall provide the detail. If the request is made less than 48 hours in advance, the commander shall provide the detail unless doing so would otherwise impair the ability of the State Highway patrol to perform its lawful duties."

EXPAND SBI JURISDICTION AND ESTABLISH STATE CAPITOL POLICE

SECTION 16B.10.(a) G.S. 143B-919(c) reads as rewritten:

"**§ 143B-919. Investigations of lynchings, election frauds, etc.; services subject to call of Governor; witness fees and mileage for employees.**

…

(c) The State Bureau of Investigation is further authorized, upon request of the Governor or the Attorney General, to investigate the commission or attempted commission of the crimes defined in the following statutes:

(1) ~~All sections of~~ Article 4A of Chapter 14 of the General Statutes;
(1a) G.S. 14-43.11;
(2) G.S. 14-277.1;
(3) G.S. 14-277.2;
(4) G.S. 14-283;
(5) G.S. 14-284;
(6) G.S. 14-284.1;
(7) G.S. 14-288.2;
(8) G.S. 14-288.7;
(9) G.S. 14-288.8;
(10) G.S. 14-288.20;
(10a) G.S. 14-288.21;
(10b) G.S. 14-288.22;
(10c) G.S. 14-288.23;
(10d) G.S. 14-288.24;
(11) G.S. 14-284.2;
(12) G.S. 14-399(e);
(12a) G.S. 15A-287 and G.S. 15A-288;
(13) G.S. 130A-26.1;
(14) G.S. 143-215.6B;
(15) G.S. 143-215.88B; and
(16) G.S. 143-215.114B."

SECTION 16B.10.(b) The State Capitol Police Section of the State Highway Patrol shall be relocated as a Division of the Department of Public Safety.

SECTION 16B.10.(c) Subpart B of Part 4 of Article 13 of Chapter 143B of the General Statutes reads as rewritten:

"Subpart B. State Capitol ~~Police.~~Police Division.

"**§ 143B-911. Creation of State Capitol Police ~~Section~~ Division; powers and duties.**

(a) ~~Section~~ Division Established. – ~~There is hereby established, within the State Highway Patrol of the Department of Public Safety,~~ There is created the State Capitol Police ~~Section, which shall be organized and staffed in accordance with applicable laws and regulations and within the limits of authorized appropriations. The Chief, special officers, and employees of the State Capitol Police Section are not considered members of the State Highway Patrol.~~Division of the Department of Public Safety with the organization, powers, and duties defined in Article 1 of this Chapter, except as modified in this Part.

(b) Purpose. – The State Capitol Police ~~Section~~ Division shall serve as a special police agency of the Department of Public Safety. The Chief of the State Capitol Police, appointed by the Secretary pursuant to G.S. 143B-602, with the approval of the Governor, may appoint as special police officers such reliable persons as ~~he~~ the Chief may deem necessary.

…."

SECTION 16B.10.(d) G.S. 143B-602(8) reads as rewritten:

"**§ 143B-602. Powers and duties of the Secretary of Public Safety.**

The Secretary of Public Safety shall have the powers and duties as are conferred on the Secretary by this Article, delegated to the Secretary by the Governor, and conferred on the

Secretary by the Constitution and laws of this State. These powers and duties include the following:

…

(8) Other powers and duties. – The Secretary has the following additional powers and duties:

…

f. Appointing, with the Governor's approval, a special police officer to serve as Chief of the State Capitol Police ~~Section of the State Highway Patrol.~~Division.

…."

SECTION 16B.10.(e) Notwithstanding any other provision of law, there shall be no transfer of positions to or from the State Capitol Police Section (Budget Code 14550, fund code 1402) and no changes to the total authorized budget of the State Capitol Police Section, as it existed on March 1, 2017, prior to the transfer of the State Capitol Police from the State Highway Patrol to the Department of Public Safety. This subsection shall not apply to transfers of positions or changes to the total authorized budget of the State Capitol Police that are expressly required by the Committee Report described in Section 39.2 of this act.

SECTION 16B.10.(f) This section is effective when it becomes law.

MODIFY ALE JURISDICTION

SECTION 16B.11. G.S. 143B-928 reads as rewritten:

"**§ 143B-928. Alcohol Law Enforcement Branch to remain separate and discrete component of the State Bureau of ~~Investigation.~~Investigation; retention of funds.**

(a) Notwithstanding any overlap between the duties and jurisdiction of the Alcohol Law Enforcement Branch and the remainder of the State Bureau of Investigation, the Alcohol Law Enforcement Branch is a separate and discrete branch of the State Bureau of ~~Investigation.~~Investigation and alcohol law enforcement officers are separate and discrete from other sworn law enforcement officers of the Bureau. No funds or positions shall be transferred from budget code 14550, fund code 1401, to any other fund code or budget code except by act of the General Assembly.

(b) Where the General Statutes confer narrower authority on the State Bureau of Investigation than on the Alcohol Law Enforcement Branch, the narrower authority shall not be construed to limit the authority of the Alcohol Law Enforcement Division.

(c) Any funds or property distributed to the Alcohol Law Enforcement Branch as a result of any federal forfeiture proceeding shall only be expended for purposes related to the Alcohol Law Enforcement Branch."

SUBPART XVI-C. DIVISION OF ADULT CORRECTION

USE OF CLOSED FACILITIES

SECTION 16C.1.(a) In conjunction with the closing of prison facilities, youth detention centers, and youth development centers, the Department of Public Safety shall consult with the county or municipality in which the facility is located, with elected State and local officials, and with State and federal agencies about the possibility of converting that facility to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the facility to other use. In developing a proposal for future use of each facility, the Department shall give priority to converting the facility to other criminal justice use. Consistent with existing law and the future needs of the Department of Public Safety, the State may provide for the transfer or the lease of any of these facilities to counties, municipalities, State agencies, federal agencies, or private firms wishing to convert them to other use. G.S. 146-29.1(f) through (g) shall not apply to a transfer made pursuant to this section. The Department of Public Safety may also consider converting some of the facilities recommended for closing from one security custody level to another, where that

conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Health and Human Services pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system.

SECTION 16C.1.(b) The Department may convert closed facilities for the following purposes:

(1) Training needs.
(2) Behavior modification facilities.
(3) Transitional housing.

Sixty days prior to converting facilities to these purposes, the Department shall report to the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the justification for the conversion, operational requirements for the facility, and available resources for staffing and operating the facility. If the proposed facility will require additional funding in the future, the report shall provide a five-year projection of those funding needs.

REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL EXPENSES

SECTION 16C.2. Notwithstanding G.S. 143C-6-9, the Department of Public Safety may use funds available to the Department for the 2017-2019 fiscal biennium to reimburse counties for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The reimbursement may not exceed forty dollars ($40.00) per day per prisoner awaiting transfer. The Department shall report annually by February 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the expenditure of funds to reimburse counties for prisoners awaiting transfer.

CENTER FOR COMMUNITY TRANSITIONS/ CONTRACT AND REPORT

SECTION 16C.3. The Department of Public Safety may continue to contract with The Center for Community Transitions, Inc., a nonprofit corporation, for the purchase of prison beds for minimum security female inmates during the 2017-2019 fiscal biennium. The Center for Community Transitions, Inc., shall report by February 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the annual cost per inmate and the average daily inmate population compared to bed capacity using the same methodology as that used by the Department of Public Safety.

INMATE CONSTRUCTION PROGRAM

SECTION 16C.4. Notwithstanding any other provision of law but subject to Article 3 of Chapter 148 of the General Statutes, during the 2017-2019 fiscal biennium, the State Construction Office may utilize inmates in the custody of the Division of Adult Correction of the Department of Public Safety through the Inmate Construction Program for repair and renovation projects on State-owned facilities, with priority given to Department of Public Safety construction projects. State agencies utilizing the Inmate Construction Program shall reimburse the Division of Adult Correction of the Department of Public Safety for the cost of transportation, custody, and wages for the inmate crews.

STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM

SECTION 16C.5.(a) The North Carolina Sheriffs' Association shall report no later than the 15th day of each month to the Office of State Budget and Management and the Fiscal Research Division on the Statewide Misdemeanant Confinement Program. Each monthly report shall include all of the following:

(1) The daily population, delineated by misdemeanant or DWI monthly housing.
(2) The cost of housing prisoners under the Program.
(3) The cost of transporting prisoners under the Program.
(4) Personnel costs.
(5) Inmate medical care costs.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.5.(b) The North Carolina Sheriffs' Association shall report no later than October 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the Statewide Misdemeanant Confinement Program. The report shall include the following with respect to the prior fiscal year:

(1) Revenue collected by the Statewide Misdemeanant Confinement Program.
(2) The cost of housing prisoners by county under the Program.
(3) The cost of transporting prisoners by county under the Program.
(4) Personnel costs by county.
(5) Inmate medical care costs by county.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.5.(c) Of the funds appropriated in this act for the Statewide Misdemeanant Confinement Program:

(1) The sum of one million dollars ($1,000,000) shall be transferred to the North Carolina Sheriffs' Association, Inc., a nonprofit corporation, to support the Program and for administrative and operating expenses of the Association and its staff.
(2) The sum of two hundred twenty-five thousand dollars ($225,000) shall be allocated to the Division of Adult Correction for its administrative and operating expenses for the Program.

WESTERN YOUTH INSTITUTION ASSET REPORT

SECTION 16C.6. The Department of Public Safety (DPS) shall make every effort to ensure that equipment and other State resources in buildings that are scheduled for demolition or otherwise not being used are recovered for use elsewhere. DPS shall report by March 1, 2018, on assets salvaged from the Western Youth Institution prior to demolition. The report shall include the type of asset salvaged, the estimated value of the asset, where it was used, and the savings associated with relocating the asset to another facility.

ELIMINATE OBSOLETE PILOT PROGRAM

SECTION 16C.7. G.S. 143B-706 is repealed.

DOT CONTRACT FOR INMATE LITTER CREW

SECTION 16C.8. After the issuance of a request for information (RFI) and receipt of bids by the Department of Transportation for litter pickup on State highways and roads, the Department of Transportation shall first offer the contract to the Division of Adult Correction upon the same terms and conditions as the most favorable bid received by the Department of Transportation from a suitable contractor. The Division of Adult Correction shall have 30 days to accept or decline the offered contract.

STATE REENTRY COUNCIL COLLABORATIVE

SECTION 16C.10. Part 1 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-604. State Reentry Council Collaborative.**

(a) The Secretary shall establish the State Reentry Council Collaborative (SRCC). The SRCC shall include up to two representatives from each of the following:

(1) The Division of Motor Vehicles.

(2) The Department of Health and Human Services.

(3) The Administrative Office of the Courts.

(4) The North Carolina Community College System.

(5) The Division of Adult Correction of the Department of Public Safety.

(6) A nonprofit entity that provides reentry services or reentry programs.

(7) Any other agency that the Secretary deems relevant.

(b) The Secretary, or the Secretary's designee, shall chair the SRCC which shall meet at least quarterly upon the call of the chair. The SRCC shall study the needs of ex-offenders who have been recently released from a correctional institution and to increase the effectiveness of local reentry councils.

(c) Beginning November 1, 2017, and annually thereafter, the SRCC shall report its findings and recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety."

INTERSTATE COMPACT FEES TO SUPPORT TRAINING PROGRAMS AND EQUIPMENT PURCHASES SECTIONS

SECTION 16C.11. Notwithstanding the provisions of G.S. 148-65.7, fees collected for the Interstate Compact Fund during the 2017-2019 fiscal biennium may be used by the Division of Adult Correction of the Department of Public Safety during the 2017-2019 fiscal biennium to provide training programs and equipment purchases for the Section of Community Corrections, but only to the extent sufficient funds remain available in the Fund to support the mission of the Interstate Compact Program.

STUDY INMATE HEALTH INFORMATION EXCHANGE SOFTWARE

SECTION 16C.11A. The Department of Public Safety, in collaboration with the Department of Health and Human Services, shall study the feasibility of the State acquiring and implementing an inmate health information exchange program to allow for the secure and effective transfer of pertinent medical information on an inmate, including the ability to upload and transmit test results, so that the need for replication of tests is either minimized or eliminated. The Departments shall report their findings and recommendations, including any legislative proposals, to the Joint Legislative Committees on Justice and Public Safety and Health and Human Services by February 1, 2018.

NURSE STAFFING AT STATE PRISONS/PLAN TO ATTRACT AND RETAIN

SECTION 16C.11B.(a) The Department of Public Safety shall report the following information to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2017:

(1) The total number of permanent nursing positions allocated to the Department, the number of filled positions, the number of positions that have been vacant for more than six months, and information regarding the location of both filled and vacant positions.

(2) The extent to which temporary contract services are being used to staff vacant nursing positions, the method for funding the contract services, and any cost differences between the use of permanent employees versus contract employees.

(3) Any other information the Secretary deems relevant.

SECTION 16C.11B.(b) The Department of Public Safety, in conjunction with the Office of State Human Resources, shall develop a plan to (i) reduce the use of contract services to provide nursing in State prisons and (ii) attract and retain qualified nurses for employment in permanent positions in State prisons. The plan shall take into consideration market comparisons

of salary and retention for nurses employed in private sector locations that are the same or similar to existing prison locations. The Department shall report its findings and recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2017.

DEPARTMENT REPORT ON PRISON PERSONNEL MATTERS

SECTION 16C.11C. No later than February 1, 2018, the Department of Public Safety, Division of Adult Correction, shall report to the Joint Legislative Oversight Committee on Justice and Public Safety the following information for the last five fiscal years regarding Division employees working in State prisons:

(1) The number of Division employees charged with the commission of a criminal offense committed in a State prison and during the employee's work hours. The information shall be provided by State facility and shall specify the offense charged and the outcome of the charge.

(2) The number of employees disciplined, demoted, or separated from service due to personal misconduct. To the extent it does not disclose confidential personnel records, the information shall be organized by type of misconduct, nature of corrective action taken, and outcome of the corrective action.

(3) The hiring and screening process, including any required credentials or skills, criminal background checks, and personality assessments. The information shall also include the process the Division uses to verify the information provided by an applicant.

(4) The average number of days between assignment of a correctional officer to a prison and the completion of Correctional Officer Basic Training.

(5) The methods used to prevent delivery of contraband items to prisoners, including illegal drugs and mobile phones, and an evaluation or summary of the effectiveness of the methods.

EXTEND REENTRY COUNCIL CONTRACTS

SECTION 16C.11D. For the 2017-2018 fiscal year, the Department of Public Safety may use existing Treatment for Effective Community Supervision funds to continue support for Local Reentry Councils in the following five pilot sites:

(1) Hoke/Scotland/Robeson Counties – Robeson County Manager's Office.

(2) Nash/Edgecombe/Wilson Counties – NC Community Action Association.

(3) Pitt County – Life of NC, Inc., dba STRIVE.

(4) Buncombe County – Buncombe County Health & Human Services/RHA.

(5) Mecklenburg County – Mecklenburg Criminal Justice Services, Mecklenburg County Manager's Office.

LINCOLN CORRECTIONAL CENTER FEASIBILITY STUDY

SECTION 16C.12. The Department of Public Safety (DPS) shall study the feasibility of closing the Lincoln Correctional Center. DPS shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2018, on the findings of the study. If DPS finds the facility should be closed, it shall include in the report plans for relocating the inmates and transferring the custody and program staff and the costs of closing the facility.

SUBPART XVI-D. DIVISION OF JUVENILE JUSTICE

LIMIT USE OF COMMUNITY PROGRAM FUNDS

SECTION 16D.1.(a) Funds appropriated in this act to the Department of Public Safety for the 2017-2019 fiscal biennium for community program contracts that are not required for or used for community program contracts may be used only for the following:

(1) Other statewide residential programs that provide Level 2 intermediate dispositional alternatives for juveniles.

(2) Statewide community programs that provide Level 2 intermediate dispositional alternatives for juveniles.

(3) Regional programs that are collaboratives of two or more Juvenile Crime Prevention Councils which provide Level 2 intermediate dispositional alternatives for juveniles.

(4) The Juvenile Crime Prevention Council funds to be used for the Level 2 intermediate dispositional alternatives for juveniles listed in G.S. 7B-2506(13) through (23).

SECTION 16D.1.(b) Funds appropriated by this act to the Department of Public Safety for the 2017-2019 fiscal biennium for community programs may not be used for staffing, operations, maintenance, or any other expenses of youth development centers or detention facilities.

SECTION 16D.1.(c) The Department of Public Safety shall submit an electronic report by October 1 of each year of the 2017-2019 fiscal biennium on all expenditures made in the preceding fiscal year from the miscellaneous contract line in Fund Code 1230 to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Fiscal Research Division. The report shall include all of the following: an itemized list of the contracts that have been executed, the amount of each contract, the date the contract was executed, the purpose of the contract, the number of juveniles that will be served and the manner in which they will be served, the amount of money transferred to the Juvenile Crime Prevention Council fund, and an itemized list of grants allocated from the funds transferred to the Juvenile Crime Prevention Council fund.

STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS

SECTION 16D.2. Funds appropriated in this act to the Department of Public Safety for each fiscal year of the 2017-2019 fiscal biennium may be used as matching funds for the Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile Accountability Incentive Block Grants or a notice of funds to be awarded, the Office of State Budget and Management and the Governor's Crime Commission shall consult with the Department of Public Safety regarding the criteria for awarding federal funds. The Office of State Budget and Management, the Governor's Crime Commission, and the Department of Public Safety shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety prior to allocation of the federal funds. The report shall identify the amount of funds to be received for the 2017-2018 fiscal year, the amount of funds anticipated for the 2018-2019 fiscal year, and the allocation of funds by program and purpose.

JUVENILE CRIME PREVENTION COUNCIL FUNDS

SECTION 16D.3. G.S. 143B-852(a) reads as rewritten:

"(a) On or before February 1 of each year, the Department of Public Safety shall submit to the Chairs of the Joint Legislative ~~Commission on Governmental Operations~~ Oversight Committee on Justice and Public Safety and the Chairs of the ~~Senate and~~ House of Representatives Appropriations ~~Subcommittees~~Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety a list of the recipients of the grants awarded, or preapproved for award, from funds appropriated to the Department for local Juvenile Crime Prevention Council (JCPC) grants, including the following information:

(1) The amount of the grant awarded.

(2) The membership of the local committee or council administering the award funds on the local level.

(3) The type of program funded.

(4) A short description of the local services, programs, or projects that will receive funds.

(5) Identification of any programs that received grant funds at one time but for which funding has been eliminated by the Department.

(6) The number of at-risk, diverted, and adjudicated juveniles served by each county.

(7) The Department's actions to ensure that county JCPCs prioritize funding for dispositions of intermediate and community-level sanctions for court-adjudicated juveniles under minimum standards adopted by the Department.

(8) The total cost for each funded program, including the cost per juvenile and the essential elements of the program."

JUVENILE JUSTICE REINVESTMENT ACT

INCREASE THE AGE OF JUVENILE JURISDICTION, EXCEPT FOR CERTAIN FELONIES

SECTION 16D.4.(a) G.S. 7B-1501 reads as rewritten:

"**§ 7B-1501. Definitions.**

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings. The singular includes the plural, unless otherwise specified.

…

(7) Delinquent juvenile. –

a. Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

b. Any juvenile who, while less than 18 years of age but at least 16 years of age, commits a crime or an infraction under State law or under an ordinance of local government, excluding violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

…

(27a) Victim. – Any individual or entity against whom a crime or infraction is alleged to have been committed by a juvenile based on reasonable grounds that the alleged facts are true. For purposes of Article 17 of this Chapter, the term may also include a parent, guardian, or custodian of a victim under the age of 18 years of age.

…."

SECTION 16D.4.(b) G.S. 7B-1601 reads as rewritten:

"**§ 7B-1601. Jurisdiction over delinquent juveniles.**

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be delinquent. For purposes of determining jurisdiction, the age of the juvenile at the time of the alleged offense governs.

(b) When the court obtains jurisdiction over a juvenile alleged to be ~~delinquent,~~delinquent for an offense committed prior to the juvenile reaching the age of 16 years, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 18 years, except as provided otherwise in this Article.

(b1) When the court obtains jurisdiction over a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 19 years. If the offense was committed while the juvenile was at least 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 20 years.

(c) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed prior to the juvenile reaching the age of 16 years cannot be concluded before the juvenile reaches the age of 18 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(c1) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age cannot be concluded before the juvenile reaches the age of 19 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition. When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 17 years of age cannot be concluded before the juvenile reaches the age of 20 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(d) When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 18, for a felony and any related misdemeanors the juvenile allegedly committed on or after the juvenile's thirteenth birthday and prior to the juvenile's sixteenth birthday, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(d1) When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 19, for a felony and related misdemeanors the juvenile allegedly committed while the juvenile was at least 16 years of age but less than 17 years of age, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition. When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 20, for a felony and related misdemeanors the juvenile allegedly committed while the juvenile was at least 17 years of age but less than 18 years of age, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(e) The court has jurisdiction over delinquent juveniles in the custody of the Division and over proceedings to determine whether a juvenile who is under the post-release supervision of the juvenile court counselor has violated the terms of the juvenile's post-release supervision.

(f) The court has jurisdiction over persons 18 years of age or older who are under the extended jurisdiction of the juvenile court.

(g) The court has jurisdiction over the parent, guardian, or custodian of a juvenile who is under the jurisdiction of the court pursuant to this section if the parent, guardian, or custodian has been served with a summons pursuant to G.S. 7B-1805."

SECTION 16D.4.(c) G.S. 7B-1604 reads as rewritten:

"**§ 7B-1604. Limitations on juvenile court jurisdiction.**

(a) Any juvenile, including a juvenile who is under the jurisdiction of the court, who commits a criminal offense on or after the ~~juvenile's sixteenth birthday~~ juvenile has reached the age of 18 years is subject to prosecution as an adult. A juvenile who is emancipated shall be prosecuted as an adult for the commission of a criminal offense.

(b) A juvenile (i) who is transferred to and convicted in superior court or (ii) who has previously been convicted in either district or superior court for a felony or a misdemeanor, including a violation of the motor vehicle laws under State law, shall be prosecuted as an adult for any criminal offense the juvenile commits after the district or superior court conviction."

SECTION 16D.4.(d) G.S. 7B-2200 reads as rewritten:

"**§ 7B-2200. Transfer of jurisdiction of a juvenile under the age of 16 to superior court.**

~~After~~Except as otherwise provided in G.S. 7B-2200.5, after notice, hearing, and a finding of probable cause the court may, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, transfer jurisdiction over a juvenile to superior court if the juvenile was at least 13 years of age ~~or older~~ but less than 16 years of age at the time the juvenile allegedly committed an offense that would be a felony if committed by an adult. If the alleged felony constitutes a Class A felony and the court finds probable cause, the court shall transfer the case to the superior court for trial as in the case of adults."

SECTION 16D.4.(e) Article 22 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-2200.5. Transfer of jurisdiction of a juvenile at least 16 years of age to superior court.**

(a) If a juvenile was 16 years of age or older at the time the juvenile allegedly committed an offense that would be a Class A, B1, B2, C, D, E, F, or G felony if committed by an adult, the court shall transfer jurisdiction over the juvenile to superior court for trial as in the case of adults after either of the following:

(1) Notice to the juvenile and a finding by the court that a bill of indictment has been returned against the juvenile charging the commission of an offense that constitutes a Class A, B1, B2, C, D, F, or G felony if committed by an adult.

(2) Notice, hearing, and a finding of probable cause that the juvenile committed an offense that constitutes a Class A, B1, B2, C, D, E, F, or G felony if committed by an adult.

(b) If the juvenile was 16 years of age or older at the time the juvenile allegedly committed an offense that would be a Class H or I felony if committed by an adult, after notice, hearing, and a finding of probable cause, the court may, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, transfer jurisdiction over a juvenile to superior court pursuant to G.S. 7B-2203."

SECTION 16D.4.(f) G.S. 7B-2202 reads as rewritten:

"**§ 7B-2202. Probable cause hearing.**

(a) ~~The~~Except as otherwise provided in G.S. 7B-2200.5(a)(1), the court shall conduct a hearing to determine probable cause in all felony cases in which a juvenile was 13 years of age or older when the offense was allegedly committed. The hearing shall be conducted within 15 days of the date of the juvenile's first appearance. The court may continue the hearing for good cause.

…

(e) If probable cause is found and transfer to superior court is not required by ~~G.S. 7B-2200,~~G.S. 7B-2200 or G.S. 7B-2200.5, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, the court shall either proceed to a transfer hearing or set a date for that hearing. If the juvenile has not received notice of the intention to seek transfer at least five days prior to the probable cause hearing, the court, at the request of the juvenile, shall continue the transfer hearing.

…."

SECTION 16D.4.(g) G.S. 7B-2506 reads as rewritten:

"**§ 7B-2506. Dispositional alternatives for delinquent juveniles.**

The court exercising jurisdiction over a juvenile who has been adjudicated delinquent may use the following alternatives in accordance with the dispositional structure set forth in G.S. 7B-2508:

(1) In the case of any juvenile under the age of 18 years who needs more adequate care or supervision or who needs placement, the judge may:

a. Require that a juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, a juvenile court counselor, or other personnel as may be available to the court,

subject to conditions applicable to the parent, guardian, or custodian or the juvenile as the judge may specify; or

b. Place the juvenile in the custody of a parent, guardian, custodian, relative, private agency offering placement services, or some other suitable person; or

c. If the director of the county department of social services has received notice and an opportunity to be heard, place the juvenile in the custody of the department of social services in the county of his residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. An order placing a juvenile in the custody or placement responsibility of a county department of social services shall contain a finding that the juvenile's continuation in the juvenile's own home would be contrary to the juvenile's best interest. This placement shall be reviewed in accordance with G.S. 7B-906.1. The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or his designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).

(2) Excuse ~~the~~a juvenile under the age of 16 years from compliance with the compulsory school attendance law when the court finds that suitable alternative plans can be arranged by the family through other community resources for one of the following:

a. An education related to the needs or abilities of the juvenile including vocational education or special education;

b. A suitable plan of supervision or placement; or

c. Some other plan that the court finds to be in the best interests of the juvenile.

…."

SECTION 16D.4.(h) G.S. 7B-2507 reads as rewritten:

"**§ 7B-2507. Delinquency history levels.**

(a) Generally. – The delinquency history level for a delinquent juvenile is determined by calculating the sum of the points assigned to each of the juvenile's prior adjudications or convictions and to the juvenile's probation status, if any, that the court finds to have been

proved in accordance with this section. For the purposes of this section, a prior adjudication is an adjudication of an offense that occurs before the adjudication of the offense before the court.

(b) Points. – Points are assigned as follows:

(1) For each prior adjudication of a Class A through E felony offense, 4 points.

(2) For each prior adjudication of a Class F through I felony offense or Class A1 misdemeanor offense, 2 points.

(2a) For each prior conviction of a Class A through E felony offense, 4 points.

(2b) For each prior conviction of a Class F through I felony or Class A1 misdemeanor offense, excluding conviction of the motor vehicle laws, 2 points.

(2c) For each prior misdemeanor conviction of impaired driving (G.S. 20-138.1), impaired driving in a commercial vehicle (G.S. 20-138.2), and misdemeanor death by vehicle (G.S. 20-141.4(a2)), 2 points.

(3) For each prior adjudication of a Class 1, 2, or 3 misdemeanor offense, 1 point.

(3a) For each prior conviction of a Class 1, 2, or 3 misdemeanor offense, excluding conviction for violation of the motor vehicle laws, 1 point.

(4) If the juvenile was on probation at the time of offense, 2 points.

No points shall be assigned for a prior adjudication that a juvenile is in direct contempt of court or indirect contempt of court.

(c) Delinquency History Levels. – The delinquency history levels are:

(1) Low – No more than 1 point.

(2) Medium – At least 2, but not more than 3 points.

(3) High – At least 4 points.

In determining the delinquency history level, the classification of a prior offense is the classification assigned to that offense at the time the juvenile committed the offense for which disposition is being ordered.

(d) Multiple Prior Adjudications or Convictions Obtained in One Court Session. – For purposes of determining the delinquency history level, if a juvenile is adjudicated delinquent or convicted for more than one offense in a single session of district ~~court,~~court or more than one offense in a single superior court during one calendar week, only the adjudication or conviction for the offense with the highest point total is used.

(e) Classification of Prior Adjudications or Convictions From Other Jurisdictions. – Except as otherwise provided in this subsection, an adjudication or conviction occurring in a jurisdiction other than North Carolina is classified as a Class I felony if the jurisdiction in which the offense occurred classifies the offense as a felony, or is classified as a Class 3 misdemeanor if the jurisdiction in which the offense occurred classifies the offense as a misdemeanor. If the juvenile proves by the preponderance of the evidence that an offense classified as a felony in the other jurisdiction is substantially similar to an offense that is a misdemeanor in North Carolina, the adjudication or conviction is treated as that class of misdemeanor for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as either a misdemeanor or a felony in the other jurisdiction is substantially similar to an offense in North Carolina that is classified as a Class I felony or higher, the adjudication or conviction is treated as that class of felony for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as a misdemeanor in the other jurisdiction is substantially similar to an offense classified as a Class A1 misdemeanor in North Carolina, the adjudication or conviction is treated as a Class A1 misdemeanor for assigning delinquency history level points.

(f) Proof of Prior ~~Adjudications.~~Adjudications or Convictions. – A prior adjudication or conviction shall be proved by any of the following methods:

(1) Stipulation of the parties.

(2) An original or copy of the court record of the prior ~~adjudication.~~adjudication or conviction.

(3) A copy of records maintained by the Department of Public Safety or by the Division.

(4) Any other method found by the court to be reliable.

The State bears the burden of proving, by a preponderance of the evidence, that a prior adjudication or conviction exists and that the juvenile before the court is the same person as the juvenile named in the prior ~~adjudication.~~adjudication or conviction. The original or a copy of the court records or a copy of the records maintained by the Department of Public Safety or of the Division, bearing the same name as that by which the juvenile is charged, is prima facie evidence that the juvenile named is the same person as the juvenile before the court, and that the facts set out in the record are true. For purposes of this subsection, "a copy" includes a paper writing containing a reproduction of a record maintained electronically on a computer or other data processing equipment, and a document produced by a facsimile machine. The prosecutor shall make all feasible efforts to obtain and present to the court the juvenile's full record. Evidence presented by either party at trial may be utilized to prove prior ~~adjudications.~~adjudications or convictions. If asked by the juvenile, the prosecutor shall furnish the juvenile's prior adjudications or convictions to the juvenile within a reasonable time sufficient to allow the juvenile to determine if the record available to the prosecutor is accurate."

SECTION 16D.4.(i) G.S. 7B-2513(a) reads as rewritten:

"(a) Pursuant to G.S. 7B-2506 and G.S. 7B-2508, the court may commit a delinquent juvenile who is at least 10 years of age to the Division for placement in a youth development center. Commitment shall be for an indefinite term of at least six months.

(a1) ~~In no event shall~~For an offense the juvenile committed prior to reaching the age of 16 years, the term shall not exceed:

(1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, first-degree forcible sexual offense pursuant to G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult;

(2) The nineteenth birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in subdivision (1) of this subsection; or

(3) The eighteenth birthday of the juvenile if the juvenile has been committed to the Division for an offense other than an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult.

(a2) For an offense the juvenile committed while the juvenile was at least 16 years of age but less than 17 years of age, the term shall not exceed the juvenile's nineteenth birthday.

(a3) For an offense the juvenile committed while the juvenile was at least 17 years of age, the term shall not exceed the juvenile's twentieth birthday.

(a4) No juvenile shall be committed to a youth development center beyond the minimum six-month commitment for a period of time in excess of the maximum term of imprisonment for which an adult in prior record level VI for felonies or in prior conviction level III for misdemeanors could be sentenced for the same offense, except when the Division pursuant to G.S. 7B-2515 determines that the juvenile's commitment needs to be continued for an additional period of time to continue care or treatment under the plan of care or treatment developed under subsection (f) of this section. At the time of commitment to a youth development center, the court shall determine the maximum period of time the juvenile may remain committed before a determination must be made by the Division pursuant to G.S. 7B-2515 and shall notify the juvenile of that determination."

SECTION 16D.4.(j) G.S. 7B-2515 reads as rewritten:

"**§ 7B-2515. Notification of extended commitment; plan of treatment.**

(a) In determining whether a juvenile who was committed to the Division for an offense that was committed prior to the juvenile reaching the age of 16 years should be released before the juvenile's 18th birthday, the Division shall consider the protection of the public and the likelihood that continued placement will lead to further rehabilitation. If the Division does not intend to release the juvenile prior to the juvenile's eighteenth birthday, or if the Division determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in ~~G.S. 7B-2513(a),~~G.S. 7B-2513(a4), the Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing at least 30 days in advance of the juvenile's eighteenth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Division, the basis for extending the commitment period, and the plan for future care or treatment.

(a1) In determining whether a juvenile who was committed to the Division for an offense that was committed while the juvenile was at least 16 years of age but less than 17 years of age should be released before the juvenile's nineteenth birthday, the Division shall consider the protection of the public and the likelihood that continued placement will lead to further rehabilitation. If the Division does not intend to release the juvenile prior to the juvenile's nineteenth birthday, or if the Division determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in G.S. 7B-2513(a4), the Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing, at least 30 days in advance of the juvenile's nineteenth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Division, the basis for extending the commitment period, and the plan for future care or treatment.

(a2) In determining whether a juvenile who was committed to the Division for an offense that was committed while the juvenile was at least 17 years of age but less than 18 years of age should be released before the juvenile's twentieth birthday, the Division shall consider the protection of the public and the likelihood that continued placement will lead to further rehabilitation. If the Division does not intend to release the juvenile prior to the juvenile's twentieth birthday, or if the Division determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in G.S. 7B-2513(a4), the Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing, at least 30 days in advance of the juvenile's twentieth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Division, the basis for extending the commitment period, and the plan for future care or treatment.

(b) The Division shall modify the plan of care or treatment developed pursuant to G.S. 7B-2513(f) to specify (i) the specific goals and outcomes that require additional time for care or treatment of the juvenile; (ii) the specific course of treatment or care that will be implemented to achieve the established goals and outcomes; and (iii) the efforts that will be taken to assist the juvenile's family in creating an environment that will increase the likelihood that the efforts to treat and rehabilitate the juvenile will be successful upon release. If appropriate, the Division may place the juvenile in a setting other than a youth development center.

(c) The juvenile and the juvenile's parent, guardian, or custodian may request a review by the court of the Division's decision to extend the juvenile's commitment ~~beyond the juvenile's eighteenth birthday or maximum commitment period,~~pursuant to this section, in which case the court shall conduct a review hearing. The court may modify the Division's decision and the juvenile's maximum commitment period. If the juvenile or the juvenile's parent, guardian, or custodian does not request a review of the Division's decision, the Division's decision shall become the juvenile's new maximum commitment period."

SECTION 16D.4.(k) G.S. 7B-2603(b) reads as rewritten:

"(b) Once an order of transfer has been entered by the district court, the juvenile has the right to be considered for pretrial release as provided in G.S. 15A-533 and G.S. 15A-534. ~~The~~

~~release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility as defined by G.S. 7B-1501 at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility.~~Any detention of the juvenile pending release shall be in accordance with G.S. 7B-2204."

SECTION 16D.4.(*l*) G.S. 7B-3101(a)(2) reads as rewritten:

"(2) The court transfers jurisdiction over a juvenile to superior court under G.S. 7B-2200.5 or G.S. 7B-2200;"

SECTION 16D.4.(m) G.S. 5A-31(a) reads as rewritten:

"(a) Each of the following, when done by an unemancipated minor who (i) is at least six years of age, (ii) is not yet ~~16~~18 years of age, and (iii) has not been convicted of any crime in superior court, is contempt by a juvenile:

…."

SECTION 16D.4.(n) G.S. 5A-34(b) reads as rewritten:

"(b) The provisions of Article 1 and Article 2 of this Chapter apply to acts or omissions by a minor who:

~~(1) Is 16 years of age or older;~~

(2) Is married or otherwise emancipated; or

(3) Before the act or omission, was convicted in superior court of any criminal offense."

SECTION 16D.4.(o) G.S. 14-208.6B reads as rewritten:

"**§ 14-208.6B. Registration requirements for juveniles transferred to and convicted in superior court.**

A juvenile transferred to superior court pursuant to G.S. 7B-2200 or G.S. 7B-2200.5 who is convicted of a sexually violent offense or an offense against a minor as defined in G.S. 14-208.6 shall register in person in accordance with this Article just as an adult convicted of the same offense must register."

SECTION 16D.4.(p) G.S. 14-316.1 reads as rewritten:

"**§ 14-316.1. Contributing to delinquency and neglect by parents and others.**

Any person who is at least ~~16~~18 years old who knowingly or willfully causes, encourages, or aids any juvenile within the jurisdiction of the court to be in a place or condition, or to commit an act whereby the juvenile could be adjudicated delinquent, undisciplined, abused, or neglected as defined by G.S. 7B-101 and G.S. 7B-1501 shall be guilty of a Class 1 misdemeanor.

It is not necessary for the district court exercising juvenile jurisdiction to make an adjudication that any juvenile is delinquent, undisciplined, abused, or neglected in order to prosecute a parent or any person, including an employee of the Division of Juvenile Justice of the Department of Public Safety under this section. An adjudication that a juvenile is delinquent, undisciplined, abused, or neglected shall not preclude a subsequent prosecution of a parent or any other person including an employee of the Division of Juvenile Justice of the Department of Public Safety, who contributes to the delinquent, undisciplined, abused, or neglected condition of any juvenile."

SECTION 16D.4.(q) G.S. 115C-404(a) reads as rewritten:

"(a) Written notifications received in accordance with G.S. 7B-3101 and information gained from examination of juvenile records in accordance with G.S. 7B-3100 are confidential records, are not public records as defined under G.S. 132-1, and shall not be made part of the student's official record under G.S. 115C-402. Immediately upon receipt, the principal shall maintain these documents in a safe, locked record storage that is separate from the student's other school records. The principal shall shred, burn, or otherwise destroy documents received in accordance with G.S. 7B-3100 to protect the confidentiality of the information when the principal receives notification that the court dismissed the petition under G.S. 7B-2411, the

court transferred jurisdiction over the student to superior court under G.S. 7B-2200.5 or G.S. 7B-2200, or the court granted the student's petition for expunction of the records. The principal shall shred, burn, or otherwise destroy all information gained from examination of juvenile records in accordance with G.S. 7B-3100 when the principal finds that the school no longer needs the information to protect the safety of or to improve the educational opportunities for the student or others. In no case shall the principal make a copy of these documents."

SECTION 16D.4.(r) G.S. 143B-805(6) reads as rewritten:

"(6) Delinquent juvenile. –

a. Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle ~~laws.~~laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

b. Any juvenile who, while less than 18 years of age but at least 16 years of age, commits a crime or an infraction under State law or under an ordinance of local government, excluding violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31."

SECTION 16D.4.(s) G.S. 143B-806(b) is amended by adding a new subdivision to read:

"(20) Provide for the transportation to and from any State or local juvenile facility of any person under the jurisdiction of the juvenile court for any purpose required by Chapter 7B of the General Statutes or upon order of the court."

VICTIM REQUEST/REVIEW OF DECISION NOT TO FILE A PETITION

SECTION 16D.4.(t) G.S. 7B-1703(c) reads as rewritten:

"(c) If the juvenile court counselor determines that a petition should not be filed, the juvenile court counselor shall notify the complainant and the victim, if the complainant is not the victim, immediately in writing with specific reasons for the ~~decision~~decision, whether or not legal sufficiency was found, and whether the matter was closed or diverted and retained, and shall include notice of the complainant's and victim's right to have the decision reviewed by the prosecutor. The juvenile court counselor shall sign the complaint after indicating on it:

(1) The date of the determination;

(2) The words "Not Approved for Filing"; and

(3) Whether the matter is "Closed" or "Diverted and Retained".

Except as provided in G.S. 7B-1706, any complaint not approved for filing as a juvenile petition shall be destroyed by the juvenile court counselor after holding the complaint for a temporary period to allow review as provided in G.S. 7B-1705."

SECTION 16D.4.(u) G.S. 7B-1704 reads as rewritten:

"**§ 7B-1704. Request for review by prosecutor.**

The complainant ~~has~~ and the victim have five calendar days, from receipt of the juvenile court counselor's decision not to approve the filing of a petition, to request review by the prosecutor. The juvenile court counselor shall notify the prosecutor immediately of such request and shall transmit to the prosecutor a copy of the complaint. The prosecutor shall notify the ~~complainant~~complainant, the victim, and the juvenile court counselor of the time and place for the review."

SECTION 16D.4.(v) G.S. 7B-1705 reads as rewritten:

"**§ 7B-1705. Review of determination that petition should not be filed.**

No later than 20 days after the complainant ~~is~~and the victim are notified, the prosecutor shall review the juvenile court counselor's determination that a juvenile petition should not be filed. Review shall include conferences with the ~~complainant~~complainant, the victim, and the juvenile court counselor. At the conclusion of the review, the prosecutor shall: (i) affirm the

decision of the juvenile court counselor or direct the filing of a petition and (ii) notify the complainant and the victim of the prosecutor's action."

SECTION 16D.4.(w) G.S. 143B-806(b) is amended by adding a new subdivision to read:

"(14a) Develop and administer a system to provide information to victims and complainants regarding the status of pending complaints and the right of a complainant and victim to request review under G.S. 7B-1704 of a decision to not file a petition."

INCREASE INFORMATION AVAILABLE ON JUVENILES TO LAW ENFORCEMENT AND FOR COURT PROCEEDINGS

SECTION 16D.4.(x) G.S. 7B-3001 reads as rewritten:

"**§ 7B-3001. Other records relating to juveniles.**

(a) The chief court counselor shall maintain a record of all cases of juveniles under supervision of juvenile court counselors, to be known as the juvenile court counselor's record. The juvenile court counselor's record shall include the juvenile's delinquency record; consultations with law enforcement that did not result in the filing of a complaint; family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; probation reports; interviews with the juvenile's family; or other information the court finds should be protected from public inspection in the best interests of the juvenile.

(a1) To assist at the time of investigation of an incident that could result in the filing of a complaint, upon request, a juvenile court counselor shall share with a law enforcement officer sworn in this State information from the juvenile court counselor's record related to a juvenile's delinquency record or prior consultations with law enforcement. A law enforcement officer may not obtain copies of any part of the record, and all information shared pursuant to this subsection shall be withheld from public inspection as provided in subsection (b) of this section.

(b) Unless jurisdiction of the juvenile has been transferred to superior court, all law enforcement records and files concerning a juvenile shall be kept separate from the records and files of adults and shall be withheld from public inspection. The following persons may examine and obtain copies of law enforcement records and files concerning a juvenile without an order of the court:

(1) The juvenile or the juvenile's attorney;
(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
(3) The prosecutor;
(4) Juvenile court counselors; and
(5) Law enforcement officers sworn in this State.

Otherwise, the records and files may be examined or copied only by order of the court.

(c) All records and files maintained by the Division pursuant to this Chapter shall be withheld from public inspection. The following persons may examine and obtain copies of the Division records and files concerning a juvenile without an order of the court:

(1) The juvenile and the juvenile's attorney;
(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
(3) Professionals in the agency who are directly involved in the juvenile's case; and
(4) Juvenile court counselors.

Otherwise, the records and files may be examined or copied only by order of the court. The court may inspect and order the release of records maintained by the Division.

(d) When the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety is authorized to access a juvenile record pursuant to

G.S. 7B-3000(e1), the Division may, at the request of the Section of Community Corrections of the Division of Adult Correction, notify the Section of Community Corrections of the Division of Adult Correction that there is a juvenile record of an adjudication of delinquency for an offense that would be a felony if committed by an adult for a person subject to probation supervision under Article 82 of Chapter 15A of the General Statutes and may notify the Section of Community Corrections of the Division of Adult Correction of the county or counties where the adjudication of delinquency occurred."

SECTION 16D.4.(y) By July 1, 2018, the Administrative Office of the Courts shall expand access to its automated electronic information management system for juvenile courts, JWise, to include prosecutors and attorneys representing juveniles in juvenile court proceedings. Access shall be limited to examining electronic records related to juvenile delinquency information. Other information contained in JWise, such as any records pertaining to abuse, neglect, and dependency or termination of parental rights, shall not be made available to a prosecutor or juvenile's attorney through JWise.

SECTION 16D.4.(z) Due to the increased mobility of North Carolina citizens across counties, the Administrative Office of the Courts shall develop statewide inquiry access for JWise users that corresponds to access to juvenile court records as authorized under Chapter 7B of the General Statutes by July 1, 2018.

SCHOOL-JUSTICE PARTNERSHIPS TO REDUCE SCHOOL-BASED REFERRALS TO JUVENILE COURTS

SECTION 16D.4.(aa) G.S. 7A-343 reads as rewritten:

"**§ 7A-343. Duties of Director.**

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

…

(9g) Prescribe policies and procedures for chief district court judges to establish school-justice partnerships with local law enforcement agencies, local boards of education, and local school administrative units with the goal of reducing in-school arrests, out-of-school suspensions, and expulsions.

…."

JUVENILE JUSTICE TRAINING FOR LAW ENFORCEMENT OFFICERS

SECTION 16D.4.(bb) G.S. 17C-6(a) reads as rewritten:

"**§ 17C-6. Powers of Commission.**

(a) In addition to powers conferred upon the Commission elsewhere in this Chapter, the Commission shall have the following powers, which shall be enforceable through its rules and regulations, certification procedures, or the provisions of G.S. 17C-10:

…

(2) Establish minimum educational and training standards that must be met in order to qualify for entry level employment and retention as a criminal justice officer in temporary or probationary status or in a permanent position. The standards for entry level employment shall include all of the following:

a. ~~education~~Education and training in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions.

b. Education and training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

…

(14) Establish minimum standards for in-service training for criminal justice officers. In-service training standards shall include all of the following:

a. ~~training~~Training in response to, and investigation of, domestic violence cases, as well as training investigation for evidence-based prosecutions.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

(15) Establish minimum standards and levels of training for certification of instructors for the domestic violence training and juvenile justice training required by subdivisions (2) and (14) of this subsection.

…."

SECTION 16D.4.(cc) G.S. 17E-4(a) reads as rewritten:

"**§ 17E-4. Powers and duties of the Commission.**

(a) The Commission shall have the following powers, duties, and responsibilities, which are enforceable through its rules and regulations, certification procedures, or the provisions of G.S. 17E-8 and G.S. 17E-9:

…

(2) Establish minimum educational and training standards that may be met in order to qualify for entry level employment as an officer in temporary or probationary status or in a permanent position. The standards for entry level employment of officers shall include all of the following:

a. ~~training~~Training in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions. For purposes of the domestic violence training requirement, the term "officers" shall include justice officers as defined in G.S. 17E-2(3)a., except that the term shall not include "special deputy sheriffs" as defined in ~~G.S. 17E-2(3)a.;~~G.S. 17E-2(3)a.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

…

(11) Establish minimum standards for in-service training for justice officers. In-service training standards shall include all of the following:

a. ~~training~~Training in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions. For purposes of the domestic violence training requirement, the term "justice officer" shall include those defined in G.S. 17E-2(3)a., except that the term shall not include "special deputy sheriffs" as defined in ~~G.S. 17E-2(3)a.;~~G.S. 17E-2(3)a.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

(12) Establish minimum standards and levels of training for certification of instructors for the domestic violence training and juvenile justice training required by subdivisions (2) and (11) of this subsection.

The Commission may certify, and no additional certification shall be required from it, programs, courses and teachers certified by the North Carolina Criminal Justice Education and Training Standards Commission. Where the Commission determines that a program, course, instructor or teacher is required for an area which is unique to the office of sheriff, the Commission may certify such program, course, instructor, or teacher under such standards and procedures as it may establish."

SECTION 16D.4.(dd) In developing and implementing the education and training required by subsections (a) and (b) of this section, the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission shall work with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

JUVENILE GANG SUPPRESSION

SECTION 16D.4.(ee) G.S. 7B-1702 reads as rewritten:

"**§ 7B-1702. Evaluation.**

Upon a finding of legal sufficiency, except in cases involving nondivertible offenses set out in G.S. 7B-1701, the juvenile court counselor shall determine whether a complaint should be filed as a petition, the juvenile diverted pursuant to G.S. 7B-1706, or the case resolved without further action. In making the decision, the counselor shall consider criteria provided by the ~~Department.~~ Department and shall conduct a gang assessment. The intake process shall include the following steps if practicable:

(1) Interviews with the complainant and the victim if someone other than the complainant;
(2) Interviews with the juvenile and the juvenile's parent, guardian, or custodian;
(3) Interviews with persons known to have relevant information about the juvenile or the juvenile's family.

Interviews required by this section shall be conducted in person unless it is necessary to conduct them by telephone."

SECTION 16D.4.(ff) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall develop a gang assessment instrument to be used in accordance with subsection (ee) of this section. The form shall be developed in consultation with the administrator of the GangNET database maintained by the North Carolina State Highway Patrol, and the Division may also consult with other entities that might provide information relevant to the development of an effective assessment tool.

SECTION 16D.4.(gg) G.S. 7B-2508 is amended by adding a new subsection to read:

"(g1) Notwithstanding subsection (f) of this section, if a juvenile is adjudicated for an offense that the court finds was committed as part of criminal gang activity as defined in G.S. 7B-2508.1, the juvenile shall receive a disposition one level higher than would otherwise be provided for the class of offense and delinquency history level."

SECTION 16D.4.(hh) Article 25 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-2508.1. Criminal gang activity.**

The following definitions apply in this Article:

(1) Criminal gang. – Any ongoing organization, association, or group of three or more persons, whether formal or informal, that (i) has as one of its primary activities the commission of criminal or delinquent acts and (ii) shares a common name, identification, signs, symbols, tattoos, graffiti, attire, or other distinguishing characteristics, including common activities, customs, or behaviors. The term shall not include three or more persons associated in

fact, whether formal or informal, who are not engaged in criminal gang activity.

(2) Criminal gang activity. – The commission of, attempted commission of, or solicitation, coercion, or intimidation of another person to commit (i) any offense under Article 5 of Chapter 90 of the General Statutes or (ii) any offense under Chapter 14 of the General Statutes except Article 9, 22A, 40, 46, or 59 thereof, and further excepting G.S. 14-82, 14-145, 14-183, 14-184, 14-186, 14-190.9, 14-247, 14-248, or 14-313 thereof, and either of the following conditions is met:

a. The offense is committed with the intent to benefit, promote, or further the interests of a criminal gang or for the purposes of increasing a person's own standing or position within a criminal gang.

b. The participants in the offense are identified as criminal gang members acting individually or collectively to further any criminal purpose of a criminal gang.

(3) Criminal gang member. – Any person who meets three or more of the following criteria:

a. The person admits to being a member of a criminal gang.

b. The person is identified as a criminal gang member by a reliable source, including a parent or a guardian.

c. The person has been previously involved in criminal gang activity.

d. The person has adopted symbols, hand signs, or graffiti associated with a criminal gang.

e. The person has adopted the display of colors or the style of dress associated with a criminal gang.

f. The person is in possession of or linked to a criminal gang by physical evidence, including photographs, ledgers, rosters, written or electronic communications, or membership documents.

g. The person has tattoos or markings associated with a criminal gang.

h. The person has adopted language or terminology associated with a criminal gang.

i. The person appears in any form of social media to promote a criminal gang."

SECTION 16D.4.(ii) G.S. 7B-3001(a) reads as rewritten:

"(a) The chief court counselor shall maintain a record of all cases of juveniles under supervision of juvenile court counselors, to be known as the juvenile court counselor's record. The juvenile court counselor's record shall include family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; probation reports; interviews with the juvenile's family; the results of the gang assessment; or other information the court finds should be protected from public inspection in the best interests of the juvenile."

SECTION 16D.4.(jj) Subsection (ff) of this section is effective when it becomes law. The remainder of this Part becomes effective December 1, 2019, and applies to offenses committed on or after that date.

ESTABLISH JUVENILE JURISDICTION ADVISORY COMMITTEE

SECTION 16D.4.(kk) Advisory Committee Established. – There is established within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the Juvenile Jurisdiction Advisory Committee. The Division of Adult Correction and Juvenile Justice shall provide professional and clerical staff and other services and supplies, including meeting space, as needed for the Advisory Committee to carry out its duties in an effective manner.

SECTION 16D.4(*ll*) Membership. – The Advisory Committee shall consist of 21 members. The following members or their designees shall serve as ex officio members:

(1) The Deputy Commissioner for Juvenile Justice of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.
(2) The Director of the Administrative Office of the Courts.
(3) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services.
(4) The Superintendent of Public Instruction.
(5) The Juvenile Defender in the Office of Indigent Defense.
(6) The Executive Director of the North Carolina Sentencing and Policy Advisory Commission.
(7) One representative from the Juvenile Justice Planning Committee of the Governor's Crime Commission.

The remaining members shall be appointed as follows:

(8) Two chief court counselors appointed by the Governor, one to be from a rural county and one from an urban county.
(9) One chief district court judge and one superior court judge appointed by the Chief Justice of the North Carolina Supreme Court.
(10) One police chief appointed by the President Pro Tempore of the Senate.
(11) One sheriff appointed by the Speaker of the House of Representatives.
(12) One clerk of superior court appointed by the President Pro Tempore of the Senate.
(13) One district attorney appointed by the Speaker of the House of Representatives.
(14) One assistant district attorney who handles juvenile matters appointed by the Conference of District Attorneys.
(15) One assistant public defender who handles juvenile matters appointed by the North Carolina Association of Public Defenders.
(16) Two representatives from the juvenile advocacy community, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House of Representatives.
(17) Two representatives from the victim advocacy community, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House of Representatives.

Appointments to the Advisory Committee shall be made no later than October 1, 2017. A vacancy in the Advisory Committee or a vacancy as chair of the Advisory Committee resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made.

SECTION 16D.4.(mm) Chair; Meetings. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate one member to serve as cochair of the Advisory Committee.

The cochairs shall call the initial meeting of the Advisory Committee on or before November 1, 2017. The Advisory Committee shall subsequently meet upon such notice and in such manner as its members determine. A majority of the members of the Advisory Committee shall constitute a quorum.

SECTION 16D.4.(oo) Cooperation by Government Agencies. – The Advisory Committee may call upon any department, agency, institution, or officer of the State or any political subdivision thereof for facilities, data, or other assistance.

SECTION 16D.4.(pp) Duties of Advisory Committee. – The Advisory Committee shall develop a specific plan for the implementation of any changes in the juvenile justice system that would be required in order to extend jurisdiction in delinquency matters and proceedings to include 16- and 17-year-old persons within the juvenile justice system. The plan

shall include cost estimates for each portion of the plan, including capital costs, operating costs, and staffing costs. As the expansion of the jurisdiction of the Division of Juvenile Justice to include persons 16 and 17 years of age who commit crimes or infractions becomes effective pursuant to this act, the Advisory Committee shall monitor and review the implementation of the expansion and shall make additional recommendations to the General Assembly as necessary.

SECTION 16D.4.(qq) Consultation. – The Advisory Committee shall consult with appropriate State departments, agencies, and board representatives on issues related to juvenile justice administration.

SECTION 16D.4.(rr) Report. – By March 1, 2018, the Advisory Committee shall submit an interim report to the General Assembly with copies to the Joint Legislative Oversight Committee on Justice and Public Safety and to the Appropriations Committees on Justice and Public Safety of both houses containing (i) the specific plan and the cost estimates for capital, operating, and staffing costs for implementation of this section, including legislative, administrative, and funding recommendations necessary to implement the increase in juvenile jurisdiction to include 16- and 17-year-old persons and (ii) cost estimates for capital, operating, and staffing costs if the implementation of this section was staggered based on age. The interim report shall also include its findings and recommendations as to whether the extension of jurisdiction in delinquency matters and proceedings should include juveniles who commit the following offenses:

(1) Habitual misdemeanor assault (G.S. 14-33.2).
(2) Crime against nature (G.S. 14-177).
(3) Obscene literature and exhibitions (G.S. 14-190.1).
(4) Third degree sexual exploitation of a minor (G.S. 14-190.17A).
(5) Solicitation of a child by computer to commit an unlawful sex act (G.S. 14-202.3).
(6) Stalking when court order in effect (G.S. 14-277.3A).
(7) The Class A1 offense of misdemeanor assault on a law enforcement officer.
(8) Assault inflicting serious bodily injury; strangulation (G.S. 14-32.4).
(9) Fraudulently setting fire to dwelling houses (G.S. 14-65).
(10) Any offense requiring registration as a sex offender pursuant to Article 27A of Chapter 14 of the General Statutes.
(11) Any other offense the Committee deems appropriate for exclusion.

The Advisory Committee shall submit additional interim reports with updates on the planning steps completed towards implementation, including any legislative, administrative, and funding recommendations, annually by January 15 of each year.

The Advisory Committee shall submit a final report on the implementation of this section and its findings and recommendations, including legislative, administrative, and funding recommendations, by January 15, 2023, to the General Assembly and the Governor. The Advisory Committee shall terminate on February 1, 2023, or upon the filing of its final report, whichever occurs earlier.

SECTION 16D.4.(ss) Funding. – The Advisory Committee may apply for, receive, and accept grants of non-State funds or other contributions as appropriate to assist in the performance of its duties.

EFFECTIVE DATES

SECTION 16D.4.(tt) Sections 16D.4(a) through 16D.4(s) of this act become effective December 1, 2019, and apply to offenses committed on or after that date. Sections 16D.4(t) through 16D.4(x) of this act become effective October 1, 2017, and Sections 16D.4(t) through 16D.4(w) apply to all complaints filed on or after that date. Except as otherwise provided in this act, the remainder of this act is effective when it becomes law. Prosecutions or delinquency proceedings initiated for offenses committed before any particular section of this

section becomes effective are not abated or affected by this act, and the statutes that are in effect on the dates the offenses are committed remain applicable to those prosecutions.

SUBPART XVI-E. EMERGENCY MANAGEMENT AND NATIONAL GUARD SEARCH AND RESCUE CHANGES

SECTION 16E.2. Article 6 of Chapter 166A of the General Statutes reads as rewritten:

"Article 6.

"~~Urban~~ North Carolina Search and Rescue.

"**§ 166A-65. Definitions.**

The following definitions apply in this Article:

(1) Contract response team. – ~~An urban~~A search and rescue team, specialty rescue team, or incident support team.

(2) Incident support team. – A team of trained emergency response personnel, organized to provide coordination between governmental agencies and nongovernmental organizations as well as technical and logistical support to ~~urban~~ search and rescue teams and specialty rescue teams.

(2a) Search and rescue team. – A specialized team or group of teams, organized with capabilities equivalent to search and rescue teams established under the Federal Emergency Management Agency in order to assist in the removal of trapped victims during emergencies, including, but not limited to, collapsed structures, trench excavations, elevated locations, and other technical rescue situations.

(3) Secretary. – The Secretary of the Department of Public Safety.

(4) Specialty rescue team. – A specialized response team, organized to provide technical rescue assistance to first responders. The term includes, but is not limited to, a canine search and rescue or disaster response team, a cave search and rescue team, a collapse search and rescue team, a mine and tunnel search and rescue team, and a swift water or flood search and rescue team. A specialty rescue team shall be aligned with one or more of the search and rescue categories within the Federal Emergency Management Agency's national resource typing system.

~~(5) Urban search and rescue team. – A specialized team or group of teams, organized with capabilities equivalent to urban search and rescue teams established under the Federal Emergency Management Agency in order to assist in the removal of trapped victims during emergencies, including, but not limited to, collapsed structures, trench excavations, elevated locations, and in other technical rescue situations.~~

"**§ 166A-66. ~~Urban~~ North Carolina Search and Rescue Program.**

(a) The Secretary shall adopt rules establishing a program for ~~urban~~ search and rescue that relies on ~~contracts~~ contracts, memorandums of understanding, and memorandums of agreement with contract response teams. The program shall be administered by the Division of Emergency Management. To the extent possible, the program shall be coordinated with other emergency planning activities of the State. The program shall include contract response teams located strategically across the State that are available to provide 24-hour dispatch from the Division of Emergency Management Operations Center. The rules for the program shall include:

(1) Standards, including training, equipment, and personnel standards required to operate a contract response team.

(2) Guidelines for the dispatch of a contract response team to ~~an urban~~ a search and rescue team or specialty rescue team mission.

(3) Guidelines for the on-site operations of a contract response team.

(4) Standards for administration of a contract response team, including procedures for reimbursement of response costs.
(5) Refresher and specialist training for members of contract response teams.
(6) Procedures for recovering the costs of ~~an urban~~ a search and rescue team or specialty rescue team mission.
(7) Procedures for bidding and contracting for ~~urban~~ search and rescue team and specialty rescue team missions.
(8) Criteria for evaluating bids for ~~urban~~ search and rescue team and specialty rescue team missions.
(9) Delineation of the roles of the contract response team, local public safety personnel, the Division of Emergency Management's area coordinator, and other State agency personnel participating in ~~an urban~~ a search and rescue team or specialty rescue team mission.
(10) Procedures for the Division of Emergency Management to audit the contract response teams to ensure compliance with State and federal guidelines.

(b) Within available appropriations, the Division of Emergency Management shall spend the necessary funds for training, equipment, and other items necessary to support the operations of contract response teams. The Division of Emergency Management may also administer any grants of other funds made available for contract response teams, in accordance with applicable rules and regulations approved by the Director of the State Budget.

(c) In developing the ~~Urban~~ North Carolina Search and Rescue Program and adopting the rules required by this section, the Secretary shall consult with the ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee established pursuant to G.S. 166A-69.

"**§ 166A-67. Contracts; equipment loans.**

(a) The Secretary may contract with any unit or units of local government for the provision of a contract response team to implement the ~~Urban~~ North Carolina Search and Rescue Program. Contracts are to be let consistent with the bidding and contract standards and procedures adopted pursuant to G.S. 166A-66(a)(7) and G.S. 166A-66(a)(8). In entering into contracts with units of local government, the Secretary may agree to provide any of the following:

(1) A loan of equipment.
(2) Reimbursement of personnel costs, including the cost of callback personnel, when a contract response team is authorized by the Department to respond to ~~urban~~ search and rescue team and specialty rescue team missions.
(3) Reimbursement for use of equipment and vehicles owned by the contract response team.
(4) Replacement of disposable materials and damaged equipment.
(5) Training expenses.
(6) Anything else agreed to by the Secretary and the contract response team.

(b) The Secretary shall not agree to provide reimbursement for standby time.

(c) Any contract entered into between the Secretary and a unit of local government for the provision of a contract response team shall specify that the members of the contract response team, when performing under the contract, shall not be employees of the State and shall not be entitled to benefits under the Teachers' and State Employees' Retirement System or for the payment by the State of federal Social Security, employment insurance, or workers' compensation.

(d) Contract response teams that have the use of a State vehicle may use the vehicle for local purposes. Where a State vehicle is used for purposes other than authorized contract response to ~~an urban~~ a search and rescue team and specialty rescue team mission, the contract response team shall be liable for repairs or replacements directly attributable to that use.

"**§ 166A-68. Immunity of contract response team personnel.**

Members of a contract response team shall be protected from liability under the provisions of G.S. 166A-19.60(a) while on ~~an urban~~ a search and rescue team or specialty rescue team mission pursuant to authorization from the Division of Emergency Management.

"**§ 166A-69. ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee.**

(a) The ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee is created. The Secretary shall appoint the members of the Committee and shall designate the Director or Deputy Director of the North Carolina Division of Emergency Management as the chair. In making appointments, the Secretary shall take into consideration the expertise of the appointees in the management of ~~urban~~ search and rescue or specialty response team missions. The Secretary shall appoint one representative from each of the following:

(1) The Division of North Carolina Emergency Management, who shall be the Director or Deputy Director of the North Carolina Division of Emergency Management and who shall serve as the chair.
(2) Each state ~~USAR~~ regional contract response team's Chief or Deputy Chief.
(3) The North Carolina Office of State Fire Marshal.
(4) The North Carolina Highway Patrol.
(5) The North Carolina National Guard.
(6) The North Carolina Association of Rescue and E.M.S., Inc.
(7) The North Carolina Association of Fire Chiefs.
(8) The North Carolina State Firefighters' Association.
(9) The North Carolina Emergency Management Association.

(b) The Advisory Committee shall meet on the call of the chair, or at the request of the Secretary, provided that the Committee shall meet no less than once every year. The Department of Public Safety shall provide space for the Advisory Committee to meet. The Department shall also provide the Advisory Committee with necessary support staff and supplies to enable the Committee to carry out its duties in an effective manner.

(c) Members of the Advisory Committee shall serve without pay, but shall receive travel allowance, lodging, subsistence, and per diem as provided by G.S. 138-5.

(d) The Contract Response Team Advisory Committee shall advise the Secretary on the establishment of the ~~Urban~~ North Carolina Search and Rescue Program. The Committee shall also evaluate and advise the Secretary of the need for additional contract response teams to serve the State."

PART XVII. DEPARTMENT OF JUSTICE

NO HIRING OF SWORN STAFF POSITIONS FOR NC STATE CRIME LAB

SECTION 17.1. The Department of Justice shall not hire sworn personnel to fill vacant positions in the North Carolina State Crime Laboratory. Nothing in this section shall be construed to require the termination of sworn personnel or to affect North Carolina State Crime Laboratory personnel who are sworn and employed by the Laboratory as of the effective date of this section and who continue to meet the sworn status retention standards mandated by the North Carolina Criminal Justice Education and Standards Commission.

COMPANY POLICE AUTHORITY

SECTION 17.2.(a) G.S. 74E-6 is amended by adding two new subsections to read:

"(h) Mutual Aid Agreements. – All company police agencies that qualify pursuant to this Chapter may enter into mutual aid agreements with the governing board of a municipality or, with the consent of the county sheriff, a county to the same extent as a municipal police department pursuant to Chapter 160A of the General Statutes.

(i) As-Needed Assistance. – All company police may provide temporary assistance to a law enforcement agency at the request of the head of that agency, or the head of that agency's designee, such as the sheriff or chief of police, regardless of whether there is an agreement in place under subsection (h) of this section. While acting pursuant to this section, a company

police officer shall have the same powers vested in law enforcement officers of the agency asking for temporary assistance, but shall not be considered an officer, employee, or agent of the law enforcement agency asking for temporary assistance. Nothing in this subsection shall be construed to expand company police officers' authority to initiate or conduct an independent investigation into violations of criminal laws outside the scope of their subject matter or territorial jurisdiction."

SECTION 17.2.(b) This section is effective when it becomes law.

PED TO STUDY ALLOCATION OF ATTORNEYS BETWEEN THE ATTORNEY GENERAL'S OFFICE AND DEPARTMENTS

SECTION 17.3. The Joint Legislative Program Evaluation Oversight Committee shall revise the biennial 2017-2018 work plan for the Program Evaluation Division to include an evaluation of the allocation of attorneys in State Government, including the use of general counsel within State agencies, the use of private attorneys, and the use of attorneys in the Department of Justice. The Program Evaluation Division shall submit its evaluation to the Joint Legislative Program Evaluation Oversight Committee and to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2018.

STRENGTHEN HUMAN TRAFFICKING LAWS

SECTION 17.4.(a) Article 27 of Chapter 14 of the General Statutes is amended by adding a new section to read as follows:

"**§ 14-202.13. Human trafficking public awareness sign.**

An adult establishment, as defined in G.S. 14-202.10, shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(b) G.S. 18B-1003 reads as rewritten:

"**§ 18B-1003. Responsibilities of permittee.**

…

(c1) Posting Human Trafficking Hotline. – All permittees shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information.

…."

SECTION 17.4.(c) Article 1 of Chapter 19 of the General Statutes is amended by adding a new section to read as follows:

"**§ 19-8.4. Human trafficking public awareness sign.**

The owner, operator, or agent in charge of a business described in G.S. 19-1.2 shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(d) Article 5 of Chapter 131E of the General Statutes is amended by adding a new section to read as follows:

"**§ 131E-84.1. Human trafficking public awareness sign.**

Each hospital licensed under this Article shall prominently display in its emergency room or emergency department in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(e) G.S. 143B-348 reads as rewritten:

"**§ 143B-348. Department of Transportation – head; rules, regulations, etc., of Board of Transportation.**

(a) The Secretary of Transportation shall be the head of the Department of Transportation. He shall carry out the day-to-day operations of the Department and shall be responsible for carrying out the policies, programs, priorities, and projects approved by the Board of Transportation. He shall be responsible for all other transportation matters assigned to the Department of Transportation, except those reserved to the Board of Transportation by statute. Except as otherwise provided for by statute, the Secretary shall have all the powers and duties as provided for in Article 1 of Chapter 143B including the responsibility for all management functions for the Department of Transportation. The Secretary shall be vested with authority to adopt design criteria, construction specifications, and standards as required for the Department of Transportation to construct and maintain highways, bridges, and ferries. The Secretary or the Secretary's designee shall be vested with authority to promulgate rules and regulations concerning all transportation functions assigned to the Department.

(b) All rules, regulations, ordinances, specifications, standards, and criteria adopted by the Board of Transportation and in effect on July 1, 1977, shall continue in effect until changed by the Board of Transportation or the Secretary of Transportation. The Secretary shall have complete authority to modify any of these matters existing on July 1, 1977, except as specifically restricted by the Board. Whenever any such criteria, rule, regulation, ordinance, specification, or standards are continued in effect under this section and the words "Board of Transportation" are used, the words shall mean the "Department of Transportation" unless the context makes such meaning inapplicable. All actions pending in court by or against the Board of Transportation may continue to be prosecuted in that name without the necessity of formally amending the name to the Department of Transportation.

(c) The Secretary of Transportation shall require that every transportation station, rest area, and welcome center in the State prominently display in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(f) Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read as follows:

"**§ 143B-431.3. Human trafficking public awareness sign.**

The Secretary of the Department of Commerce shall require that every JobLink or other center under its authority that offers employment or training services to the public prominently display in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(g) This section is effective when it becomes law.

ATTORNEY GENERAL'S OFFICE MANAGEMENT FLEXIBILITY REDUCTION

SECTION 17.5.(a) In allocating the management flexibility reduction required by this act for both fiscal years of the 2017-2019 fiscal biennium, all reductions shall be from fund codes 1991, 1100, and 1200 only.

SECTION 17.5.(b) Notwithstanding any other provision of law and during the 2017-2019 fiscal biennium, there shall be no reductions from or transfers out of fund codes 1400 and 1500.

SEXUAL ASSAULT EVIDENCE COLLECTION KITS

SECTION 17.7. Local Law Enforcement. – Each local law enforcement agency shall conduct an inventory of Sexual Assault Evidence Collection Kits (SAECKs) in its custody or control and report its findings to the Department of Justice, State Crime Laboratory, no later than January 1, 2018. The State Crime Laboratory shall compile the information and report its findings to the Joint Legislative Oversight Committee on Justice and Public Safety no later than

March 1, 2018. The inventory report from each local law enforcement agency shall include all of the following:

(1) The total number of SAECKs in its custody or control that have not previously undergone forensic testing.

(2) Of the total number of SAECKs in its custody or control, the number that:

a. Are anonymous. For purposes of this section, the term "anonymous" means the identity of the victim of sexual assault is not associated with the SAECK because the victim has not reported the assault to law enforcement.

b. Represent a case that has been resolved in court, whether by conviction, dismissal, or another manner.

c. Were not submitted for forensic testing because the suspect admitted to the sexual act in question.

d. Were not submitted for forensic testing because the allegations were determined to be unfounded as a result of further investigation.

PART XVIII. JUDICIAL DEPARTMENT

SUBPART XVIII-A. OFFICE OF INDIGENT DEFENSE SERVICES

IDS MATCH FOR GRANTS

SECTION 18A.1. Notwithstanding G.S. 143C-6-9, during the 2017-2019 fiscal biennium, Indigent Defense Services may use the sum of up to fifty thousand dollars ($50,000) from funds available to provide the State matching funds needed to receive grant funds. Prior to using funds for this purpose, Indigent Defense Services shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

PUBLIC DEFENDER WORKLOAD FORMULA

SECTION 18A.2. Indigent Defense Services, in conjunction with the Administrative Office of the Courts and the National Center for State Courts, shall develop a workload formula for the public defender offices. Indigent Defense Services shall use funds available to develop the workload formula. The report shall include the number of public defenders that Indigent Defense Services recommends to be allocated to each public defender office. The report shall be submitted to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety no later than May 1, 2018.

STANDARDS FOR INDIGENCY

SECTION 18A.3. The Administrative Office of the Courts, in conjunction with Indigent Defense Services, shall study and develop specific statewide standards for determining indigency for defendants. The study shall include a review of the practices of other states regarding determination of indigency, analysis of the cost-effectiveness of alternatives to the status quo, and implementation plans for the standards agreed upon. The standards may take local expenses and cost-of-living into account. The implementation plans should include procedures for auditing future indigency determinations to ensure that the new standards are working as intended. The Administrative Office of the Courts and Indigent Defense Services shall issue a report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2018.

SUBPART XVIII-B. ADMINISTRATIVE OFFICE OF THE COURTS

COLLECTION OF WORTHLESS CHECKS

SECTION 18B.1. Notwithstanding the provisions of G.S. 7A-308(c), the Judicial Department may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2017, for the purchase or repair of office or information technology equipment during the 2017-2018 fiscal year and may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2018, for the purchase or repair of office or information technology equipment during the 2018-2019 fiscal year. Prior to using any funds under this section, the Judicial Department shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Office of State Budget and Management on the equipment to be purchased or repaired and the reasons for the purchases.

GRANT FUNDS

SECTION 18B.2. Notwithstanding G.S. 143C-6-9, the Administrative Office of the Courts may use up to the sum of one million five hundred thousand dollars ($1,500,000) in each year of the 2017-2019 fiscal biennium from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall submit a report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

THIRD-PARTY ACCESS TO COURT RECORDS ANNUAL REPORT

SECTION 18B.3.(a) G.S. 7A-109(e) reads as rewritten:

"**§ 7A-109. Record-keeping procedures.**

…

(e) If any contracts entered into under ~~G.S. 7A-109(d)~~subsection (d) of this section are in effect during any calendar year, the Director of the Administrative Office of the Courts shall submit to the ~~Joint Legislative Commission on Governmental Operations~~House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety not later than February 1 of the following year a report on all those contracts."

SECTION 18B.3.(b) This section is effective when it becomes law.

BUSINESS COURT REPORTS

SECTION 18B.4.(a) G.S. 7A-45.5 is repealed.

SECTION 18B.4.(b) G.S. 7A-343(8a) reads as rewritten:

"(8a) Prepare and submit a semiannual report on the activities of each North Carolina business court site to the Chief ~~Justice~~ Justice, the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety, the chairs of the of the Joint Legislative Oversight Committee on Justice and Public Safety, and ~~to each member~~ all other members of the General ~~Assembly.~~Assembly on February 1 and August 1. The ~~semiannual report required under this subdivision shall be separate from the report required under subdivision (8) of this section and shall include the total number of civil cases pending in each business court site over three years after being designated as a mandatory complex business case, motions pending over six months after being filed, and civil cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.~~report shall include the following information for each business court site:

a. The number of new, closed, and pending cases for the previous three years.

b. The average age of pending cases.
c. The number of motions pending over six months after being filed.
d. The number of cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.

The August 1 report shall include an accounting of all business court activities for the previous fiscal year, including the itemized annual expenditures."

SECTION 18B.4.(c) This section is effective when it becomes law.

DIGITAL FORENSICS INCLUDED IN COURT COSTS

SECTION 18B.5.(a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

…

(9a) For the services of the North Carolina State Crime Laboratory facilities, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice to be used for laboratory purposes. This cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratories have performed digital forensics, including the seizure, forensic imaging, and acquisition and analysis of digital media.

(9b) For the services of any crime laboratory facility operated by a local government or group of local governments, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local law enforcement unit to be used for laboratory purposes. The cost shall be assessed only in (i) cases in which, as part of the investigation leading to the defendant's conviction, the laboratory has performed digital forensics, including the seizure, forensic imaging, and acquisition and analysis of digital media, and (ii) if the court finds that the work performed at the local government's laboratory is the equivalent of the same kind of work performed by the North Carolina State Crime Laboratory under subdivision (9a) of this subsection.

…

(11) For the services of an expert witness employed by the North Carolina State Crime Laboratory who completes a chemical analysis pursuant to ~~G.S. 20-139.1 or a~~G.S. 20-139.1, a forensic analysis pursuant to ~~G.S. 8-58.20~~G.S. 8-58.20, or a digital forensics analysis and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice for support of the State Crime Laboratory. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (7) or (9a) of this subsection.

(12) For the services of an expert witness employed by a crime laboratory operated by a local government or group of local governments who

completes a chemical analysis pursuant to ~~G.S. 20-139.1 or a~~G.S. 20-139.1, a forensic analysis pursuant to ~~G.S. 8-58.20~~G.S. 8-58.20, or a digital forensics analysis and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local governmental unit that operates the laboratory to be used for the local law ~~enforcement.~~enforcement laboratory. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (8) or (9b) of this subsection.

…."

SECTION 18B.5.(b) This section is effective when it becomes law.

FEE WAIVER

SECTION 18B.6.(a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section. No court may waive or remit all or part of any court fines or costs without providing notice and opportunity to be heard by all government entities directly affected. The court shall provide notice to the government entities directly affected of (i) the date and time of the hearing and (ii) the right to be heard and make an objection to the remission or waiver of all or part of the order of court costs at least 15 days prior to hearing. Notice shall be made to the government entities affected by first-class mail to the address provided for receipt of court costs paid pursuant to the order.

…."

SECTION 18B.6.(b) This section becomes effective December 1, 2017, and applies to all cases arising on or after that date.

SUPREME COURT BICENTENNIAL CELEBRATION

SECTION 18B.8. Notwithstanding G.S. 7A-10(a), in honor of the court's bicentennial celebration, the court may, by rule, hold sessions in any location across the State. This section only applies to the calendar years 2018 through 2020.

ALLOCATION OF ASSISTANT DISTRICT ATTORNEYS

SECTION 18B.9.(a) G.S. 7A-41(a) reads as rewritten:

"**§ 7A-41. Superior court divisions and districts; judges.**

(a) The counties of the State are organized into judicial divisions and superior court districts, and each superior court district has the counties, and the number of regular resident superior court judges set forth in the following table, and for districts of less than a whole county, as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
First	2	Beaufort, Hyde,	1

		Martin, Tyrrell, Washington	
First	3A	Pitt	2
Second	3B	Carteret, Craven, Pamlico	3
Second	4A	Duplin, Jones, Sampson	1
Second	4B	Onslow	1
Second	5A	(part of New Hanover, part of Pender see subsection (b))	1
	5B	(part of New Hanover, part of Pender see subsection (b))	1
	5C	(part of New Hanover, see subsection (b))	1
First	6A	Halifax	1
First	6B	Bertie, Hertford, Northampton	1
First	7A	Nash	1
First	7B	(part of Wilson, part of Edgecombe, see subsection (b))	1
First	7C	(part of Wilson, part of Edgecombe, see subsection (b))	1
Second	8A	Lenoir and Greene	1
Second	8B	Wayne	1
Third	9	Franklin, Granville, Person, Vance, Warren	2
~~Third~~	~~9A~~	~~Person, Caswell~~	~~1~~
Third	10A	(part of Wake, see subsection (b))	1
Third	10B	(part of Wake, see subsection (b))	1
Third	10C	(part of Wake, see subsection (b))	1
Third	10D	(part of Wake, see subsection (b))	1
Third	10E	(part of Wake, see subsection (b))	1
Third	10F	(part of Wake, see subsection (b))	1
Fourth	11A	Harnett, Lee	1
Fourth	11B	Johnston	1
Fourth	12A	(part of Cumberland, see subsection (b))	1
Fourth	12B	(part of Cumberland, see subsection (b))	1
Fourth	12C	(part of Cumberland, see subsection (b))	2
Fourth	13A	Bladen, Columbus	1

Fourth	13B	Brunswick	1
Third	14A	(part of Durham, see subsection (b))	1
Third	14B	(part of Durham, see subsection (b))	3
Third	15A	Alamance	2
Third	15B	Orange, Chatham	2
Fourth	16A	Anson, Richmond, Scotland, Hoke	2
Fourth	16B	Robeson	2
Fifth	17A	Caswell, Rockingham	~~2~~3
Fifth	17B	Stokes, Surry	2
Fifth	18A	(part of Guilford, see subsection (b))	1
Fifth	18B	(part of Guilford, see subsection (b))	1
Fifth	18C	(part of Guilford, see subsection (b))	1
Fifth	18D	(part of Guilford, see subsection (b))	1
Fifth	18E	(part of Guilford, see subsection (b))	1
Sixth	19A	Cabarrus	1
Fifth	19B	Montgomery, Randolph	1
Sixth	19C	Rowan	1
Fourth	19D	Moore	1
Sixth	20A	Stanly	1
Sixth	20B	Union	2
Fifth	21A	(part of Forsyth, see subsection (b))	1
Fifth	21B	(part of Forsyth, see subsection (b))	1
Fifth	21C	(part of Forsyth, see subsection (b))	1
Fifth	21D	(part of Forsyth, see subsection (b))	1
Sixth	22A	Alexander, Iredell	2
Sixth	22B	Davidson, Davie	2
Fifth	23	Alleghany, Ashe, Wilkes, Yadkin	1
Eighth	24	Avery, Madison, Mitchell, Watauga, Yancey	2
Seventh	25A	Burke, Caldwell	2
Seventh	25B	Catawba	2
Seventh	26A	(part of Mecklenburg, see subsection (b))	2
Seventh	26B	(part of Mecklenburg, see subsection (b))	3
Seventh	26C	(part of Mecklenburg, see subsection (b))	2
Seventh	27A	Gaston	2
Seventh	27B	Cleveland, Lincoln	2

Eighth	28	Buncombe	2
Eighth	29A	McDowell, Rutherford	1
Eighth	29B	Henderson, Polk, Transylvania	1
Eighth	30A	Cherokee, Clay, Graham, Macon, Swain	1
Eighth	30B	Haywood, Jackson	1."

SECTION 18B.9.(b) In order to implement the changes in subsection (a) of this section, the superior court judgeship serving District 9A shall be allocated to Judicial District 17A of the superior court of the General Court of Justice effective January 1, 2019.

SECTION 18B.9.(c) G.S. 7A-133 reads as rewritten:

"**§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional seats of court, by counties.**

(a) Each district court district shall have the numbers of judges as set forth in the following table:

District	Judges	County
1	5	Camden Chowan Currituck Dare Gates Pasquotank Perquimans
2	4	Martin Beaufort Tyrrell Hyde Washington
3A	5	Pitt
3B	6	Craven Pamlico Carteret
4	8	Sampson Duplin Jones Onslow
5	9	New Hanover Pender
6	4	Northampton Bertie Hertford Halifax
7	7	Nash Edgecombe Wilson
8	6	Wayne Greene Lenoir
9	~~4~~5	Granville (part of Vance

		see subsection (b))
		Franklin
		Person
~~9A~~	~~2~~	~~Person~~
		~~Caswell~~
9B	2	Warren
		(part of Vance
		see subsection (b))
10	19	Wake
11	11	Harnett
		Johnston
		Lee
12	10	Cumberland
13	6	Bladen
		Brunswick
		Columbus
14	7	Durham
15A	4	Alamance
15B	5	Orange
		Chatham
16A	6	Scotland
		Hoke
		Anson
		Richmond
16B	5	Robeson
17A	~~3~~4	Caswell
		Rockingham
17B	4	Stokes
		Surry
18	14	Guilford
19A	5	Cabarrus
19B	7	Montgomery
		Moore
		Randolph
19C	5	Rowan
20A	2	Stanly
20B	1	(part of Union
		see subsection (b))
20C	2	(part of Union
		see subsection (b))
20D	1	Union
21	11	Forsyth
22A	5	Alexander
		Iredell
22B	6	Davidson
		Davie
23	4	Alleghany
		Ashe
		Wilkes
		Yadkin
24	4	Avery
		Madison
		Mitchell

		Watauga
		Yancey
25	9	Burke
		Caldwell
		Catawba
26	21	Mecklenburg
27A	7	Gaston
27B	6	Cleveland
		Lincoln
28	7	Buncombe
29A	3	McDowell
		Rutherford
29B	4	Henderson
		Polk
		Transylvania
30	6	Cherokee
		Clay
		Graham
		Haywood
		Jackson
		Macon
		Swain.

(b) For district court districts of less than a whole county, or with part or all of one county with part of another, the composition of the district is as follows:

(1) District Court District 9 consists of Person, Franklin and Granville Counties and the remainder of Vance County not in District Court District 9B.

(2) District Court District 9B consists of Warren County and ~~East Henderson I, North Henderson I, North Henderson II, Middleburg, Townsville, and Williamsboro Precincts~~VTD EH1, VTD MIDD, VTD NH1, VTD NH2, VTD TWNS, VTD WMSB of Vance County.

(3) District Court District 20C consists of the remainder of Union County not in District Court District 20B.

(4) District Court District 20B consists of Precinct 01: Tract 204.01: Block Group 2: Block 2040, Block 2057, Block 2058, Block 2060, Block 2061, Block 2062, Block 2064, Block 2065; Tract 204.02: Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034; Block Group 3: Block 3000, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 30 35, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047; Block Group 4: Block 4035, Block 4054, Block 4055; Precinct 02: Tract 205: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block

1023, Block 1037, Block 1038; Block Group 2: Block 2081, Block 2082, Block 2092, Block 2099, Block 2100, Block 2101, Block 2102; Tract 206: Block Group 3: Block 3036, Block 3038, Block 3039, Block 3040, Block 3048; Block Group 4: Block 4053; Precinct 03, Precinct 04, Precinct 06: Tract 202.02: Block Group 1: Block 1012, Block 1013, Block 1014, Block 1015, Block 1017, Block 1018, Block 1021, Block 1022, Block 1023; Tract 204.01: Block Group 2: Block 2000, Block 2001, Block 2002, Block 200 3, Block 2004, Block 2005, Block 2033, Block 2034, Block 2035, Block 2036, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2056, Block 2063, Block 2999; Precinct 08, Precinct 09, Precinct 10, Precinct 13, Precinct 23: Tract 206: Block Group 4: Block 4051; Precinct 25: Tract 206: Block Group 4: Block 4036; Precinct 34, Precinct 36, Precinct 43 of Union County.

The names and boundaries of voting tabulation districts specified for Vance County in this section are as shown on the 2010 Census Redistricting TIGER/Line Shapefiles. Precinct boundaries ~~as used in this section for Vance County are those shown on maps on file with the Legislative Services Office on May 1, 1991,~~ for Union ~~County,~~ County are those shown on the Legislative Services Office's redistricting computer database on January 1, 2005; and for other counties are those reported by the United States Bureau of the Census under Public Law 94-171 for the 1990 Census in the IVTD Version of the TIGER files.

…."

SECTION 18B.9.(d) In order to implement the changes in subsection (c) of this section, the following shall apply:

(1) The district court judgeships serving District 9A shall be allocated to Judicial Districts 9 and 17A of the General Court of Justice effective January 1, 2019.

(2) Any vacancy occurring in a district court judgeship serving District 9A before January 1, 2019, shall be filled by appointment for a term to end December 31, 2018.

SECTION 18B.9.(e) G.S. 7A-60 reads as rewritten:

"**§ 7A-60. District attorneys and prosecutorial districts.**

(a) The State shall be divided into prosecutorial districts, as shown in subsection (a1) of this section. There shall be a district attorney for each prosecutorial district, as provided in subsections (b) and (c) of this section who shall be a resident of the prosecutorial district for which elected. A vacancy in the office of district attorney shall be filled as provided in Article IV, Sec. 19 of the Constitution.

(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	Counties	No. of Full-Time Asst. District Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	11
2	Beaufort, Hyde, Martin, Tyrrell, Washington	8
~~3A~~3	Pitt	~~11~~12
~~3B~~4	Carteret, Craven, Pamlico	~~12~~13
~~4~~5	Duplin, Jones, Onslow, Sampson	~~18~~19
~~5~~6	New Hanover, Pender	~~18~~19
~~6~~7	Bertie, Halifax, Hertford,	~~10~~11

	Northampton	
~~7~~8	Edgecombe, Nash, Wilson	~~18~~19
~~8~~9	Greene, Lenoir, Wayne	14
~~9~~10	Franklin, Granville, Vance, Warren	10
9A	Person, Caswell	6
~~10~~11	Wake	~~41~~42
~~11A~~12	Harnett, Lee	~~9~~11
~~11B~~13	Johnston	10
~~12~~14	Cumberland	~~23~~25
~~13~~15	Bladen, Brunswick, Columbus	~~13~~14
~~14~~16	Durham	18
~~15A~~17	Alamance	~~11~~12
~~15B~~18	Orange, Chatham	10
~~16A~~19	Scotland, Hoke	7
~~16B~~20	Robeson	12
~~16C~~21	Anson, Richmond	6
~~17A~~22	Rockingham	7
~~17B~~23	Stokes, Surry	8
~~18~~24	Guilford	~~32~~34
~~19A~~25	Cabarrus	9
~~19B~~26	Montgomery, Randolph	~~9~~10
~~19C~~27	Rowan	~~8~~9
~~19D~~28	Moore	5
~~20A~~29	Stanly	5
~~20B~~30	Union	~~10~~11
~~21~~31	Forsyth	~~25~~27
~~22A~~32	Alexander, Iredell	~~11~~12
~~22B~~33	Davidson, Davie	~~11~~12
~~23~~34	Alleghany, Ashe, Wilkes, Yadkin	~~8~~9
~~24~~35	Avery, Madison, Mitchell, Watauga, Yancey	~~7~~8
~~25~~36	Burke, Caldwell, Catawba	~~18~~19
~~26~~37	Mecklenburg	58
~~27A~~38	Gaston	~~14~~15
~~27B~~39	Cleveland, Lincoln	~~11~~12
~~28~~40	Buncombe	14
~~29A~~41	McDowell, Rutherford	~~7~~8
~~29B~~42	Henderson, Polk, Transylvania	~~8~~9
~~30~~43	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain.	~~10~~12

…."

SECTION 18B.9.(f) G.S. 7A-60(a2) is repealed.

SECTION 18B.9.(g) G.S. 7A-63 reads as rewritten:

"**§ 7A-63. Assistant district attorneys.**

Each district attorney shall be entitled to the number of full-time assistant district attorneys set out in this ~~Subchapter, such number to be developed by the General Assembly after consulting the workload formula established through the National Center for State Courts,~~ Subchapter to be appointed by the district attorney, to serve at the district attorney's pleasure. A vacancy in the office of assistant district attorney shall be filled in the same manner as the initial appointment. An assistant district attorney shall take the same oath of office as the

district attorney, and shall perform such duties as may be assigned by the district attorney. The district attorney shall devote full time to the duties of the office and shall not engage in the private practice of law during his or her term."

SECTION 18B.9.(h) The office and term of the district attorney for Prosecutorial District 9A formerly consisting of Person and Caswell Counties is terminated upon the expiration of the current term, December 31, 2018. Effective January 1, 2019, District 9A is eliminated. All open investigations and pending cases for Prosecutorial District 9A formerly consisting of Person and Caswell Counties shall be transferred to either District 10 or District 22. Person County is added to District 10 and the number of ADAs in that district is increased by three. Caswell County is added to District 22 and the number of ADAs in that district is increased by three.

SECTION 18B.9.(i) The Revisor of Statutes shall modify G.S. 7A-60(a1) to reflect the directions set out in subsection (h) of this section.

SECTION 18B.9.(j) This section is effective when it becomes law, and elections conducted in 2018 shall be conducted in accordance with the districts as modified by this section.

ELIMINATE ACCESS TO CIVIL JUSTICE FUNDS

SECTION 18B.10.(a) G.S. 7A-304(a) reads as rewritten:

"**§ 7A-304. Costs in criminal actions.**

(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

…

(4) For support of the General Court of Justice, the sum of one hundred forty-seven dollars and fifty cents ($147.50) in the district court, including cases before a magistrate, and the sum of one hundred fifty-four dollars and fifty cents ($154.50) in the superior court, to be remitted to the State Treasurer. For a person convicted of a felony in superior court who has made a first appearance in district court, both the district court and superior court fees shall be assessed. The State Treasurer shall remit the sum of ~~one dollar and fifty cents ($1.50) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4, and~~ ninety-five cents ($.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19.

…."

SECTION 18B.10.(b) G.S. 7A-305(a) reads as rewritten:

"**§ 7A-305. Costs in civil actions.**

(a) In every civil action in the superior or district court, except for actions brought under Chapter 50B of the General Statutes, shall be assessed:

…

(2) For support of the General Court of Justice, the sum of one hundred eighty dollars ($180.00) in the superior court and the sum of one hundred thirty dollars ($130.00) in the district court except that if the case is assigned to a magistrate the sum shall be eighty dollars ($80.00). If a case is designated as a mandatory complex business case under G.S. 7A-45.4, upon assignment to a Business Court Judge, the party filing the designation shall pay an additional one thousand one hundred dollars ($1,100) for support of the

General Court of Justice. If a case is designated as a complex business case under Rule 2.1 and Rule 2.2 of the General Rules of Practice for the Superior and District Courts, upon assignment to a Business Court Judge, the plaintiff shall pay an additional one thousand one hundred dollars ($1,100) for support of the General Court of Justice. Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of ~~one dollar and fifty cents ($1.50) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4, and~~ ninety-five cents ($.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19."

SECTION 18B.10.(c) Article 37A of Chapter 7A of the General Statutes is repealed.

SECTION 18B.10.(d) This section is effective when it becomes law.

MODIFY EMERGENCY RECALL JUDGES

SECTION 18B.11.(a) G.S. 7A-45.2 reads as rewritten:

"**§ 7A-45.2. Emergency special judges of the superior court; qualifications, appointment, removal, and authority.**

(a) Any justice or judge of the appellate division of the General Court of Justice who:

(1) Retires under the provisions of the Consolidated Judicial Retirement Act, Article 4 of Chapter 135 of the General Statutes, or who is eligible to receive a retirement allowance under that act;

(2) Has not reached the mandatory retirement age specified in G.S. 7A-4.20;

(3) Has served at least five years as a superior court judge or five years as a justice or judge of the appellate division of the General Court of Justice, or any combination thereof, whether or not eligible to serve as an emergency justice or judge of the appellate division of the General Court of Justice; and

(4) Whose judicial service ended within the preceding 10 years; may apply to the Governor for appointment as an emergency special superior court judge in the same manner as is provided for application as an emergency superior court judge in G.S. 7A-53. If the Governor is satisfied that the applicant meets the requirements of this section and is physically and mentally able to perform the duties of a superior court judge, the Governor shall issue a commission appointing the applicant as an emergency special superior court judge until the applicant reaches the mandatory retirement age for superior court judges specified in G.S. 7A-4.20.

(b) Any emergency special superior court judge appointed as provided in this section shall:

(1) Have the same powers and duties, when duly assigned to hold court, as provided for an emergency superior court judge by G.S. 7A-48;

(2) Be subject to assignment in the same manner as provided for an emergency superior court judge by ~~G.S. 7A-46;~~G.S. 7A-46 and G.S. 7A-52(a);

(3) Receive the same compensation, expenses, and allowances, when assigned to hold court, as an emergency superior court judge as provided by G.S. 7A-52(b);

(4) Be subject to the provisions and requirements of the Canons of Judicial Conduct; and

(5) Not engage in the practice of law during any period for which the emergency special superior court judgeship is commissioned. However, this subdivision shall not be construed to prohibit an emergency special superior court judge appointed pursuant to this section from serving as a referee, arbitrator, or mediator, during service as an emergency special superior court

judge when the service does not conflict with or interfere with the emergency special superior court judge's judicial service in emergency status.

(c) Upon reaching mandatory retirement age for superior court judges as set forth in G.S. 7A-4.20, any emergency special superior court judge appointed pursuant to this section, whose commission has expired, may be recalled as a recalled emergency special superior court judge to preside over any regular or special session of the superior court under the following circumstances:

(1) The judge shall consent to the recall;
(2) The Chief Justice may order the recall;
(3) Prior to ordering recall, the Chief Justice shall be satisfied that the recalled judge is capable of efficiently and promptly discharging the duties of the office to which recalled;
(4) Jurisdiction of a recalled emergency special superior court judge is as set forth in G.S. 7A-48;
(5) Orders of recall and assignment shall be in writing and entered upon the minutes of the court to which assigned; and
(6) Compensation, expenses, and allowances of recalled emergency special superior court judges are the same as for recalled emergency superior court judges under G.S. 7A-52(b).
(7) The emergency special superior court judge is listed as active on the list described in G.S. 7A-52(a).

(d) Any former justice or judge of the appellate division of the General Court of Justice who otherwise meets the requirements of subsection (a) of this section to be appointed an emergency special superior court judge but has already reached the mandatory retirement age for superior court judges set forth in G.S. 7A-4.20 on retirement may, in lieu of serving as an emergency judge of the court from which he retired, apply to the Governor to be appointed as an emergency special superior court judge as provided in this section. If the Governor issues a commission to the applicant, the retired justice or judge is subject to recall as an emergency special superior court judge as provided in subsection (c) of this section.

(e) No justice or judge appointed as an emergency special superior court judge or subject to recall as provided in this section shall, during the period so appointed or subject to recall, contemporaneously serve as an emergency justice or judge of the appellate division of the General Court of Justice."

SECTION 18B.11.(b) G.S. 7A-52 reads as rewritten:

"**§ 7A-52. Retired district and superior court judges may become emergency judges subject to recall to active service; compensation for emergency judges on recall.**

(a) Judges of the district court and judges of the superior court who have not reached the mandatory retirement age specified in G.S. 7A-4.20, but who have retired under the provisions of G.S. 7A-51, or under the Uniform Judicial Retirement Act after having completed five years of creditable service, may apply as provided in G.S. 7A-53 to become emergency judges of the court from which they retired. From the commissioned emergency district, superior, and special superior court judges, the Chief Justice of the Supreme Court shall create two lists of active emergency judges and two lists of inactive emergency judges. For emergency superior and special superior court judges, the active list shall be limited to a combined total of 10 emergency judges; all other emergency superior and special superior court judges shall be on an inactive list. For emergency district court judges, the active list shall be limited to 25 emergency judges; all other emergency district court judges shall be on an inactive list. There is no limit to the number of emergency judges on either inactive list. In the Chief Justice's discretion, emergency judges may be added or removed from their respective active and inactive lists, as long as the respective numerical limits on the active lists are observed. The Chief Justice is requested to consider geographical distribution in assigning emergency judges to an active list but may utilize any factor in determining which emergency

judges are assigned to an active list. The Chief Justice of the Supreme Court may order any emergency ~~judge of the district~~district, superior, or special superior court judge on an active list who, in his opinion, is competent to perform the duties of a judge, ~~judge of the court from which such judge retired,~~ to hold regular or special sessions of ~~such~~the court from which the judge retired, as needed. Order of assignment shall be in writing and entered upon the minutes of the court to which such emergency judge is assigned. An emergency judge shall only be assigned in the event of a:

(1) Death of a sitting judge.
(2) Disability of a sitting judge.
(3) Recall to active military duty of a sitting judge.
(4) Retirement or removal of a sitting judge.
(5) Court case-management emergency.

(a1) An emergency judge of the superior court may be recalled to active service by the Chief Justice and assigned to hear and decide complex business cases if, at the time of the judge's retirement, all of the following conditions are met:

(1) The judge is a special superior court judge who is retiring from a term to which the judge was appointed pursuant to G.S. 7A-45.1.
(2) The judge is retiring from a term for which the judge was assigned by the Chief Justice to hear and decide complex business cases as a business court judge pursuant to G.S. 7A-45.3.
(3) The judge's nomination to serve a successive term in the same office is pending before the General Assembly, or was not acted upon by the General Assembly prior to adjournment sine die.
(4) If confirmed and appointed to the successive term of office for which nominated, the judge would reach mandatory retirement age before completing that term of office.

An emergency judge assigned to hear and decide complex business cases pursuant to this subsection shall be designated by the Chief Justice as a senior business court judge and shall be eligible to serve in that capacity for five years from the issuance date of the judge's commission under G.S. 7A-53 or until the judge's commission expires, whichever occurs first. Order of assignment shall be in writing and entered upon the minutes of the court to which such emergency judge is assigned. An emergency judge assigned to hear and decide complex business cases shall not be counted in the combined total of active emergency superior and special superior court judges described in subsection (a) of this section.

(b) In addition to the compensation or retirement allowance the judge would otherwise be entitled to receive by law, each emergency judge of the district or superior court who is assigned to temporary active service by the Chief Justice shall be paid by the State the judge's actual mileage and any necessary lodging and meal expenses, plus four hundred dollars ($400.00) for each day of active service rendered upon recall, and each emergency judge designated as a senior business court judge pursuant to subsection (a1) of this section shall be paid by the State the judge's actual expenses, plus five hundred dollars ($500.00) for each day of active service rendered upon recall as a senior business court judge. No day of active service rendered by an emergency judge pursuant to assignment under subsection (a) of this section shall overlap with a day of active service rendered pursuant to assignment under subsection (a1) of this section. No recalled retired trial judge shall receive from the State total annual compensation for judicial services in excess of that received by an active judge of the bench to which the judge is recalled. Emergency judges on an inactive list shall not receive reimbursement for continuing legal or judicial education."

SECTION 18B.11.(c) G.S. 7A-57 reads as rewritten:

"**§ 7A-57. Recall of active and emergency trial judges who have reached mandatory retirement age.**

Superior and district court judges retired because they have reached the mandatory retirement age, and emergency superior and district court judges whose commissions have

expired because they have reached the mandatory retirement age, may be recalled to preside over regular or special sessions of the court from which retired under the following circumstances:

(1) The judge must consent to the recall.

(2) The Chief Justice is authorized to order the recall.

(3) Prior to ordering recall, the Chief Justice shall be satisfied that the judge is capable of efficiently and promptly discharging the duties of the office to which recalled.

(4) Jurisdiction of a recalled retired superior court judge is as set forth in G.S. 7A-48, and jurisdiction of a recalled retired district court judge is as set forth in G.S. 7A-53.1.

(5) Orders of recall and assignment shall be in writing and entered upon the minutes of the court to which assigned.

(6) Compensation of recalled retired trial judges is the same as for recalled emergency trial judges under G.S. 7A-52(b).

(7) Recalled emergency judges who served as a senior business court judge and whose commission expired upon reaching the mandatory retirement age may be recalled by the Chief Justice and assigned to hear and decide complex business cases as a senior business court judge for up to five years from the issuance date of their commission under G.S. 7A-53.

(8) The emergency judge is listed as active on the list described in G.S. 7A-52(a). This does not apply to an emergency judge who qualifies under subdivision (7) of this section."

SECTION 18B.11.(d) The Administrative Office of the Courts shall report annually to the Joint Legislative Oversight Committee on Justice and Public Safety by August 1 on the preceding fiscal year's activities. The report shall include:

(1) An updated list of all active superior court and district court emergency judges.

(2) A list of all cases where an emergency court judge was assigned, including what districts the cases were located in and the reason for the assignment.

(3) A list of all expenses broken down by the daily fee for emergency judges, travel for service to assignment, and travel for continuing judicial education.

(4) A list of on-bench time for all emergency judges.

SECTION 18B.11.(e) This section is effective when it becomes law.

MAGISTRATE/CLERK STAFFING PILOT PROJECT

SECTION 18B.12. Notwithstanding the minimum staffing number in G.S. 7A-133(c), the clerk of superior court in a county, with the written or e-mailed consent of the chief district court judge, may hire one deputy or assistant clerk in lieu of one of the magistrate positions allocated to that county. To provide accessibility for law enforcement and citizens, the clerk of superior court's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours. The Administrative Office of the Courts shall report on the results of the pilot project by October 1, 2018, to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the counties participating, a summary of the magisterial tasks assumed by clerks, the estimated cost savings, and recommendations for future expansion.

PART XIX. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

MILITARY AFFAIRS COMMISSION/MILITARY PRESENCE STABILIZATION FUND

SECTION 19.1.(a) Section 24.1(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 24.1.(a)** The Department of Military and Veterans Affairs is established as a new executive department. All functions, powers, duties, and obligations vested in the

following agencies are transferred to, vested in, and consolidated within the Department of Military and Veterans Affairs by a Type I transfer, as defined in G.S. 143A-6:

(1) The following components of the Department of Administration:

a. The Veterans' Affairs Commission.

b. The Governor's Jobs for Veterans Committee.

c. The Division of Veterans Affairs.

~~(2) The North Carolina Military Affairs Commission in the Office of the Governor.~~"

SECTION 19.1.(b) G.S. 143B-1310 reads as rewritten:

"**§ 143B-1310. Commission established; purpose; transaction of business.**

(a) Establishment. – There is established the North Carolina Military Affairs Commission. The Commission shall be ~~established within~~ assigned to the Department of Military and Veterans ~~Affairs.~~Affairs solely for purposes of G.S. 143B-14(a). As authorized by G.S. 143B-14(b), the Commission shall exercise all its powers, duties, and functions independently. Notwithstanding G.S. 143B-14(d), the Secretary of Military and Veterans Affairs shall not perform any of the Commission's management functions. Consistent with G.S. 143B-14(a), the Department of Military and Veterans Affairs shall provide the following administrative services to the Commission:

(1) Noticing and providing space for meetings of the Commission and its committees.

(2) Taking minutes of the Commission's meetings.

(3) Reimbursing per diem, subsistence, and travel expenses pursuant to G.S. 143B-1311(h).

(4) Serving as a liaison among the committees of the Commission.

(5) Any other administrative services requested by the Commission.

(b) Purpose. – The Commission shall provide advice, counsel, and recommendations to the General Assembly, the Secretary of Military and Veterans Affairs, and other State agencies on initiatives, programs, and legislation that will continue and increase the role that North Carolina's military installations, the National Guard, and Reserves play in America's defense strategy and the economic health and vitality of the State. The Commission is authorized to do all of the ~~following, as delegated by the Secretary of Military and Veterans Affairs:~~following:

…."

SECTION 19.1.(c) G.S. 143B-1311 reads as rewritten:

"**§ 143B-1311. Membership.**

…

(b) The voting members of the Commission shall be appointed as follows:

…

(2) Five members appointed by the Speaker of the House of Representatives, consisting of:

a. One member of the House of Representatives. A House member who has served in the military or has extensive experience in the area of military affairs shall be selected. The House member shall not vote on matters that expend funds appropriated by the General Assembly.

…

(3) Five members appointed by the President Pro Tempore of the Senate, consisting of:

a. One member of the Senate. A Senate member who has served in the military or has extensive experience in the area of military affairs shall be selected. The Senate member shall not vote on matters that expend funds appropriated by the General Assembly.

…."

SECTION 19.1.(d) G.S. 143B-1211 reads as rewritten:

"**§ 143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

It shall be the duty of the Department of Military and Veterans Affairs to do all of the following:

…

(12) Provide administrative, organizational, and funding support to ~~the NC Military Affairs Commission and~~ the Governor's Working Group for Veterans.

(12a) Provide administrative services to the North Carolina Military Affairs Commission pursuant to G.S. 143B-1310(a).

…."

SECTION 19.1.(e) G.S. 143B-1217 reads as rewritten:

"**§ 143B-1217. Military Presence Stabilization Fund.**

The Military Presence Stabilization Fund is established as a special fund in the Department of Military and Veterans Affairs. Funds in the Military Presence Stabilization Fund shall be used to fund actions designed to make the State less vulnerable to closure pursuant to federal Base Realignment and Closure and related initiatives. The ~~Secretary of Military and Veterans Affairs may allocate funds in~~ North Carolina Military Affairs Commission shall approve the use of the Fund for this purpose."

SECTION 19.1.(f) Notwithstanding G.S. 143B-1214 and G.S. 143B-1217, the funds appropriated in this act to the Military Presence Stabilization Fund for the 2017-2018 fiscal year may be used for the following purposes:

(1) Up to the sum of two hundred twenty-five thousand dollars ($225,000) may be used to provide grants to local communities or military installations. These funds shall only be used for actual project expenses and shall not be used to pay for lobbying the North Carolina General Assembly, salaries, travel, or other administrative costs. The North Carolina Military Affairs Commission shall establish guidelines for applying for these grants.

(2) Administrative expenses and reimbursements for members of the North Carolina Military Affairs Commission.

(3) Federal advocacy and lobbying support.

(4) Updates to strategic planning analysis and strategic plan.

(5) Economic impact analyses.

(6) Public-public/public-private (P4) initiatives.

(7) Identification and implementation of innovated measures to increase the military value of installations.

(8) Fully fund the position at the North Carolina Economic Development Center.

SECTION 19.1.(g) The North Carolina Military Affairs Commission shall report to the Joint Legislative Oversight Committee on General Government no later than February 15, 2018, on the expenditures from the Military Presence Stabilization Fund.

SCHOLARSHIPS FOR CHILDREN OF WAR VETERANS

SECTION 19.2.(a) G.S. 143B-1224 reads as rewritten:

"**§ 143B-1224. Definitions.**

As used in this Part the terms defined in this section shall have the following meaning:

…

(7) "Veteran" means a person who served as a member of the Armed Forces in active federal service during a period of war and who was either separated from the Armed Forces under honorable conditions ~~other than dishonorable.~~or who is currently serving in a second or subsequent enlistment. A person who was separated from the Armed Forces under honorable conditions ~~other than dishonorable~~ and whose death or disability was incurred (i) as a direct result of armed conflict or (ii) while engaged in

extra-hazardous service, including such service under conditions simulating war, ~~shall also be deemed~~ is also a "veteran" and ~~such~~ the death or disability ~~shall be considered~~ is wartime service-connected."

SECTION 19.2.(b) G.S. 143B-1226 reads as rewritten:

"**§ 143B-1226. Classes or categories of eligibility under which scholarships may be awarded.**

(a) Scholarship Consideration. – A child, as defined in this Part, who falls within the provisions of any eligibility class described ~~below~~ in subsection (b) of this section shall, upon proper ~~application~~ application, be considered for a scholarship, subject to the provisions and limitations set forth for the class under which the child is ~~considered:~~considered. A child may be considered for a scholarship under more than one eligibility class as long as the child falls within the provisions and is subject to the limitations of each class for which the child is being considered. A child may be awarded only one scholarship as provided in G.S. 143B-1225(a)(3).

(b) Scholarship Eligibility Classes. –

(1) Class I-A: Under this class a scholarship shall be awarded to any child whose veteran parent

…."

PART XX. OFFICE OF ADMINISTRATIVE HEARINGS

OAH/LAWSUIT FUNDS

SECTION 20.1. The Department of Public Instruction shall transfer the sum of fifty thousand dollars ($50,000) to the Office of Administrative Hearings to be allocated to the Rules Review Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred in the defense of *North Carolina State Board of Education v. The State of North Carolina and The Rules Review Commission*, Wake County Superior Court, File No. 14 CVS 14791 (filed November 7, 2014). These funds shall not revert at the end of the 2017-2018 fiscal year but shall remain available during the 2018-2019 fiscal year for expenditure in accordance with the provisions of this section.

PART XXI. TREASURER

ADD ESOPHAGEAL CANCER AS OCCUPATIONAL DISEASE TO LINE-OF-DUTY DEATH BENEFITS FOR FIREFIGHTERS

SECTION 21.1. G.S. 143-166.2(c) reads as rewritten:

"**§ 143-166.2. Definitions.**

…

(c) The term "killed in the line of duty" shall apply to any law-enforcement officer, firefighter, rescue squad worker who is killed or dies as a result of bodily injuries sustained or of extreme exercise or extreme activity experienced in the course and scope of his official duties while in the discharge of his official duty or duties. When applied to a senior member of the Civil Air Patrol as defined in this Article, "killed in the line of duty" shall mean any such senior member of the North Carolina Wing-Civil Air Patrol who is killed or dies as a result of bodily injuries sustained or of extreme exercise or extreme activity experienced in the course and scope of his official duties while engaged in a State requested and approved mission pursuant to Article 13 of Chapter 143B of the General Statutes. For purposes of this Article, when a law enforcement officer, firefighter, rescue squad worker, or senior Civil Air Patrol member dies as the direct and proximate result of a myocardial infarction suffered while on duty or within 24 hours after participating in a training exercise or responding to an emergency situation, the law enforcement officer, firefighter, rescue squad worker, or senior Civil Air Patrol member is presumed to have been killed in the line of duty. For the purposes of this Article, when a firefighter dies as a direct and proximate result of any of the following cancers that are occupationally related to firefighting, that firefighter is presumed to have been killed in the line of duty:

(1) Mesothelioma.

(2) Testicular cancer.
(3) Intestinal cancer.
(4) Esophageal cancer."

PART XXII. DEPARTMENT OF INSURANCE

INSURANCE REGULATORY CHARGE

SECTION 22.1. The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2018 calendar year.

DEPARTMENT OF INSURANCE END SUPPORT OF EIGHT OFFICE OF STATE CONSTRUCTION ENGINEER POSITIONS IN DEPARTMENT OF ADMINISTRATION

SECTION 22.2. Section 7 of S.L. 2009-474, as amended by Section 20.3 of S.L. 2012-142, is repealed.

ALLOW ADAPTIVE BEHAVIOR TREATMENT COVERED BY A HEALTH BENEFIT PLAN TO BE PROVIDED OR SUPERVISED BY A BOARD CERTIFIED BEHAVIOR ANALYST

SECTION 22.3.(a) G.S. 58-3-192(a)(1) reads as rewritten:

"**§ 58-3-192. Coverage for autism spectrum disorder.**

(a) As used in this section, the following definitions apply:

(1) Adaptive behavior treatment. – Behavioral and developmental interventions that systematically manage instructional and environmental factors or the consequences of behavior that have been shown to be clinically effective through research published in peer reviewed scientific journals and based upon randomized, quasi-experimental, or single subject designs. Both of the following requirements must be met:

a. The intervention must be necessary to (i) increase appropriate or adaptive behaviors, (ii) decrease maladaptive behaviors, or (iii) develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual.

b. The treatment must be ordered by a licensed physician or licensed psychologist and the treatment must be provided or supervised by one of the following ~~licensed~~ professionals, so long as the services or supervision provided is commensurate with the ~~licensed~~ professional's training, experience, and scope of practice:

1. A licensed psychologist or psychological associate.
2. A licensed psychiatrist or developmental pediatrician.
3. A licensed speech and language pathologist.
4. A licensed occupational therapist.
5. A licensed clinical social worker.
6. A licensed professional counselor.
7. A licensed marriage and family therapist.
8. A board certified behavior analyst."

SECTION 22.3.(b) This section becomes effective July 1, 2017, and applies to insurance contracts issued, renewed, or amended on or after that date.

ALLOW THE STATE FIRE MARSHAL TO INVESTIGATE ARSON

SECTION 22.4.(a) G.S. 58-79-1 reads as rewritten:

"**§ 58-79-1. Fires investigated; reports; records.**

The Director of the State Bureau of Investigation, through the State Bureau of Investigation, the State Fire Marshal, and the chief of the fire department, or chief of police where there is no chief of the fire department, in municipalities and towns, and the county fire

marshal and the sheriff of the county and the chief of the rural fire department where such fire occurs outside of a municipality, are hereby authorized to investigate the cause, origin, and circumstances of every fire occurring in such municipalities or counties in which property has been destroyed or damaged, and shall specially make investigation whether the fire was the result of carelessness or design. A preliminary investigation shall be made by the chief of fire department or chief of police, where there is no chief of fire department in municipalities, and by the county fire marshal and the sheriff of the county or the chief of the rural fire department where such fire occurs outside of a municipality, and must be begun within three days, exclusive of Sunday, of the occurrence of the fire, and the Director of the State Bureau of Investigation, through the State Bureau of Investigation, shall have the right to supervise and direct the investigation when he deems it expedient or necessary.

The officer making the investigation of fires shall forthwith notify the Director of the State Bureau of Investigation, and must within one week of the occurrence of the fire furnish to the Director of the State Bureau of Investigation a written statement of all facts relating to the cause and origin of the fire, the kind, value and ownership of the property destroyed, and such other information as is called for by the forms provided by the Director of the State Bureau of Investigation. Departments capable of submitting the required information by the utilization of computers and related equipment, by means of an approved format of standard punch cards, magnetic tapes or an approved telecommunications system, may do so in lieu of the submission of the written statement as provided for in this section. The Director of the State Bureau of Investigation shall keep in his office a record of all reports submitted pursuant to this section. These reports shall at all times be open to public inspection."

SECTION 22.4.(b) This section is effective when this act becomes law.

STUDY HEALTH INSURANCE HIGH-RISK POOLS

SECTION 22.5. The Department of Insurance shall study the establishment of a State-based health insurance high-risk pool in the event that the provisions of Public Law 111-148, the Patient Protection and Affordable Care Act, as amended, prohibiting denial of health insurance benefit coverage due to a preexisting condition, are repealed. No later than March 1, 2018, the Department of Insurance shall report to the Joint Legislative Commission on Governmental Operations on the following information:

(1) An update on the status of the provisions of Public Law 111-148, the Patient Protection and Affordable Care Act, as amended, prohibiting denial of health insurance benefit coverage due to a preexisting condition, and any other changes in federal law, regulations, or policy related to the establishment of both federal and State-based health insurance high-risk pools.
(2) Options for the design of a State-based high-risk pool and the cost of these options.
(3) Potential sources of funding for the cost of the options studied, including federal funding.
(4) Findings and recommendations regarding the options studied.
(5) Any proposed legislation related to the findings and recommendations.

PART XXIII. STATE BOARD OF ELECTIONS [RESERVED]

PART XXIV.GENERAL ASSEMBLY

PED STUDY/MEASURABILITY ASSESSMENT OF DEPARTMENT OF ADMINISTRATION ADMINISTRATIVE ACTIVITIES AND PROGRAMS

SECTION 24.1. The Program Evaluation Division (hereinafter "Division") is directed to conduct measurability assessments, as provided in Chapter 143E of the General Statutes, and efficiency evaluations of programs and administrative activities of the Department of Administration (hereinafter "Department") to improve Department accountability reporting and to recommend potential cost savings. Prior to conducting measurability assessments and efficiency evaluations, the Division shall consult with the State Auditor, who shall recommend

potential programs or potentially high-cost Department activities that, with changes, may produce cost savings. Taking into account the recommendations of the State Auditor and the results of the measurability assessments, the Division may select a contractor through a noncompetitive bid process to assist the Division in identifying potential cost savings. The State Auditor shall review draft findings and recommendations and shall provide a written response to be included in the Division's report. By March 30, 2018, the Division shall report its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and Joint Legislative Oversight Committee on General Government and, upon request, to other committees.

STUDY RATES AND TRANSFERS/PUBLIC ENTERPRISES

SECTION 24.3.(a) The General Assembly finds that the ability of a city or county to efficiently and effectively provide public enterprise services, particularly water and sewer services, is challenged by that local government opting to use revenues of the public enterprise for purposes other than:

(1) Paying the costs of operating the public enterprise.
(2) Making debt service payments.
(3) Investing in improvements to the infrastructure of that public enterprise.
(4) Reimbursing the unit of local government for actual direct services provided to the public enterprise.

SECTION 24.3.(b) The General Assembly further finds that any excess net revenues should be used to lower rates, advance fund debt service, and fund infrastructure improvements of that public enterprise.

SECTION 24.3.(c) The Legislative Research Commission shall study the issues raised in this section and make recommendations to the General Assembly on:

(1) Fee and charge setting by units of local government in the operation of a water or sewer system, including collection rates of those fees and charges.
(2) Proper accounting controls to ensure transparency in budgeting and accounting for expenditures and interfund transfers of public enterprise services by units of local government.
(3) Legislation that may be necessary to ensure proper funding of infrastructure maintenance and improvements for the provision of water and sewer services, including whether regionalization could facilitate financially healthy systems with lower fees and charges to customers.
(4) Legislation that may be necessary to ensure that units of local government monitor aging water and sewer infrastructure to ensure proper maintenance and repair, including how this responsibility impacts the financial health of the public enterprise.

SECTION 24.3.(d) In making the study provided by this section, the Legislative Research Commission shall consult with the Local Government Commission, the School of Government, the Department of Environmental Quality, the North Carolina League of Municipalities, the North Carolina County Commissioners Association, and others.

SECTION 24.3.(e) The Legislative Research Commission shall make an interim report to the 2017 Regular Session of the General Assembly prior to its reconvening in 2018 and shall make a final report to the 2019 Regular Session of the General Assembly.

SECTION 24.3.(f) This section is effective when this act becomes law.

ESTABLISH THE JOINT SELECT COMMITTEE ON JUDICIAL FUNDING

SECTION 24.4.(a) Establishment; Membership. – There is established the Joint Select Study Committee on Judicial Funding. The membership is as follows:

(1) Five members appointed by the President Pro Tempore of the Senate, at least one of whom shall be a member of the Senate.
(2) Five members appointed by the Speaker of the House of Representatives, at least one of whom shall be a member of the House of Representatives.

SECTION 24.4.(b) Chairs; Meetings; Quorum. – In selecting cochairs of the Committee, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall select from the legislative members of the Committee. The Committee shall meet upon the call of the cochairs. A quorum of the Committee shall be a majority of its members.

SECTION 24.4.(c) Purpose. – The Committee shall study the effects of enacting the first editions of Senate Bills 635 and 636 of the 2017 Regular Session of the General Assembly, or substantially similar legislation. In addition, the Committee shall study other issues the Committee deems relevant regarding State funding provided to the judicial branch.

SECTION 24.4.(d) Per Diem; Staff. – Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. All expenses of the Committee shall be paid from the General Assembly's budget. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work.

SECTION 24.4.(e) Report; Termination. – The Committee shall submit a final report on the results of its study, including any proposed legislation, to the General Assembly on or before March 1, 2018. The Committee shall terminate on March 1, 2018, or upon the filing of its final report, whichever occurs first.

PART XXV. OFFICE OF THE GOVERNOR [RESERVED]

PART XXVI. OFFICE OF STATE BUDGET AND MANAGEMENT

MODIFICATIONS TO PREVIOUS OSBM SPECIAL APPROPRIATIONS

SECTION 26.1.(a) Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary:

(1) The sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2016-2107 fiscal year appropriated in that act as a grant-in-aid to the Macon County Community Funding Pool shall instead be appropriated to Macon County to be used for community purposes. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this subdivision.

(2) The sum of fifty thousand dollars ($50,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act as a grant-in-aid to Watauga County for tourism and development for New River access points shall instead be used for the Guy Ford Road canoe access on the Watauga River. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this subdivision.

(3) The sum of three hundred thousand dollars ($300,000) in nonrecurring funds appropriated in that act to the Andrew Jackson Historical Foundation, Inc., to renovate the Museum of the Waxhaws is not subject to G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1).

(4) The sum of fifty thousand dollars ($50,000) in nonrecurring funds appropriated in that act as a grant-in-aid to the Randolph-Asheboro YMCA is not subject to G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1).

SECTION 26.1.(b) This section becomes effective June 30, 2017.

SYMPHONY CHALLENGE GRANT

SECTION 26.2.(a) Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, the sum of two million dollars ($2,000,000) in recurring funds for the 2017-2018 fiscal year and two million dollars ($2,000,000) in recurring funds for the 2018-2019 fiscal year shall be allocated to the North Carolina Symphony in accordance with this section. It is the intent of the General Assembly that the North Carolina Symphony raise at least nine million dollars ($9,000,000) in non-State funds each year of the 2017-2019 fiscal biennium. The North Carolina Symphony cannot use funds

transferred from the organization's endowment to its operating budget to achieve the fund-raising targets set out in subsections (b) and (c) of this section.

SECTION 26.2.(b) For the 2017-2018 fiscal year, the North Carolina Symphony shall receive allocations from the Office of State Budget and Management as follows:

(1) Upon raising the initial sum of four million dollars ($4,000,000) in non-State funding, the North Carolina Symphony shall receive the sum of six hundred thousand dollars ($600,000).

(2) Upon raising an additional sum of two million dollars ($2,000,000) in non-State funding for a total amount of six million dollars ($6,000,000) in non-State funds, the North Carolina Symphony shall receive the sum of seven hundred thousand dollars ($700,000).

(3) Upon raising an additional sum of three million dollars ($3,000,000) in non-State funding for a total amount of nine million dollars ($9,000,000) in non-State funds, the North Carolina Symphony shall receive the final sum of seven hundred thousand dollars ($700,000) in the 2017-2018 fiscal year.

SECTION 26.2.(c) For the 2018-2019 fiscal year, the North Carolina Symphony shall receive allocations from the Office of State Budget and Management as follows:

(1) Upon raising the initial sum of four million dollars ($4,000,000) in non-State funding, the North Carolina Symphony shall receive the sum of six hundred thousand dollars ($600,000).

(2) Upon raising an additional sum of two million dollars ($2,000,000) in non-State funding for a total amount of six million dollars ($6,000,000) in non-State funds, the North Carolina Symphony shall receive the sum of seven hundred thousand dollars ($700,000).

(3) Upon raising an additional sum of three million dollars ($3,000,000) in non-State funding for a total amount of nine million dollars ($9,000,000) in non-State funds, the North Carolina Symphony shall receive the final sum of seven hundred thousand dollars ($700,000) in the 2018-2019 fiscal year.

RESULTS FIRST PROJECT

SECTION 26.3.(a) The General Assembly finds and declares that a nationally recognized cost-benefit analysis model will allow the General Assembly to direct public resources to cost-effective programs that deliver the best outcomes for residents. The Office of State Budget and Management shall receive periodic updates that incorporate new research and enhancements identified through work in participating states and practical technical assistance to implement this cutting-edge approach for identifying policy and budget options. The General Assembly also intends to provide necessary assistance for State agencies to align their individual efforts and resources to achieve statewide priority outcomes.

SECTION 26.3.(b) The Office of State Budget and Management may consult and work with staff from the Pew-MacArthur Results First Initiative to implement a cost-benefit analysis model for use in crafting policy and budget decisions. The goal of the project is to obtain a model that will help the State invest in policies and programs that can be shown to work.

State agencies shall provide any information requested by the Office of State Budget and management for purposes of implementing this project. Local government and non-State entities that receive State funds may also be required to provide information to their funding agency or to the Office of State Budget and Management for purposes of implementing this project.

SECTION 26.3.(c) The Office of State Budget and Management shall file an interim report with the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on General Government, and the Joint Legislative Program Evaluation Oversight Committee by April 8, 2018, on progress in implementing the

cost-benefit analysis model and an annual report by October 1 of each year. The reports may include recommendations for legislation.

OSBM INCLUDE EXISTING DOA POSITIONS IN BASE BUDGET

SECTION 26.4. The Office of State Budget and Management shall include in the Department of Administration's base budget for the 2019-2021 fiscal biennium on a recurring basis the following existing positions in the Office of State Construction:

Position	Title
60013374	Engineer
60013375	Engineer
60089843	Engineer
60089845	Engineer
65009250	Engineering Technician
65009251	Engineering Technician
65009252	Engineering Technician
65009253	Engineering Technician

OSBM INCLUDE RECEIPT-SUPPORTED POSITIONS IN BASE BUDGET FOR GENERAL ASSEMBLY

SECTION 26.5. The Office of State Budget and Management shall include in the base budget for the North Carolina General Assembly, Budget Code 11000, for the 2019-2021 fiscal biennium on a recurring basis the receipt-supported positions in fund codes 1120 and 1211.

CAROLINA BALLET CHALLENGE GRANT

SECTION 26.6. Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to Carolina Ballet, Inc., as a challenge grant. In order to receive the allocation, Carolina Ballet, Inc., shall match the challenge grant with non-State funds on a dollar-for-dollar basis. Upon raising the initial sum of twenty-five thousand dollars ($25,000) in non-State funds, Carolina Ballet, Inc., shall receive the sum of twenty-five thousand dollars ($25,000). Carolina Ballet, Inc., is eligible to receive three additional allocations of twenty-five thousand dollars ($25,000) in the 2017-2018 fiscal year as long as it matches each allocation on a dollar-for-dollar basis with non-State funds. Funds allocated pursuant to this section are in addition to any other funds that may be appropriated in this act for Carolina Ballet, Inc.

OSBM/NO TRANSFER OF FUNDS OR INCREASE IN RECEIPTS FOR VARIOUS BUDGETS AND FUNDS

SECTION 26.7. Notwithstanding any other provision of law, the Office of State Budget and Management (OSBM) shall not increase the budget of Budget Code 13000. OSBM shall not transfer any additional funds into Budget Code 13000, fund codes 1110, 1631, and 1632 or increase any receipts, including carry-forward funds and direct agency billing, for the 2017-2019 fiscal biennium beyond the appropriated funding levels for fiscal year 2017-2018 and fiscal year 2018-2019, as prescribed by the General Assembly.

PART XXVII. STATE AUDITOR [RESERVED]

PART XXVIII. HOUSING FINANCE AGENCY

HFA/WORKFORCE HOUSING LOAN PROGRAM ESTABLISHED

SECTION 28.1. Chapter 122A of the General Statutes is amended by adding a new section to read as follows:

"**§ 122A-5.15. Workforce Housing Loan Program.**

(a) The North Carolina Housing Finance Agency shall establish and administer the Workforce Housing Loan Program for the purpose of making loans for qualified low-income

housing development in the State. Funds appropriated to the North Carolina Housing Trust Fund for the Workforce Housing Loan Program shall be used by the Agency only as provided in this section.

(b) The following definitions apply in this section:

(1) Code. – As defined in G.S. 105-228.90.

(2) Qualified North Carolina low-income housing development. – A qualified low-income project or building that is allocated a federal tax credit under section 42(h)(1) of the Code.

(3) Qualified residential unit. – A housing unit that meets the requirements of section 42 of the Code.

(c) A taxpayer allocated a federal low-income housing tax credit under section 42 of the Code to construct or substantially rehabilitate a qualified North Carolina low-income housing development is eligible for a loan under the Workforce Housing Loan Program if the taxpayer satisfies the loan criteria established by the Agency. The loan criteria shall support the financing of similar types of developments as provided in G.S. 105-129.42 and shall be developed in partnership with developers of low-income housing in the State who receive a federal low-income housing tax credit under section 42 of the Code. The Agency shall take into consideration all eligible sources of funding for each development project, including whether there are other eligible sources of funding available for the development project. No loan made to a taxpayer under this section shall exceed two million dollars ($2,000,000) if the low-income housing development is located in a low-income county, as designated by the Agency; one million five hundred dollars ($1,500,000) in a moderate-income county, as designated by the Agency; and two hundred fifty thousand dollars ($250,000) in a high-income county, as designated by the Agency.

(d) By February 1 of each year, the Agency shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of loans made under this section, the amount of each loan, and whether the low-income housing development is located in a low-, moderate-, or high-income county, as designated by the Agency."

PART XXIX. DEPARTMENT OF THE SECRETARY OF STATE [RESERVED]

PART XXX. OFFICE OF LT. GOVERNOR [RESERVED]

PART XXXI. DEPARTMENT OF ADMINISTRATION

TRANSFER THE HUMAN RELATIONS COMMISSION

SECTION 31.1.(a) The North Carolina Human Relations Commission is hereby transferred from the Department of Administration to the Civil Rights Division of the Office of Administrative Hearings. This transfer shall have all of the elements of a Type I transfer, as described in G.S. 143A-6.

SECTION 31.1.(b) Article 60 of Chapter 7A of the General Statutes is amended by adding a new section, G.S. 7A-761, entitled "North Carolina Human Relations Commission," and (i) G.S. 143B-391 is recodified as subsection (a) of G.S. 7A-761 and (ii) subsections (a) through (d) of G.S. 143B-392 are recodified as subsections (b) through (e) of G.S. 7A-761.

SECTION 31.1.(c) G.S. 7A-761, as enacted by subsection (b) of this section, reads as rewritten:

"**§ 7A-761. North Carolina Human Relations Commission.**

(a) There is hereby created the North Carolina Human Relations Commission of the ~~Department of Administration.~~Civil Rights Division of the Office of Administrative Hearings. The North Carolina Human Relations Commission shall have the following functions and duties:

(1) To study problems concerning human relations;

(2) To promote equality of opportunity for all citizens;

(3) To promote understanding, respect, and goodwill among all citizens;

(4) To provide channels of communication among the races;
(5) To encourage the employment of qualified people without regard to race;
(6) To encourage youths to become better trained and qualified for employment;
(7) To receive on behalf of the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings and to recommend expenditure of gifts and grants from public and private donors;
(8) To enlist the cooperation and assistance of all State and local government officials in the attainment of the objectives of the Commission;
(9) To assist local good neighborhood councils and biracial human relations committees in promoting activities related to the functions of the Commission enumerated above;
(10) To advise the ~~Secretary of Administration~~Chief Administrative Law Judge upon any matter the ~~Secretary~~ Chief Administrative Law Judge may refer to it;
(11) To administer the provisions of the State Fair Housing Act as outlined in Chapter 41A of the General Statutes;
(12) To administer the provisions of Chapter 99D of the General Statutes.

(b) The Human Relations Commission of the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings shall consist of 22 members. The Governor shall appoint one member from each of the 13 congressional districts, plus five members at large, including the chairperson. The Speaker of the North Carolina House of Representatives shall appoint two members to the Commission. The President Pro Tempore of the Senate shall appoint two members to the Commission. The terms of four of the members appointed by the Governor shall expire June 30, 1988. The terms of four of the members appointed by the Governor shall expire June 30, 1987. The terms of four of the members appointed by the Governor shall expire June 30, 1986. The terms of four of the members appointed by the Governor shall expire June 30, 1985. The terms of the members appointed by the Speaker of the North Carolina House of Representatives shall expire June 30, 1986. The terms of the members appointed by the Lieutenant Governor shall expire June 30, 1986. The initial term of office of the person appointed to represent the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1996. At the end of the respective terms of office of the initial members of the Commission, the appointment of their successors shall be for terms of four years. No member of the commission shall serve more than two consecutive terms. A member having served two consecutive terms shall be eligible for reappointment one year after the expiration of his second term. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be filled in the manner of the original appointment for the unexpired term.

(c) Members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(d) A majority of the Commission shall constitute a quorum for the transaction of business.

(e) All clerical and support services required by the Commission shall be supplied by the ~~Secretary of the Department of Administration.~~Office of Administrative Hearings."

SECTION 31.1.(d) G.S. 143-422.3 reads as rewritten:

"**§ 143-422.3. Investigations; conciliations.**

The Human Relations Commission in the ~~Department of Administration~~ Civil Rights Division of the Office of Administrative Hearings shall have the authority to receive charges of discrimination from the Equal Employment Opportunity Commission pursuant to an agreement under Section 709(b) of Public Law 88-352, as amended by Public Law 92-261, and investigate and conciliate charges of discrimination. Throughout this process, the agency shall use its good offices to effect an amicable resolution of the charges of discrimination."

SECTION 31.1.(e) G.S. 143-422.13 reads as rewritten:

"**§ 143-422.13. Investigations; conciliations.**

The Human Relations Commission in the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings shall have the authority to receive, investigate, and conciliate complaints of discrimination in public accommodations. Throughout this process, the Human Relations Commission shall use its good offices to effect an amicable resolution of the complaints of discrimination. This Article does not create, and shall not be construed to create or support, a statutory or common law private right of action, and no person may bring any civil action based upon the public policy expressed herein."

COUNCIL FOR WOMEN/DOMESTIC VIOLENCE GRANTS

SECTION 31.2.(a) G.S. 50B-9 reads as rewritten:

"**§ 50B-9. Domestic Violence Center Fund.**

(a) The Domestic Violence Center Fund is established within the State Treasury. The fund shall be administered by the Department of Administration, North Carolina Council for Women, and shall be used to make grants to centers for victims of domestic violence and to The North Carolina Coalition Against Domestic Violence, Inc. This fund shall be administered in accordance with the provisions of the Executive Budget Act. The Department of Administration shall make quarterly grants to each eligible domestic violence center and to The North Carolina Coalition Against Domestic Violence, Inc. Effective July 1, 2017, and each fiscal year thereafter, the Department of Administration shall send the contracts to grantees within 10 business days of the date the Current Operations Appropriations Act, as defined in G.S. 143C-1-1, is certified for that fiscal year.

(b) Each grant recipient shall receive the same amount. To be eligible to receive funds under this section, a domestic violence center must meet the following requirements:

(1) It shall have been in operation on the preceding July 1 and shall continue to be in operation.

(2) It shall offer all of the following services: a hotline, transportation services, community education programs, daytime services, and call forwarding during the night and it shall fulfill other criteria established by the Department of Administration.

(3) It shall be a nonprofit corporation or a local governmental entity.

(c) The North Carolina Council for Women shall report on the quarterly distributions of the grants from the Domestic Violence Center Fund to the House and Senate chairs of the General Government Appropriations Committee within five business days of distribution. The report shall include the date, amount, and recipients of the fund disbursements. The report shall also include any eligible programs which are ineligible to receive funding during the relative reporting cycle as well as the reason of the ineligibility for that relative reporting cycle."

SECTION 31.2.(b) The Department of Information Technology shall review the grants management process of the North Carolina Council for Women and Youth Involvement Office and provide a report on online grants management options for the Domestic Violence and Sexual Assault grants programs to the chairs of the Joint Legislative Oversight Committee on General Government prior to or on April 1, 2018.

DOA/COST TO AGENCIES TO MAINTAIN AND OPERATE MOTOR FLEET

SECTION 31.3.(a) On January 1, 2018, the Department of Administration (hereinafter "Department") shall increase the amount allocated and charged to State agencies to which transportation is furnished as authorized by G.S. 143-341(8)i.6. For calendar year 2018, the Department shall, from funds available to it, subsidize the amount of the increase allocated and charged to State agencies. Beginning January 1, 2019, State agencies shall, from the funds available to them, pay the full amount allocated and charged for transportation furnished by the Department and the Department shall not subsidize any part of the amount allocated and charged. On June 30, 2018, the Department shall transfer to the motor fleet fund any unexpended and unencumbered funds from the General Fund to help offset deficiencies in the motor fleet fund that resulted from subsidizing the increase to State agencies.

SECTION 31.3.(b) The Department and Motor Fleet Management Division shall consult with each State agency to which transportation is provided to determine the types and sizes of vehicles needed by the agency and shall aid the agency in making adjustments to the size of its fleet to achieve maximum cost efficiency.

SECTION 31.3.(c) The Department shall determine the amount required by each agency to cover the cost of the increase in the amount allocated and charged for transportation for fiscal biennium 2019-2021. Notwithstanding the provisions of Chapter 143C (State Budget Act) of the General Statutes, the Office of State Budget and Management shall include the increase in the amount allocated and charged for transportation in the base budget for each State agency for fiscal biennium 2019-2021.

SECTION 31.3.(d) G.S. 143-341 reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

…

(8) General Services:

…

i. To establish and operate a central motor fleet and such subsidiary related facilities as the Secretary may deem necessary, and to that end:

…

6. To allocate and charge against each State agency to which transportation is ~~furnished, on a basis of mileage or of rental,~~furnished its proportionate part of the cost of maintenance and operation of the motor fleet.

The amount allocated and charged by the Department of Administration to State agencies to which transportation is furnished shall ~~be at least as follows:~~take into account all of the following: (i) vehicle replacement cost, (ii) maintenance cost, (iii) insurance, (iv) use of telematics devices, and (v) the Department's administration cost.

~~I. Pursuit vehicles and full size four-wheel drive vehicles $.24/mile.~~

~~II. Vans and compact four-wheel drive vehicles – $.22/mile.~~

~~III. All other vehicles – $.20/mile.~~

…."

SECTION 31.3.(e) Subsection (d) of this section becomes effective January 1, 2018. The remainder of this section is effective when this act becomes law.

DOA ALLOCATE OR LEASE OFFICE SPACE FOR BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT

SECTION 31.4.(a) Not later than August 1, 2017, the Department of Administration shall allocate office space in a State-owned or leased facility or enter into a lease for office space in a non-State-owned facility to be used by the Bipartisan State Board of Elections and Ethics Enforcement (hereinafter "State Board"). The square footage of the office space required by this section shall be not less than the total square footage of the facilities occupied on the date this act becomes law by the State agencies that were consolidated in S.L. 2017-6 to establish the State Board (being the State Board of Elections, State Ethics Commission, and Secretary of State personnel identified in Section 20 of S.L. 2017-6). Not later than September 1, 2017, the State Board shall house all personnel from the State agencies described in this section in the same office facility. If the establishment of the State Board as provided in S.L. 2017-6 is temporarily or permanently enjoined by a court of law, the State agencies and personnel described in this section may remain housed in the office facility

acquired as provided by this section. The Department of Administration shall make reasonable efforts to mitigate any losses caused by vacancies in facilities that result from the relocation of personnel as provided for in this section.

SECTION 31.4.(b) In determining how to allocate or lease office space as required by subsection (a) of this section, the Department of Administration shall consider the requirements of the State Board, the availability of property already owned by the State or by any State agency which might meet the requirements of the State Board, and the availability of other property which might meet the requirements of the State Board. Neither the provisions of Article 3 of Chapter 143 of the General Statutes, nor Part I of Article 36 of Chapter 143 of the General Statutes, nor Article 6 of Subchapter II of Chapter 146 of the General Statutes, nor any other contrary provision of law shall apply to a lease authorized by this section.

PART XXXII. DEPARTMENT OF REVENUE

CRIMINAL RECORD CHECKS FOR THE DEPARTMENT OF REVENUE

SECTION 32.1. Subpart D of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read as follows:

"**§ 143B-967. Criminal record checks for the Department of Revenue.**

(a) The Department of Public Safety shall, upon request, provide to the Department of Revenue from the State and National Repositories of Criminal Histories the criminal history of any of the following individuals:

(1) A current or prospective permanent or temporary employee.

(2) A contractor with the Department.

(3) An employee or agent of a contractor with the Department.

(4) Any other individual otherwise engaged by the Department who will have access to federal tax information.

(b) Along with the request, the Department of Revenue shall provide to the Department of Public Safety the fingerprints of the individual whose record is being sought, a form signed by the individual consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories, and any additional information required by the Department of Public Safety. The individual's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Revenue shall keep all information obtained pursuant to this section confidential.

(c) The Department of Public Safety may charge a fee to offset the cost incurred by it to conduct a criminal record check under this section. The fee shall not exceed the actual cost of locating, editing, researching, and retrieving the information."

DOR TAX FRAUD ANALYTICS

SECTION 32.2.(a) Of the funds appropriated in this act to the Department of Revenue, the sum of four million four hundred thousand dollars ($4,400,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to continue and expand the Department's tax fraud analysis contract. These funds shall be used as follows:

(1) $1,300,000 to expand and enhance eNC3.

(2) $2,000,000 to pay for fraud detection analytics.

(3) $1,100,000 for hosting infrastructure.

SECTION 32.2.(b) The Department of Revenue shall continue to coordinate with the Government Data Analytics Center (GDAC) and utilize the subject matter expertise and technical infrastructure available through existing GDAC public-private partnerships for fraud detection analytics and infrastructure.

PART XXXIII. OFFICE OF STATE CONTROLLER

OVERPAYMENTS AUDIT

SECTION 33.1.(a) During the 2017-2019 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as required by G.S. 147-86.22(c).

SECTION 33.1.(b) Of the funds appropriated in this act from the Special Reserve Account 24172, and for each year of the 2017-2019 fiscal biennium, five hundred thousand dollars ($500,000) of the funds shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

SECTION 33.1.(c) All funds available in Special Reserve Account 24172 on June 30 of each year of the 2017-2019 fiscal biennium shall revert to the General Fund on that date.

SECTION 33.1.(d) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited in Special Reserve Account 24172 and the disbursement of that revenue.

PART XXXIV. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 34.1.(a) Subsections (b) and (c) of Section 35.2 of S.L. 2016-94 are repealed.

SECTION 34.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2019-2020	$ 2,277.7 million
For Fiscal Year 2020-2021	$ 2,374.9 million
For Fiscal Year 2021-2022	$ 2,403.4 million
For Fiscal Year 2022-2023	$ 2,427.3 million

SECTION 34.1.(c) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2019-2020	$ 1,619.9 million
For Fiscal Year 2020-2021	$ 1,654.6 million
For Fiscal Year 2021-2022	$ 1,675.6 million
For Fiscal Year 2022-2023	$ 1,701.8 million

SECTION 34.1.(d) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year revenue forecast shall be the 2023-2024 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

CONTINGENCY FUNDS

SECTION 34.2.(a) Section 29.2(a)(1) of S.L. 2015-241, as amended by Section 35.19 of S.L. 2016-94, is repealed.

SECTION 34.2.(b) Of the funds appropriated in this act to the Department of Transportation, twelve million dollars ($12,000,000) for each fiscal year of the 2017-2019 fiscal biennium shall be allocated statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, railroad infrastructure, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subsection require prior approval by the Secretary of Transportation.

SECTION 34.2.(c) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to subsection (b) of this section in each

member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

REPAIRS AND RENOVATIONS

SECTION 34.3. There is appropriated from the Highway Fund to the Department of Transportation for the 2017-2019 fiscal biennium the following amounts for repairs and renovations:

Repairs and Renovations – Highway Fund	**2017-2018**	**2018-2019**
Chilled Water Piping and Insulation Replacement	$612,700	$0
Statewide: Small Office Renovations/Additions	700,000	700,000
Statewide: Roof Repairs and Replacements	1,500,000	1,500,000
Statewide: Demolition of Obsolete or Condemned Buildings	500,000	500,000
Update Ductwork in Transportation Main Building	300,000	0
New Chiller for the Highway Building Complex	0	325,000
Statewide: Water and Sewer Upgrades	1,500,000	1,500,000
Upfit First Floor of Highway Building and Annex With Generator	0	825,000
TOTAL REPAIRS AND RENOVATIONS – HIGHWAY FUND	**$5,112,700**	**$5,350,000**

DOT/FUNDING FOR ANALYTICS SERVICES

SECTION 34.4. In addition to the funding appropriated in this act to continue and enhance the Department of Transportation's contract for transportation analytics services, the Secretary of the Department of Transportation may use up to the sum of two million dollars ($2,000,000) from funds available for the 2017-2018 fiscal year to cover costs incurred for obtaining additional analytics services to improve the efficiency and operations of the Department.

DOT/CONSULTATION ON TRANSPORTATION PROJECTS WITH AFFECTED UTILITY PROVIDERS

SECTION 34.4A.(a) G.S. 136-11.1 reads as rewritten:

"**§ 136-11.1. ~~Local~~Prior consultation on transportation projects.**

Prior to any action of the Board on a transportation project, the Department shall inform all ~~municipalities and counties~~municipalities, counties, and utility providers affected by a planned transportation project and request each ~~affected municipality or county~~ to submit within 45 days a written resolution expressing their views on the project. A municipality or county may designate a Transportation Advisory Committee to submit its response to the Department's request for a resolution. Upon receipt of a written resolution from all affected ~~municipalities and counties~~parties or their designees, or the expiration of the 45-day period, whichever occurs first, the Board may take action. The Department and the Board shall consider, but shall not be bound by, the views of the affected ~~municipalities and counties~~parties or their designees on each transportation project. The failure of ~~a county or municipality~~an affected party to express its views within the time provided shall not prevent the Department or the Board from taking action. The Department shall not be required to send notice under this section if it has already received a written resolution from the affected ~~county or municipality~~party on the planned transportation project. "Action of the Board", as used in this section, means approval by the Board of: the Transportation Improvement Program and amendments to the Transportation Improvement Program; the Secondary Roads Paving Program and amendments to the Secondary Roads Paving Program; and individual applications for access and public service road projects, contingency projects, small urban projects, and spot safety projects that exceed two hundred fifty thousand dollars ($250,000). The 45-day notification provision may be

waived upon a finding by the Secretary of Transportation that emergency action is required. Such findings must be reported to the Joint Legislative Transportation Oversight Committee."

SECTION 34.4A.(b) This section is effective when it becomes law and applies to transportation projects planned on or after that date.

DOT PROPERTY ACQUISITIONS/APPRAISAL WAIVER VALUATION

SECTION 34.5.(a) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-19.6. Appraisal waiver valuation.**

(a) Intent. – It is the intent of the General Assembly to provide the Department of Transportation with the resources and flexibility necessary to accelerate the time in which projects are completed while maintaining fairness to affected property owners and other citizens of this State. It is the belief of the General Assembly that providing the Department with the flexibility allowed under subsection (b) of this section will help toward achieving this intent. Therefore, the Department is encouraged to utilize the flexibility provided in subsection (b) of this section for all acquisitions of land in which the value of the acquisition is estimated at ten thousand dollars ($10,000) or less.

(b) Permissive Exception to Appraisal. – When the Department acquires land, and except as otherwise required by federal law, an appraisal is not required if the Department determines that the anticipated value of the proposed acquisition is estimated at forty thousand dollars ($40,000) or less, based on a review of data available to the Department at the time the Department begins the acquisition process. If the Department determines that an appraisal is unnecessary, the Department may prepare an appraisal waiver valuation instead of an appraisal. The Department may contract with a qualified third party to prepare an appraisal waiver valuation. Any person performing an appraisal waiver valuation must have a sufficient understanding of the local real estate market to be qualified to perform the appraisal waiver valuation.

(c) Construction. – Nothing in subsection (b) of this section shall be construed as superseding or altering any provision of federal law requiring the Department to obtain an appraisal of a property the Department is attempting to acquire."

SECTION 34.5.(b) G.S. 146-22.2 reads as rewritten:

"**§ 146-22.2. Appraisal of property to be acquired by State.**

(a) ~~Where~~Except as otherwise provided in G.S. 136-19.6, where an appraisal of real estate or an interest in real estate is required by law to be made before acquisition of the property by the State or an agency of the State, the appraisal shall be made by a real estate appraiser licensed or certified by the State under Article 5 of Chapter 93A of the General Statutes.

~~(b) The provisions of subsection (a) of this section shall not apply to appraisals of real estate or an interest in real estate made by personnel within the Department of Transportation when the appraisal is anticipated to be less than ten thousand dollars ($10,000). In the event that the real estate or interest in real estate is in fact appraised at ten thousand dollars ($10,000) or more, the Department of Transportation must comply with the provisions of subsection (a) of this section.~~"

SECTION 34.5.(c) The Department of Transportation, in consultation with the North Carolina Appraisal Board, the North Carolina Chapter of the Appraisal Institute, and the North Carolina Association of Realtors, shall develop a process for performing appraisal waiver valuations authorized under G.S. 136-19.6, as enacted by subsection (a) of this section. By December 31, 2017, the Department shall submit a report to the Joint Legislative Transportation Oversight Committee on the development of the appraisal waiver valuation process. The report required under this subsection shall include an explanation of how the appraisal waiver valuation process developed by the Department conforms with the provisions of Chapter 93E of the General Statutes.

SECTION 34.5.(d) Subsections (a) and (b) of this section become effective May 15, 2018, and apply to acquisitions on or after that date. The remainder of this section is effective when it becomes law.

ESTABLISHMENT OF ADVANCE RIGHT-OF-WAY ACQUISITION ACCOUNT

SECTION 34.6.(a) Article 14 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-186. Use of credit reserve; Advance Right-of-Way Acquisition Account.**

(a) Definitions. – For purposes of this section, the following definitions apply:

(1) Credit reserve in the Highway Trust Fund. – Consists of all of the following:

a. The unreserved credit balance in the Highway Trust Fund on the last day of the fiscal year to the extent the balances exceed the amount estimated for that date in the Current Operations Appropriations Act for the following fiscal year.

b. The unencumbered and unexpended balances on the last day of the fiscal year for the Central and program administration.

c. The remaining balance for (i) any open project that has been inactive for two or more years after construction of the project has been completed or (ii) any project that is not obligated during the first two fiscal years in which funds are appropriated.

(2) Protective purchase. – Occurs when there is an imminent threat of development of property located within a planned transportation project area established by the Department and the development could affect the Department's ability to construct the project by significantly increasing future right-of-way costs, relocations, and disruption of persons and businesses in the planned transportation project area.

(3) Undue hardship. – Occurs when a planned transportation project area established by the Department causes a property owner remaining on a property located within the planned transportation project area to experience a hardship based on health, safety, or financial reasons beyond what is experienced by other property owners within the planned transportation project area and the property owner is unable to sell the property at fair market value within a time period that is typical for properties not impacted by the planned project.

(b) Establishment of Account. – There is established within the Highway Trust Fund an Advance Right-of-Way Acquisition Account. The Account shall be under the control and direction of the Department of Transportation. The Account shall consist of both of the following:

(1) The credit reserve in the Highway Trust Fund on the last day of the fiscal year to the extent the balance in the Account does not exceed twenty-five million dollars ($25,000,000).

(2) Any State or federal funds appropriated, allocated, or otherwise transferred to the Account.

(c) Uses. – The funds in the Account shall be used only to advance funds to a project for the acquisition of right-of-way prior to the project being programmed in the State Transportation Improvement Program. Funds advanced pursuant to this subsection may be used for the cost of the right-of-way and any costs incurred in acquiring the right-of-way. Funds shall not be advanced to a project pursuant to this subsection unless the project meets all of the following requirements:

(1) The right-of-way must be identified as a future right-of-way in (i) a corridor protection map adopted pursuant to Article 2E of this Chapter, (ii) the most recently adopted State Transportation Improvement Program, or (iii) both a

corridor protection map adopted pursuant to Article 2E of this Chapter and the most recently adopted State Transportation Improvement Program.

(2) The Department determines it is in the best interest of the public to acquire the right-of-way (i) as a protective purchase or (ii) to remove an undue hardship.

(3) For Turnpike projects only, a Record of Decision or a Finding of No Significant Impact must have been issued.

(d) Fees and Interest. – Except for Turnpike projects, the Department shall not charge fees or interest on funds advanced pursuant to subsection (c) of this section. For Turnpike projects, the Department shall condition the advancement of funds pursuant to subsection (c) of this section on the establishment of any security and the payment of any fees and interest rates the Department may deem necessary.

(e) Repayment. – Funds advanced pursuant to subsection (c) of this section, including any fees or interest, shall be repaid in the first year the project utilizing the acquired right-of-way is programmed for right-of-way in the State Transportation Improvement Program.

(f) Remaining Credit Reserve. – The Director of the Budget shall allocate any portion of the credit reserve in the Highway Trust Fund not used in accordance with subdivision (1) of subsection (b) of this section to the Strategic Transportation Investments fund in the Highway Trust Fund. The funds shall be used only to accelerate the completion of projects with sections included in the most recently adopted State Transportation Improvement Program. The use of the funds described in this subsection shall be subject to the requirements of Article 14B of this Chapter. To the extent the funds described in this subsection are not already appropriated, they are hereby appropriated to be used for the purpose set forth in this subsection."

SECTION 34.6.(b) G.S. 136-189.11 reads as rewritten:

"**§ 136-189.11. Transportation Investment Strategy Formula.**

…

(b) Funds Excluded From Formula. – The following funds are not subject to this section:

…

(11) Funds advanced pursuant to G.S. 136-186.

…

(e) Authorized Formula Variance. – The Department may vary from the Formula set forth in this section if it complies with the following:

…

(2) Calculation of variance. – Each year the Secretary shall calculate the amount of Regional Impact and Division Need funds allocated in that year to each division and region, the amount of funds obligated, and the amount the obligations exceeded or were below the allocation. In calculating the amount of funds obligated, the Secretary shall include any amount used as repayment for funds advanced pursuant to G.S. 136-186. In the first variance calculation under this subdivision following the end of fiscal year 2015-2016, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous year. In the first variance calculation under this subdivision following the end of fiscal year 2016-2017, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous two fiscal years. In the first variance calculation under this subdivision following the end of fiscal year 2017-2018, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous three fiscal years. In the

first variance calculation under this subdivision following the end of fiscal year 2018-2019, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous four fiscal years. The new target amounts shall be used to fulfill the requirements of subdivision (1) of this subsection for the next update of the Transportation Improvement Program. The adjustment to the target amount shall be allocated by Distribution Region or Division, as applicable.

…."

ROAD IMPROVEMENTS ADJACENT TO SCHOOLS

SECTION 34.6A.(a) G.S. 136-18(29a) reads as rewritten:

"(29a) To coordinate with all public and private entities planning schools to provide written recommendations and evaluations of driveway access and traffic operational and safety impacts on the State highway system resulting from the development of the proposed sites. All public and private entities shall, upon acquiring land for a new school or prior to beginning construction of a new school, relocating a school, or expanding an existing school, request from the Department a written evaluation and written recommendations to ensure that all proposed access points comply with the criteria in the current North Carolina Department of Transportation "Policy on Street and Driveway Access". The Department shall provide the written evaluation and recommendations within a reasonable time, which shall not exceed 60 days. This subdivision applies to improvements that are not located on the school property. The Department shall have the power to grant final approval of any project design under this subdivision. To facilitate completion of the evaluation and recommendations within the required 60 days, in lieu of the evaluation by the Department, schools may engage an independent traffic engineer prequalified by the Department. The resulting evaluation and recommendations from the independent traffic engineer shall also fulfill any similar requirements imposed by a unit of local government. This subdivision shall not be construed to require the public or private entities planning schools to meet the recommendations made by the ~~Department,~~ Department or the independent traffic engineer, except those highway improvements that are required for safe ingress and egress to the State highway ~~system.~~system, pursuant to subdivision (29) of this section, and that are physically connected to a driveway on the school property. The total cost of any improvements to the State highway system provided by a school pursuant to this subdivision, including those improvements pursuant to subdivision (29) of this section, shall be reimbursed by the Department. Any agreement between a school and the Department to make improvements to the State highway system shall not include a requirement for acquisition of right-of-way by the school, unless the school is owned by an entity that has eminent domain power. Nothing in this subdivision shall preclude the Department from entering into an agreement with the school whereby the school installs the agreed upon improvements and the Department provides full reimbursement for the associated costs incurred by the school, including design fees and any costs of right-of-way or easements. The term "school," as used in this subdivision, means any facility engaged in the educational instruction of children in any grade or combination of grades from kindergarten through the twelfth grade at which attendance satisfies the compulsory attendance law and includes charter schools authorized under G.S. 115C-218.5. The term "improvements," as used in this subdivision,

refers to all facilities within the right-of-way required to be installed to satisfy the road cross-section requirements depicted upon the approved plans. These facilities shall include roadway construction, including pavement installation and medians; ditches and shoulders; storm drainage pipes, culverts, and related appurtenances; and, where required, curb and gutter; signals, including pedestrian safety signals; street lights; sidewalks; and design fees. Improvements shall not include any costs for public utilities."

SECTION 34.6A.(b) Article 15 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-307.1. Limitation on city requirements for street improvements related to schools.**

A city may only require street improvements related to schools that are required for safe ingress and egress to the municipal street system and that are physically connected to a driveway on the school site. The required improvements shall not exceed those required pursuant to G.S. 136-18(29). G.S. 160A-307 shall not apply to schools. A city may only require street improvements related to schools as provided in G.S. 160A-372. The cost of any improvements to the municipal street system pursuant to this section shall be reimbursed by the city. Any agreement between a school and a city to make improvements to the municipal street system shall not include a requirement for acquisition of right-of-way by the school, unless the school is owned by an entity that has eminent domain power. Any right-of-way costs incurred by a school for required improvements pursuant to this section shall be reimbursed by the city. The term "school," as used in this section, means any facility engaged in the educational instruction of children in any grade or combination of grades from kindergarten through the twelfth grade at which attendance satisfies the compulsory attendance law and includes charter schools authorized under G.S. 115C-218.5."

SECTION 34.6A.(c) The Department of Transportation, in collaboration with the Department of Public Instruction, shall develop a report covering the period from July 1, 2015, through July 1, 2017, that provides all of the following information:

(1) All schools, including private and charter, that have been opened, relocated, or expanded.
(2) The types of road improvements required for each school identified in subdivision (1) of this subsection.
(3) Whether each road improvement identified in subdivision (2) of this subsection is to a road maintained by the State or a municipality.
(4) Whether each road improvement identified in subdivision (2) of this subsection is to a road adjacent to the school property.
(5) A description of any disputes or appeals raised by the schools identified in subdivision (1) of this subsection concerning the road improvements identified in subdivision (2) of this subsection.
(6) The total cost for each road improvement identified under subdivision (2) of this subsection.
(7) The funding source for the payment of the costs incurred for each road improvement identified in subdivision (2) of this subsection.

SECTION 34.6A.(d) In addition to the information required under subdivisions (1) through (5) of subsection (c) of this section, and for the period covering July 2, 2017, through July 1, 2020, the report required under subsection (c) of this section shall identify (i) the number of schools, including private and charter, that will be opened, relocated, or expanded, (ii) the types of road improvements anticipated to be required for each school identified, and (iii) the total cost for each road improvement anticipated to be required for each school identified.

SECTION 34.6A.(e) The Department of Transportation shall submit the report required under subsection (c) of this section to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Education Oversight Committee by February 1, 2018.

SECTION 34.6A.(f) Any rule or policy adopted by the Department of Transportation that does not comply with the provisions of this section shall be null, void, and without effect.

SECTION 34.6A.(g) The Department of Transportation may adopt temporary rules to implement the provisions of this section. Any temporary rules adopted in accordance with this section shall remain in effect until permanent rules that replace the temporary rules become effective.

SECTION 34.6A.(h) Subsections (a) and (b) of this section become effective October 1, 2017, and apply to school openings, relocations, and expansions on or after that date. The remainder of this section is effective when it becomes law.

USE OF FUNDS IN MOBILITY/MODERNIZATION FUND

SECTION 34.7.(a) Spot Mobility Program. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, forty percent (40%) of the funds shall be used for a Spot Mobility Program that shall be managed by the State Traffic Engineer of the Department of Transportation. The purpose of the Spot Mobility Program is to provide funding for small projects that will reduce traffic congestion and vehicular delay times. The Department shall develop a quantitative, evidence-based formula to use in selecting projects to receive funding from the Spot Mobility Program. At a minimum, the Department shall consider all of the following in developing the formula required by this subsection:

(1) The travel-time savings resulting from the proposed project.
(2) Reductions to motor vehicle queues resulting from the proposed project.
(3) The service life of the proposed project.
(4) The benefit-cost ratio of the proposed project.

In selecting projects to receive funding from the Spot Mobility Program, the Department shall give preference to projects that will improve access from the State highway system to a school. For purposes of this section, the term "school" means any facility engaged in the educational instruction of children in any grade or combination of grades from kindergarten through the twelfth grade at which attendance satisfies the compulsory attendance law and includes charter schools as authorized under G.S. 115C-218.5.

SECTION 34.7.(b) Economic Development/Small Construction/Industrial Access. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, twelve percent (12%) of the funds shall be used for the following purposes:

(1) To allocate to the Economic Development Fund to be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention.
(2) For small construction projects recommended by the Chief Engineer in consultation with the Chief Operating Officer and approved by the Secretary of Transportation. Funds used in accordance with this subdivision shall be allocated equally among the 14 Highway Divisions for small construction projects.
(3) To use for the development and expansion of access roads to industrial facilities.

SECTION 34.7.(c) High-Impact and Low-Cost Construction Projects. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, forty-eight percent (48%) of the funds shall be used for construction projects that are high impact and low cost. The funds shall be allocated equally among the 14 Highway Divisions. Projects funded under this subsection include intersection improvement projects, minor widening projects, and operational improvement projects. The Department shall develop a quantitative, evidence-based formula to use in selecting projects to receive funding under this

subsection. At a minimum, the Department shall consider all of the following in developing the formula required by this subsection:

(1) The average daily traffic volume of a roadway and whether the proposed project will generate additional traffic.
(2) Any restrictions on a roadway.
(3) Any safety issues with a roadway.
(4) The condition of the lanes, shoulders, and pavement on a roadway.
(5) The site distance and radius of any intersection on a roadway.

SECTION 34.7.(d) Report. – The Department shall develop a report detailing (i) the formulas developed under subsections (a) and (c) of this section, (ii) the types of projects funded under this section, and (iii) the total amount of funding allocated to each project funded under this section. The Department shall submit the report required under this subsection to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

SECTION 34.7.(e) Conforming Repeal. – Subsections (b) through (d) of Section 34.7 of S.L. 2013-360, as amended by Section 34.29 of S.L. 2014-100, are repealed.

DOT/DISPOSITION OF SETTLEMENT FUNDS

SECTION 34.7A. G.S. 114-2.4A(c) reads as rewritten:

"(c) Exception. – Subsections (b) and (e) of this section shall not apply to:

(1) Funds received by the Department of Health and Human Services to the extent those funds represent the recovery of previously expended Medicaid funds.
(2) Funds received by the Escheat Fund and benefit plans administered by the Department of State Treasurer.
(3) Funds received by the Department of Transportation to the extent those funds represent the recovery of funds previously expended by the Department of Transportation."

RURAL PROJECT DEVELOPMENT

SECTION 34.8.(a) Matching Funds for Certain MPOs and RPOs. – Article 17 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-214. Matching funds for federal State Planning and Research Program Grants.**

The Department of Transportation shall annually allocate funds to qualifying Metropolitan Planning Organizations and Rural Transportation Planning Organizations to be used to fund a portion of the local match required for federal State Planning and Research Program funds under 23 U.S.C. § 505. A Metropolitan Planning Organization is only eligible for funding under this section if it has a population of 500,000 or less, as determined by the most recent census. The funds shall be allocated as follows:

(1) For a Metropolitan Planning Organization or Rural Transportation Planning Organization that includes at least one representative from a development tier one area, as determined under G.S. 143B-437.08, the Department shall allocate an amount equal to seventy-five percent (75%) of the total local match required.
(2) For a Metropolitan Planning Organization or Rural Transportation Planning Organization that does not qualify under subdivision (1) of this section, but includes at least one representative from a development tier two area, as determined under G.S. 143B-437.08, the Department shall allocate an amount equal to fifty percent (50%) of the total local match required.
(3) The Department shall not allocate any funds under this section to a Metropolitan Planning Organization or Rural Transportation Planning Organization that does not qualify under this section."

SECTION 34.8.(b) Establish Corridor Development Unit. – The Department shall establish a Corridor Development Unit within, and under the direction of, the Division of Planning and Programming of the Department. The Corridor Development Unit shall work

with organizations that receive funding under subsection (a) of this section to develop detailed corridor studies on highway projects prior to submitting the project for inclusion and prioritization in a long-term transportation planning document. The studies required under this subsection shall include an identification of each segment of a highway project, cost estimates for each segment, and an identification of logical termini for each segment.

SECTION 34.8.(c) Report. – The Department shall develop a report for each fiscal year of the 2017-2019 fiscal biennium on the usage of federal State Planning and Research Program funds allocated in accordance with G.S. 136-214, as enacted by subsection (a) of this section, for that fiscal year. The Department shall submit the reports, including any legislative recommendations for improving the development of rural transportation projects, to the Joint Legislative Transportation Oversight Committee by (i) April 1, 2018, for the first report and (ii) April 1, 2019, for the second report.

EXPAND USE OF PAVEMENT PRESERVATION PROGRAM FUNDS

SECTION 34.9. G.S. 136-44.17(b) reads as rewritten:

"(b) Eligible Activities or Treatments. – Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:

…

(14) Pavement markers and markings."

CODIFY BRIDGE PROGRAM LAW

SECTION 34.10.(a) Subsection (a) of Section 34.18 of S.L. 2014-100, as amended by Section 29.6 of S.L. 2015-241, is repealed.

SECTION 34.10.(b) Article 5 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-76.2. Bridge program.**

(a) Establishment. – The Department of Transportation shall rename the "system preservation program" the "bridge program".

(b) Permissible Uses. – Funds appropriated, allocated, credited, or otherwise transferred to the bridge program established under subsection (a) of this section may only be used for improvements to culverts associated with a component of the State highway system and improvements to structurally deficient and functionally obsolete bridges. No more than ten percent (10%) of the funds described in this subsection may be used for improvements to culverts associated with a component of the State highway system, and the funds may only be used for culverts that are 54 inches or greater in size and rated by the Department as in poor condition.

(c) Outsourcing. – All projects funded under the bridge program established under subsection (a) of this section, with the exception of inspection, pre-engineering, contract preparation, contract administration and oversight, and planning activities, shall be outsourced to private contractors."

SECTION 34.10.(c) G.S. 119-18(b) reads as rewritten:

"(b) Proceeds. – The proceeds of the inspection tax levied by this section shall be applied first to the costs of administering this Article and Subchapter V of Chapter 105 of the General Statutes. The remainder of the proceeds shall be credited on a monthly basis to the Highway Fund to be used for the bridge ~~program under the Department of Transportation in the highway maintenance program.~~program established under G.S. 136-76.2."

HIGHWAY MAINTENANCE IMPROVEMENT PROGRAM/REVISE PERIODS AND CONSOLIDATE WITH OTHER IMPROVEMENT PROGRAMS

SECTION 34.11.(a) G.S. 136-44.3A reads as rewritten:

"**§ 136-44.3A. Highway Maintenance Improvement Program.**

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

…

(4) Highway Maintenance Improvement Program Needs Assessment. – A report of the amount of funds needed, the number of affected lane miles, and the percentage of the primary and secondary system roads that are rated to need a resurfacing or pavement preservation treatment within the Highway Maintenance Improvement Program's ~~three-year~~ five-year time period but are not programmed due to funding constraints.

…

(c) Highway Maintenance Improvement Program. – After the annual inspection of roads within the State highway system, each highway division shall determine and report to the Chief Engineer on the need for rehabilitation, resurfacing, or pavement preservation treatments. The Chief Engineer shall establish a ~~three-year~~ five-year priority list for each highway division based on the Chief Engineer's estimate of need. In addition, the Chief Engineer shall establish a ~~three-year~~ five-year improvement schedule, sorted by county, for rehabilitation, resurfacing, and pavement preservation treatment activities. The schedule shall be based on the amount of funds appropriated to the contract resurfacing program and the pavement preservation program in the fiscal year preceding the issuance of the Highway Maintenance Improvement Program for all ~~three~~ five years of the Highway Maintenance Improvement Program. State funding for the Highway Maintenance Improvement Program shall be limited to funds appropriated from the State Highway Fund.

…."

SECTION 34.11.(b) G.S. 136-44.3A(c), as amended by subsection (a) of this section, reads as rewritten:

"(c) Highway Maintenance Improvement Program. – After the annual inspection of roads within the State highway system, each highway division shall determine and report to the Chief Engineer on (i) the need for rehabilitation, resurfacing, or pavement preservation ~~treatments.~~treatments, (ii) the need for bridge and general maintenance, and (iii) projected changes to the condition of pavement on primary and secondary roads for each year over a five-year period. The Chief Engineer shall establish a five-year priority list for each highway division based on the Chief Engineer's estimate of need. In addition, the Chief Engineer shall establish a five-year improvement schedule, sorted by county, for rehabilitation, resurfacing, and pavement preservation treatment activities. The schedule shall be based on the amount of funds appropriated to the contract resurfacing program and the pavement preservation program in the fiscal year preceding the issuance of the Highway Maintenance Improvement Program for all five years of the Highway Maintenance Improvement Program. State funding for the Highway Maintenance Improvement Program shall be limited to funds appropriated from the State Highway Fund."

SECTION 34.11.(c) By January 1, 2020, and for the purpose of forming a consolidated report of all maintenance activities, the Department of Transportation shall merge the Bridge Maintenance Improvement Program and the General Maintenance Improvement Program into the Highway Maintenance Improvement Program established under G.S. 136-44.3A.

SECTION 34.11.(d) Subsection (b) of this section becomes effective January 1, 2020, and applies beginning with the report due April 1, 2020. Subsection (a) of this section becomes effective July 1, 2017, and applies to priority lists and improvement schedules submitted on or after that date. The remainder of this section becomes effective July 1, 2017.

REVISE CONTENT OF TRANSPORTATION IMPROVEMENT PROGRAM SCHEDULE

SECTION 34.12. G.S. 143B-350(f)(4) reads as rewritten:

"(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program. The Board shall publish the schedule in a format that is easily reproducible for distribution and make copies available for

distribution in accordance with the process established for public records in Chapter 132 of the General Statutes. ~~The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, shall include the anticipated funding sources for the improvement projects included in the Program and a list of any changes made from the previous year's Program, and the reasons for the changes.~~"

DOT/FUNDING FOR PRELIMINARY ENGINEERING

SECTION 34.12C. G.S. 136-66.8 reads as rewritten:

"**§ 136-66.8. Agreements with units of local government to expedite projects.**

(a) Agreements Authorized. – The Department of Transportation may enter into agreements with units of local government for either of the ~~purpose of expediting~~ following purposes:

(1) Expediting transportation projects currently programmed in the Transportation Improvement ~~Plan.~~Program.

(2) Funding preliminary engineering for projects not currently programmed in the Transportation Improvement Program but programmed in the immediately preceding Transportation Improvement Program.

(b) Form of Project Agreements. – The agreements ~~affected~~ authorized by subdivision (1) of subsection (a) of this section shall be between the Department of Transportation and units of local government. The agreements may authorize units of local government to construct projects scheduled in the Transportation Improvement ~~Plan~~ Program more than two years from the date of the agreement. The units of local government shall fund one hundred percent (100%) of the project at current prices. In a future year, when the project is funded from State and federal sources, the units of local government shall be reimbursed an appropriate share of the funds, at the future programmed project funding amount, as identified and scheduled in the Transportation Improvement ~~Plan.~~Program.

(b1) Form of Preliminary Engineering Agreement. – The agreements authorized by subdivision (2) of subsection (a) of this section shall be between the Department of Transportation and units of local government. The units of local government shall fund one hundred percent (100%) of the preliminary engineering funding at current prices. In a future year, when the project is funded from State and federal sources, the units of local government shall be reimbursed for the amount expended in accordance with the agreement.

(c) Report. – The Department of Transportation shall annually report to the Joint Legislative Transportation Oversight Committee by December ~~1, 2006,~~ 1 on any agreements executed with units of local government pursuant to this section."

DOT/OUTSOURCING AND PROJECT DELIVERY REPORTS

SECTION 34.13. Article 1 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-12.3. Outsourcing and project delivery reports.**

(a) Intent. – It is the intent of the General Assembly to take all steps necessary to assist the Department of Transportation in accelerating project delivery and reducing costs incurred by the State. The General Assembly finds that shifting more control over projects to each of the Highway Divisions can assist in achieving this intent. Further, the General Assembly encourages each Highway Division to increase its outsourcing of preconstruction activities to private contractors to sixty percent (60%) of the total cost of preconstruction activities performed by the Highway Division, with the belief that increased outsourcing will also assist in achieving this intent. Therefore, in order to assess the results from shifting project control and increasing the use of outsourcing, and to determine what adjustments may be necessary to improve upon the results, the General Assembly finds that reports are necessary to collect baseline data to establish appropriate targets.

(b) Outsourcing Report. – For each Highway Division, the Department shall provide a detailed biannual report on all payments made to private contractors for preconstruction activities. In order to compare internal costs incurred with payments made to private contractors, and except as otherwise provided in this subsection, the Department shall include project-specific expenses incurred by division, regional, or central staff. The Department shall not include expenses incurred for central business units that support and oversee outsourcing functions. The information in the first report submitted under this subsection shall be used to establish a baseline to use for setting future preconstruction outsourcing targets. The Department shall submit the reports required under this subsection to the Joint Legislative Transportation Oversight Committee by September 1 and March 1 of each year.

(c) Project Delivery Report. – For each Highway Division, the Department shall provide a detailed annual report in accordance with the following requirements:

(1) The report shall detail the progress of the following types of projects in the State Transportation Improvement Program current for the period covered by the report:
   a. Bridge projects with a cost in excess of ten million dollars ($10,000,000).
   b. Interstate highway projects.
   c. Rural highway projects.
   d. Urban highway projects.

(2) For each project, the report shall indicate the status of all of the following phases:
   a. Planning a design in progress.
   b. Right-of-way acquisition in progress.
   c. Project let for construction.
   d. Construction substantially complete and traffic using facility.

(3) For each project, and as applicable, the report shall include an indication and explanation for project stages that are delayed during the period covered by the report and the delay has been for more than one year.

(4) For each project, the report shall include the planned and actual completion date for any required environmental documentation.

(5) The Department shall submit the report required under this subsection to the Joint Legislative Transportation Oversight Committee by March 1 of each year.

(d) Combined Report. – The Department may combine the reports required to be submitted by March 1 under subsections (b) and (c) of this section into a single report.

(e) Consultation Required. – If a Highway Division fails to meet the established preconstruction outsourcing target in two consecutive reports submitted under subsection (b) of this section, or if a report submitted under subsection (c) of this section identifies a Highway Division as having three or more project stages delayed for more than one year, the Division Engineer of the Highway Division identified in the report shall consult with the Joint Legislative Transportation Oversight Committee. The Division Engineer shall submit a request for consultation to (i) all members of the Committee, (ii) the chairs of the House of Representatives Appropriations Committee on Transportation if the General Assembly is in session at the time consultation is required under this subsection, (iii) the chairs of the Senate Appropriations Committee on the Department of Transportation if the General Assembly is in session at the time consultation is required under this subsection, and (iv) the Fiscal Research Division of the General Assembly. The request for consultation shall consist of a written report providing an explanation for the failure or delay and a plan for remedying the failure or delay. If the Committee does not hold a meeting to hear the consultation required by this subsection within 90 days after the consultation request has been submitted, the consultation requirement is satisfied."

BOARD OF TRANSPORTATION/STUDY FEE STRUCTURE FOR SERVICES PERFORMED BY THE HIGHWAY DIVISION

SECTION 34.14.(a) Study. – The Board of Transportation shall study the existing fee structure for services performed by Highway Division personnel. For each type of service performed by Highway Division personnel, the Board shall identify, for each of the three fiscal years immediately preceding the effective date of this section, (i) the number of times a fee was charged for a service performed and (ii) the number of times a fee could have been charged for a service performed. The study shall identify the service performed, the amount of the fee that was or could have been charged, the cost incurred by the Department of Transportation from performing the service, and, if applicable, the reason for not charging the fee.

SECTION 34.14.(b) Report. – The Board shall submit its findings, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by January 1, 2018.

ALIGN DOT'S PROGRAM FOR PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES WITH FEDERAL LAW

SECTION 34.15.(a) G.S. 136-28.4 reads as rewritten:

"**§ 136-28.4. State policy concerning participation by disadvantaged minority-owned and women-owned businesses in transportation contracts.**

…

(b1) Based upon the findings of the Department's 2014 study entitled "North Carolina Department of Transportation Disparity Study, 2014," hereinafter referred to as "Study", the program design shall, to the extent reasonably practicable, incorporate narrowly tailored remedies identified in the Study, and the Department shall implement a comprehensive antidiscrimination enforcement policy. As appropriate, the program design shall be modified by rules adopted by the Department that are consistent with findings made in the Study and in subsequent studies conducted in accordance with subsection (b) of this section. As part of this program, the Department shall review its budget and establish ~~aspirational goals~~ a combined aspirational goal every three years, not a mandatory ~~goals,~~ goal, in ~~percentages,~~ the form of a percentage, for the overall participation in contracts by disadvantaged minority-owned and women-owned businesses. ~~These aspirational goals~~ This aspirational goal for disadvantaged minority-owned and women-owned businesses shall be established consistent with federal ~~methodology,~~methodology and ~~they~~ shall not be applied rigidly on specific contracts or projects. Instead, the Department shall establish ~~contract-specific goals or project-specific goals~~ a contract-specific goal or project-specific goal for the participation of such firms in a manner consistent with availability of disadvantaged minority-owned and women-owned businesses, as appropriately defined by its most recent ~~Study, for each disadvantaged minority-owned and women-owned business category that has demonstrated significant disparity in contract utilization.~~Study. Nothing in this section shall authorize the use of quotas. Any program implemented as a result of the Study conducted in accordance with this section shall be narrowly tailored to eliminate the effects of historical and continuing discrimination and its impacts on such disadvantaged minority-owned and women-owned businesses without any undue burden on other contractors. The Department shall give equal opportunity for contracts it lets without regard to race, religion, color, creed, national origin, sex, age, or handicapping condition, as defined in G.S. 168A-3, to all contractors and businesses otherwise qualified.

…

(e) This section expires August 31, ~~2017.~~2022."

SECTION 34.15.(b) The Department of Transportation shall develop a plan to establish and implement the combined goal required under subsection (a) of this section. The Department shall submit its plan, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by February 1, 2018. The Department shall implement its plan developed under this subsection by April 1, 2018.

SECTION 34.15.(c) G.S. 136-28.4(b1), as amended by subsection (a) of this section, becomes effective April 1, 2018. The remainder of this section is effective when it becomes law.

"DOT REPORT" PROGRAM REVISIONS

SECTION 34.16.(a) G.S. 136-18.05 reads as rewritten:

"**§ 136-18.05. Establishment of "DOT Report" Program.**

…

(b) Establishment and Components. – To achieve the intent set forth in subsection (a) of this section, the Department shall establish and implement the "DOT Report" Program (Program). The Program shall include the following components:

(1) Responsiveness. – The Department shall structure the Program to gather citizen input and shall commit to quickly addressing structural problems and other road hazards on State-maintained roads. Citizens may report potholes, drainage issues, culvert blockages, guardrail repairs, damaged or missing signs, malfunctioning traffic lights, highway debris, or shoulder damage to the Department of Transportation by calling a toll-free telephone number designated by the Department or submitting an online work request through a Web site link designated by the Department. Beginning January 1, 2016, upon receiving a citizen report in accordance with this subdivision, the Department shall either address the reported problem or identify a solution to the reported problem. Excluding potholes, which shall be repaired within two business days of the date the report is received, the Department of Transportation shall properly address (i) safety-related citizen reports no later than 10 business days after the date the report is received and (ii) non-safety-related citizen reports no later than 15 business days after the date the report is received. The Department shall determine, in its discretion, whether a citizen report is safety-related or non-safety-related. The Department shall transmit information received about potholes or other problems on roads not maintained by the State to the appropriate locality within two business days of receiving the citizen report. The Department shall provide a monthly report to all of the following on the number of citizen reports received under this subdivision for the month immediately preceding the monthly report, the number of citizen reports fully addressed within the time frames set forth in this subdivision for the month immediately preceding the monthly report, the number of citizen reports addressed outside of the time frames set forth in this subdivision for the month immediately preceding the monthly report, and the number of citizen reports not fully addressed for the month immediately preceding the report:

a. The Joint Legislative Transportation Oversight Committee.

b. The Fiscal Research Division of the General Assembly.

c. The chairs of the House of Representatives Appropriations Committee on Transportation.

d. The chairs of the Senate Appropriations Committee on the Department of Transportation.

(1a) Efficiency. – The Department shall adopt procedures in all stages of the construction process to streamline project delivery, including consolidating environmental review processes, expediting multiagency reviews, accelerating right-of-way acquisitions, and pursuing design build and other processes to collapse project stages. By December 1, 2015, the Department shall establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction projects and set annual targets for three years based on its unit pricing. In forming the baseline unit prices and

future targets, the Department shall collect data from each Highway Division on its expenditures on transportation goods during the 2015-2016 fiscal year. Beginning January 1, 2016, no Highway Division shall exceed a ten percent (10%) variance over a baseline unit price set for that year in accordance with this subdivision. The Department of Transportation shall institute quarterly tracking to monitor pricing variances. The ten percent (10%) maximum variance set under this subdivision is intended to account for regional differences requiring varying product mixes. If a Highway Division exceeds the unit pricing threshold, the Department shall report to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division of the General Assembly, the chairs of the House of Representatives Appropriations Committee on Transportation, and the chairs of the Senate Appropriations Committee on the Department of Transportation no later than the fifteenth day following the end of the quarter on why the variance occurred and what steps are being taken to bring the Highway Division back into compliance. In order to drive savings, unit pricing may be reduced annually as efficiencies are achieved.

…."

SECTION 34.16.(b) Section 29.14(b) of S.L. 2015-241 is repealed.

DOT/CLOSE STATE INFRASTRUCTURE BANK

SECTION 34.16A. The Department of Transportation shall not provide any further loans or other financial assistance from the State Infrastructure Bank. Upon repayment of all existing loans and other financial assistance provided from the State Infrastructure Bank, the Department shall close the State Infrastructure Bank. Any funds remaining in the State Infrastructure Bank at the time of closure shall be transferred to the credit reserve for the Highway Fund described in G.S. 136-44.2(f1). Nothing in this section shall be construed as (i) prohibiting the Department from providing loans or other financial assistance from the Federal State Infrastructure Bank or the Aviation State Infrastructure Bank or (ii) requiring the Department to close the Federal State Infrastructure Bank or the Aviation State Infrastructure Bank.

STATE AID TO MUNICIPALITIES/NO FUNDS IF MUNICIPALITY FAILS TO FILE STATEMENT AND STUDY HOW TO ACCOUNT FOR SEASONAL POPULATION SHIFTS

SECTION 34.17.(a) G.S. 136-41.3 reads as rewritten:

"**§ 136-41.3. Use of funds; records and annual statement; excess accumulation of funds; contracts for maintenance, etc., of streets.**

(a) Uses of Funds. – ~~The~~Except as otherwise provided in this subsection, the funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall be expended by said cities and towns primarily for the resurfacing of streets within the corporate limits of the municipality but may also be used for the purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways, greenways, or sidewalks. The funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall not be expended for the construction of a sidewalk into which is built a mailbox, utility pole, fire hydrant, or other similar obstruction that would impede the clear passage of pedestrians on the sidewalk.

…

(b1) Failure to File. – A municipality that fails to file the statement required under subsection (b) of this section by October 1 is ineligible to receive funds allocated on October 1 under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file

the statement. A municipality that fails to file the statement required under subsection (b) of this section by January 1 is ineligible to receive funds allocated under G.S. 136-41.1 or G.S. 136-41.2 for the fiscal year in which the municipality failed to file the statement.

…."

SECTION 34.17.(b) Study. – The Department of Transportation shall study how to adjust the formula in G.S. 136-41.1(a) to account for seasonal shifts in municipal populations. The Department of Transportation shall report its findings, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

SECTION 34.17.(c) Effective Date. – G.S. 136-41.3(b1), as enacted by subsection (a) of this section, is effective when it becomes law and applies to allocations on or after that date. The remainder of this section is effective when it becomes law.

DOT/DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY OF WILMINGTON FROM LIABILITY FOR MAP ACT CLAIMS

SECTION 34.17A. G.S. 136-44.50(g) reads as rewritten:

"(g) The Department of Transportation shall defend, indemnify, and hold harmless both of the following:

(1) The City of Wilmington against any claims, civil actions, and proceedings related to or arising out of the City of Wilmington's adoption, filing, or amendment of a transportation corridor official map pursuant to this Article.

(2) The Wilmington Urban Area Metropolitan Planning Organization and its members against any claims, civil actions, and proceedings related to or arising out of the Wilmington Urban Area Metropolitan Planning Organization's adoption, filing, or amendment of a transportation corridor official map pursuant to this Article."

EXTEND MORATORIUM ON ADOPTION OF NEW MAPS UNDER THE MAP ACT

SECTION 34.18. G.S. 136-44.50(h) reads as rewritten:

"(h) No new transportation corridor official map may be adopted pursuant to this section from July 1, 2016, to July 1, ~~2017.~~2018."

DOT/INCREASE CONSOLIDATION AND COORDINATION OF PUBLIC TRANSPORTATION SYSTEMS

SECTION 34.18A.(a) G.S. 136-44.20 reads as rewritten:

"**§ 136-44.20. Department of Transportation designated agency to administer and fund public transportation programs; authority of political subdivisions.**

…

(e) The Department of Transportation is authorized to annually allocate funds to qualifying public transportation systems to be used to consolidate or coordinate with other public transportation systems to maximize resources, gain efficiencies, and increase access to public transportation. In order to be eligible for funding under this subsection, a public transportation system must submit a plan for consolidation or coordination with another public transportation system. The plan must include a time line for completion and an estimated cost for completion. The Department is not required to provide the full amount of the estimated cost identified in the plan. The Department shall disburse the funds no later than 30 days from the date it approves the plan. The amount allocated under this subsection to a public transportation system shall not exceed two hundred thousand dollars ($200,000) annually. Beginning December 1, 2017, the Department shall provide an annual report to the Joint Legislative Transportation Oversight Committee identifying for the year preceding the report (i) each public transportation system provided funding under this subsection, (ii) the amount of funds disbursed to each public transportation system, and (iii) the purpose or purposes for which each public transportation system has used the funds."

SECTION 34.18A.(b) By September 1, 2017, the Department of Transportation shall establish criteria for approving plans submitted to the Department under G.S. 136-44.20(e), as enacted by subsection (a) of this section. No later than 10 days from the date the Department establishes the criteria required under this subsection, the Department shall publish the criteria on the Department's Web site.

SECTION 34.18A.(c) Notwithstanding any provision of G.S. 136-44.20(e), as enacted by subsection (a) of this section, to the contrary, and for the report due under G.S. 136-44.20(e) on December 1, 2017, the Department shall provide the required information only for the period from the effective date of this section to December 1, 2017.

FUNDING FOR AIRPORT IMPROVEMENTS AND DEBT SERVICE

SECTION 34.19.(a) 2017-2018 Allocations. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, the following sums in nonrecurring funds for the 2017-2018 fiscal year shall be allocated by the Department as follows:

(1) Twenty-one million two hundred eighty-two thousand one hundred thirty-one dollars ($21,282,131) to the Raleigh-Durham International Airport.
(2) Eight hundred sixty-four thousand seven hundred eight dollars ($864,708) to the Albert J. Ellis Airport.
(3) Two million twenty-six thousand three hundred thirty-one dollars ($2,026,331) to the Asheville Regional Airport.
(4) Six hundred fifty-three thousand one hundred sixty-two dollars ($653,162) to the Coastal Carolina Regional Airport.
(5) Five hundred eighty-six thousand nine hundred one dollars ($586,901) to the Concord Regional Airport.
(6) One million one hundred thirty-nine thousand six hundred seventy dollars ($1,139,670) to the Fayetteville Regional Airport.
(7) Seven million one hundred twenty-three thousand eighty-two dollars ($7,123,082) to the Piedmont Triad International Airport.
(8) Three hundred seventy-seven thousand seventy dollars ($377,070) to the Pitt-Greenville Airport.
(9) Five million nine hundred forty-six thousand nine hundred forty-five dollars ($5,946,945) to the Wilmington International Airport.

SECTION 34.19.(b) 2018-2019 Allocation to RDU. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, and beginning in the 2018-2019 fiscal year, the sum of thirty-one million two hundred eighty-two thousand one hundred thirty-one dollars ($31,282,131) in recurring funds shall be allocated by the Department to the Raleigh-Durham International Airport.

SECTION 34.19.(c) 2018-2019 Allocations to Other Airports. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, the following sums in nonrecurring funds for the 2018-2019 fiscal year shall be allocated as follows:

(1) Eight hundred sixty-four thousand seven hundred eight dollars ($864,708) to the Albert J. Ellis Airport.
(2) Two million twenty-six thousand three hundred thirty-one dollars ($2,026,331) to the Asheville Regional Airport.
(3) Six hundred fifty-three thousand one hundred sixty-two dollars ($653,162) to the Coastal Carolina Regional Airport.
(4) Five hundred eighty-six thousand nine hundred one dollars ($586,901) to the Concord Regional Airport.
(5) One million one hundred thirty-nine thousand six hundred seventy dollars ($1,139,670) to the Fayetteville Regional Airport.

(6) Seven million one hundred twenty-three thousand eighty-two dollars ($7,123,082) to the Piedmont Triad International Airport.

(7) Three hundred seventy-seven thousand seventy dollars ($377,070) to the Pitt-Greenville Airport.

(8) Five million nine hundred forty-six thousand nine hundred forty-five dollars ($5,946,945) to the Wilmington International Airport.

(9) Twenty-five million dollars ($25,000,000) to the Charlotte Douglas International Airport.

SECTION 34.19.(d) Permissible Uses. – Each airport receiving funds under this section may use the funds allocated to it under this section to (i) fund improvements to the airport and (ii) pay debt service or related financing costs and expenses on revenue bonds or notes issued by the airport.

SECTION 34.19.(e) Limitation. – Notwithstanding any provision of law to the contrary, it is the intention of the General Assembly that the appropriation of funds to the airports listed in this section, the enactment of this section, and the issuance of bonds or notes by the airports in reliance thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of the State, and nothing contained herein shall prohibit the General Assembly from amending an appropriation made to the airports at any time to decrease or eliminate the amount appropriated to the airports.

SECTION 34.19.(f) Report. – The Department of Transportation shall provide a report on the use or uses by each airport of funds allocated to the airport under this section. The Department shall submit the report required under this subsection by March 1, 2019, to the Joint Legislative Transportation Oversight Committee.

SECTION 34.19.(g) Funding Needs Assessment; Formula. – The Division of Aviation of the Department of Transportation shall develop a funding needs assessment setting out (i) the amount of State funding needed by each commercial airport listed in this section and (ii) what projects would be funded using the needed State funding. The Division shall utilize the data gathered in the funding needs assessment required under this section to develop a formula for allocating State funds to commercial airports that is based on the State funding needs of each airport and the economic output of each airport. By April 15, 2018, the Division shall submit the funding needs assessment and a description of the formula to the chairs of the House of Representatives Appropriations Committee on Transportation, the chairs of the Senate Appropriations Committee on the Department of Transportation, and the Fiscal Research Division of the General Assembly.

REQUIRE USE OF OUTSIDE VENDOR TO SELL SIKORSKY HELICOPTER

SECTION 34.20.(a) Section 34.10(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.10.(a)** The Division of Aviation of the Department of Transportation shall sell the following aircraft from its fleet as expeditiously as possible in order to modernize the fleet:

(1) Sikorsky S-76C helicopter.

(2) Cessna 550 Citation Bravo airplane.

The Division of Aviation shall utilize and contract with an outside vendor that specializes or has experience in the sale of aviation equipment to sell the helicopter described in subdivision (1) of this subsection. Proceeds from these sales as well as any future sales under the plan required by subsection (b) of this section shall be credited to a nonreverting reserve within the Highway Fund to be used for future aircraft or equipment acquisitions by the Division of Aviation. The Division shall not acquire or dispose of additional aviation assets prior to its report to the Joint Legislative Transportation Oversight Committee required by subsection (c) of this section."

SECTION 34.20.(b) The Division of Aviation of the Department of Transportation shall identify and contract with an outside vendor in accordance with subsection (a) of this section by August 1, 2017. The Division of Aviation shall submit a report to the Joint

Legislative Transportation Oversight Committee by August 15, 2017, providing details as to the contract entered into in accordance with subsection (a) of this section, including an identification of the outside vendor and the total cost of the contract to the State.

REVISE USE OF TAXES COLLECTED ON AVIATION GASOLINE AND JET FUEL

SECTION 34.21.(a) G.S. 105-164.44M reads as rewritten:

"**§ 105-164.44M. Transfer to Division of Aviation.**

The net proceeds of the tax collected on aviation gasoline and jet fuel under G.S. 105-164.4 must be transferred within 75 days after the end of each fiscal year to the Highway Fund. This amount is annually appropriated from the Highway Fund to the Division of Aviation of the Department of Transportation for prioritized capital improvements to ~~public~~ general aviation airports ~~and~~ for time-sensitive aviation capital improvement projects for economic development purposes."

SECTION 34.21.(b) This section becomes effective January 1, 2018, and applies to sales made on or after that date.

AVIATION/TECHNICAL CORRECTION

SECTION 34.21A. G.S. 63-47 reads as rewritten:

"**§ 63-47. Enforcement of regulations of ~~Civil Aeronautics~~ Federal Aviation Administration.**

In the general public interest and safety, the safety of persons receiving instructions concerning or operating, using or traveling in aircraft, and of persons and property on the ground, and in the interest of aeronautical progress, the public officers of the State, counties and cities shall enforce the rules and regulations of the ~~Civil Aeronautics~~ Federal Aviation Administration."

DIVISION OF AVIATION/ITRE FUNDS

SECTION 34.21B. From funds available to the Division of Aviation of the Department of Transportation, the Division may allocate the sum of one million dollars ($1,000,000) in nonrecurring funds for the 2017-2018 fiscal year to the Institute for Transportation Research and Education at North Carolina State University to be used for analyzing Localized Unmanned Aircraft Systems Traffic Management Solutions.

ANNUAL REPORT/PROGRESS OF PROJECTS IDENTIFIED IN PLANS FUNDED FROM BICYCLE AND PEDESTRIAN PLANNING GRANT FUNDS

SECTION 34.22. Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-41.5. Annual report on use of Bicycle and Pedestrian Planning Grant funds.**

The Division of Bicycle and Pedestrian Transportation of the Department of Transportation shall submit an annual report by May 15 on the progress of projects identified in plans (i) submitted to the Division over the 10-year period prior to the report and (ii) funded from Bicycle and Pedestrian Planning Grant funds. The Division shall submit the report required by this section to the chairs of the House of Representatives Appropriations Committee on Transportation, the chairs of the Senate Appropriations Committee on the Department of Transportation, and the Fiscal Research Division of the General Assembly."

RAIL DIVISION/FIVE-YEAR SPENDING PLAN FOR FRRCSI

SECTION 34.23. The Rail Division of the Department of Transportation shall develop a five-year spending plan for the funds in the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund. The Rail Division shall submit its five-year spending plan to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

RAIL DIVISION/REPORT REQUIRED PRIOR TO ENTERING INTO CERTAIN CONTRACTS

SECTION 34.24.(a) In addition to any other requirements provided by State or federal law, the Rail Division of the Department of Transportation shall submit a report to the Joint Legislative Transportation Oversight Committee prior to entering into a contract with a duration of five or more years and requiring an estimated expenditure of State funds in an amount totaling or exceeding one million five hundred thousand dollars ($1,500,000). The report shall (i) identify the total cost of the proposed contract, (ii) identify the duration of the proposed contract, (iii) identify the other party or parties to the proposed contract, and (iv) identify any other terms of the proposed contract that are deemed relevant by the Rail Division.

SECTION 34.24.(b) This section is effective when it becomes law and applies to contracts entered into on or after that date. This section expires June 30, 2022.

GLOBAL TRANSPARK/STRATEGIC PLAN AND MARKETING

SECTION 34.26.(a) Strategic Plan; Report. – By January 1, 2018, the Global TransPark Authority shall establish and implement a strategic plan for the Global TransPark. The Global TransPark Authority may use a portion of funds appropriated to it in this act to establish and implement the strategic plan required under this subsection. The Global TransPark Authority shall submit a report to the Joint Legislative Transportation Oversight Committee by January 15, 2018, detailing the strategic report established and implemented as required by this subsection.

SECTION 34.26.(b) Marketing. – The Global TransPark Authority shall utilize and contract with an outside vendor to provide marketing services for the Global TransPark. The Global TransPark Authority shall identify and contract with an outside vendor in accordance with this subsection by February 1, 2018. The Global TransPark Authority shall submit a report to the Joint Legislative Transportation Oversight Committee by February 15, 2018, providing details as to the contract entered into in accordance with this subsection, including an identification of the outside vendor and the total cost of the contract to the State.

SECTION 34.26.(c) Web Site. – The Communications Office of the Department of Transportation shall manage the Web site for the Global TransPark, including providing regular updates on the Web site as to, at a minimum, (i) achievements of the Global TransPark, (ii) business opportunities available at the Global TransPark, and (iii) events held at the Global TransPark.

NORTH CAROLINA STATE PORTS AUTHORITY/FUNDS FOR DEBT SERVICE AND CAPITAL PROJECTS

SECTION 34.27.(a) G.S. 136-176 reads as rewritten:

"**§ 136-176. Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.**

…

(b) ~~Funds~~ Except as otherwise provided in this section, funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, in the amount appropriated by law, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this subsection shall be repaid by the Authority from its toll revenue as soon as possible, subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds. Beginning one year after the Authority begins collecting tolls on a completed Turnpike Project, interest shall accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the State Treasurer's average annual yield on its investment of Highway Trust Fund funds pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the Highway Trust Fund upon repayment. The sum up to the amount anticipated to be necessary to meet the State matching funds requirements to receive federal-aid highway trust

funds for the next fiscal year may be set aside for that purpose. The rest of the funds in the Trust Fund shall be allocated and used as specified in G.S. 136-189.11.

The Department must administer funds allocated under this section in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

…

(b3) Funds appropriated to the North Carolina State Ports Authority from the Highway Trust Fund may only be used (i) to pay debt service or related financing costs and expenses on revenue bonds or notes issued by the State Ports Authority and (ii) for capital projects. An appropriation to the State Ports Authority from the Highway Trust Fund constitutes an agreement by the State to pay the funds appropriated to the State Ports Authority within the meaning of G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that the appropriation of funds to the State Ports Authority, the enactment of this subsection, and the issuance of bonds or notes by the State Ports Authority in reliance thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of the State, and nothing contained herein shall prohibit the General Assembly from amending an appropriation made to the State Ports Authority at any time to decrease or eliminate the amount annually appropriated to the State Ports Authority. Funds appropriated to the State Ports Authority for the purposes described in this subsection are not subject to the formula set forth in G.S. 136-189.11.

…."

SECTION 34.27.(b) G.S. 136-189.11(b), as amended by Section 34.6 of this act, reads as rewritten:

"(b) Funds Excluded From Formula. – The following funds are not subject to this section:

…

(12) Funds appropriated to the North Carolina State Ports Authority for the purposes described in G.S. 136-176(b3)."

STATE PORTS AUTHORITY/FUNDING FOR DREDGING

SECTION 34.28. Of the funds appropriated to the North Carolina State Ports Authority for the purposes described in G.S. 136-176(b3), as enacted by Section 34.27 of this act, up to fifteen million dollars ($15,000,000) in nonrecurring funds for the 2017-2018 fiscal year may be used for the dredging of approaches to State port facilities.

DREDGING SERVICES COST-BENEFIT ANALYSIS

SECTION 34.28A.(a) Performance of Cost-Benefit Analysis. – The Department of Transportation and the Department of Environmental Quality shall jointly perform a cost-benefit analysis of the State providing dredging services versus the State utilizing private contractors to provide dredging services. As part of the analysis, the Departments shall identify (i) any cost savings that may be achieved, (ii) any time savings that may be achieved, (iii) whether the private dredging industry can support the dredging needs of the State, and (iv) how to structure a contract with a private contractor to maximize the benefits to the State.

SECTION 34.28A.(b) Submission of Analysis. – The Departments shall jointly submit the findings of the analysis required under subsection (a) of this section, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by February 1, 2018.

FERRY VESSEL PRIORITY BOARDING/CLARIFICATION

SECTION 34.28B. G.S. 136-82(f3) reads as rewritten:

"(f3) Priority Boarding Fee for Certain Vehicles. – For vehicles providing commercial goods and services, the Department of Transportation shall charge an annual fee of one hundred fifty dollars ($150.00) for an annual ~~passes~~pass that ~~entitle~~entitles the vehicle or

vehicles owned by the person issued the annual pass to priority when boarding a ferry vessel. Except as authorized under this subsection, the Department of Transportation shall not provide priority boarding to a ferry vessel to any vehicle providing commercial goods and services."

FERRY DIVISION/LIFE-CYCLE PLAN FOR TERMINAL STRUCTURE REPAIRS AND REPLACEMENTS

SECTION 34.28C.(a) Development of Plan. – The Ferry Division of the Department of Transportation shall develop a detailed life-cycle plan for the repair and replacement of terminal structures, including ramps and gantries. The plan required under this section shall include a cost-benefit analysis of repairing terminal structures versus replacing terminal structures.

SECTION 34.28C.(b) Submission of Plan. – The Ferry Division shall submit the report required under subsection (a) of this section to the Joint Legislative Transportation Oversight Committee by November 1, 2017.

STUDY/USE OF DREDGE MANTEO

SECTION 34.29. The Department of Transportation shall study the use of its new dredge vessel, the Dredge Manteo. As part of this study, the Department shall include (i) an approximation of the annual cost to the State to operate and maintain the dredge vessel and (ii) a plan to allow use of the dredge vessel by other State departments and agencies. The Department shall report its findings, including any recommended legislation, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

DOT PERFORMANCE DASHBOARD/TRACK DMV PROGRESS

SECTION 34.30.(a) Expand Performance Dashboard. – The Department of Transportation shall expand its performance dashboard available on the Department's home page on the Department's Web site to track the following information about the Division of Motor Vehicles of the Department:

(1) The number of motor vehicle registrations issued per month and year-to-date.
(2) The number of motor vehicle registrations renewed per month and year-to-date.
(3) The number of drivers licenses issued per month and year-to-date.
(4) The number of drivers licenses renewed per month and year-to-date.
(5) The number of motor vehicle registrations renewed online per month and year-to-date.
(6) The number of drivers licenses renewed online per month and year-to-date.
(7) The total number of persons employed by the Division as of the first day of each month. The number provided in accordance with this subdivision shall include full-time, part-time, and temporary employees.

SECTION 34.30.(b) Implementation Date. – The expansion of the Department's performance dashboard required under subsection (a) of this section shall be completed by October 1, 2017.

DMV/PURCHASE CREDIT CARD PAYMENT PROCESSING DEVICES

SECTION 34.31. The Division of Motor Vehicles of the Department of Transportation shall purchase, and not lease, devices solely used for processing payments by credit or debit card. The purchase price of a device subject to this section shall include the cost for any repair to, or replacement of, the device that would have otherwise been covered had the Division continued to lease devices used for processing payments by credit or debit card.

DMV/HEARING FEE IMPLEMENTATION REVISIONS

SECTION 34.32.(a) Section 34.9 of S.L. 2014-100, as amended by Section 29.30A of S.L. 2015-241, reads as rewritten:

"**SECTION 34.9.(a)** The Department of Transportation, Division of Motor Vehicles, shall develop a ~~plan and proposed~~ schedule of fees to recover the ~~direct and indirect~~ costs incurred by the Hearings Unit of the Division of Motor Vehicles for the performance of administrative hearings required by law or under rules adopted ~~by the Board of Transportation.~~under G.S. 20-2(b). The proceeds of the fees developed in accordance with this section shall be deposited in a fund established for the Hearings Unit. Except as otherwise provided by an act of the General Assembly, the Hearings Unit shall be funded solely from the proceeds collected from the fees developed in accordance with this section. The plan and proposed schedule shall address, at a minimum, the following:

(1) Current hearing process and recommended modifications to achieve cost efficiencies, including proposed revisions to existing laws or rules.
(2) Historical and projected funding requirements for each category of hearing performed by the Division.
(3) Schedule of fees and projected receipts.
(4) Proposed processes and rules for the collection of fees and the refunding of fees for hearings initiated by the Division in which the original decision of the Division is reversed.
(5) Implementation milestones.

…

"**SECTION 34.9.(c)** From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than ~~July 1, 2017.~~January 1, 2018, and the fees shall be imposed for hearings requested on or after that date."

SECTION 34.32.(b) Article 1 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-4.03. Administrative hearing fees.**

(a) Authorization. – The Division is authorized to charge a fee to individuals who request an administrative hearing before the Division in accordance with this Chapter.

(b) Requirements for Requesting a Hearing. – Any request for an administrative hearing before the Division must be in writing and accompanied by the total applicable administrative hearing fee charged by the Division. An administrative hearing shall not be granted by the Division unless the administrative hearing request complies with the requirements of this subsection. Notwithstanding any provision of this Chapter to the contrary, any pending revocation, suspension, civil penalty assessment, or other adverse action shall not be stayed upon receipt of an administrative hearing request unless the request complies with the requirements of this subsection."

SECTION 34.32.(c) The Division of Motor Vehicles may adopt temporary rules to implement the provisions of Section 34.9 of S.L. 2014-100, as amended by Section 29.30A of S.L. 2015-241 and subsection (a) of this section. Temporary rules adopted in accordance with this section shall remain in effect until permanent rules that replace the temporary rules become effective.

SECTION 34.32.(d) Subsection (b) of this section becomes effective January 1, 2018, and applies to administrative hearings requested on or after that date. The remainder of this section is effective when it becomes law.

DMV/STUDY STREAMLINING IFTA AND IRP PROCESSES

SECTION 34.33.(a) Study. – The Division of Motor Vehicles of the Department of Transportation, in consultation with the Department of Revenue, shall study streamlining the processes motor carriers must follow to comply with the requirements of the International Fuel Tax Agreement and the International Registration Plan to receive registration plates, motor

carrier licenses, and motor carrier decals. The study shall include an examination of the feasibility of consolidating the processes within the Division of Motor Vehicles.

SECTION 34.33.(b) Report. – The Division of Motor Vehicles shall submit its findings under subsection (a) of this section, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

PILOT PROJECT/FUNDING FOR REST AREA IN RICHMOND COUNTY

SECTION 34.34.(a) Pilot Project. – The Department of Transportation shall develop and implement a pilot project to provide funding for operating a rest area on U.S. Highway 220 in Richmond County. From funds appropriated in this act to the Roadside Environmental Fund in the Highway Fund, the Department shall allocate the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium to the Town of Ellerbe for funding the rest area described in this subsection.

SECTION 34.34.(b) Distribution of Brochures. – Notwithstanding any State law or rule to the contrary, brochures and other materials advertising local attractions and accommodations may be distributed at the rest area funded under subsection (a) of this section.

SECTION 34.34.(c) Report. – The Department shall provide a report on the results of the pilot project required under subsection (a) of this section to the Joint Legislative Transportation Oversight Committee by December 1, 2018. The report shall include (i) the average daily number of visitors to the rest area, (ii) the average monthly number of visitors to the rest area, (iii) the total number of visitors to the rest area, and (iv) the average annual costs to operate the rest area. The information required under this subsection shall be for the period from when the rest area begins operation to November 1, 2018.

ASSET MANAGEMENT LONG RANGE FACILITY PLANNING/DMV NEW BERN AVENUE PROPERTY RELOCATION

SECTION 34.35. In developing its Asset Management Long Range Facility Planning, the Department of Transportation shall specify its plan for relocating the Division of Motor Vehicles property located on New Bern Avenue in the City of Raleigh and whether the site of relocation will be purchased or leased. The Department shall report on the information required under this section to the Joint Legislative Transportation Oversight Committee by May 1, 2018.

STUDY/ELIMINATE USE OF NURSES IN MEDICAL REVIEW PROGRAM

SECTION 34.36.(a) Study. – The Division of Motor Vehicles shall study the feasibility of eliminating the use of nurses in the Division's Medical Review Program. The study shall include an examination of any issues that may arise from using only the recommendation of the applicant's or licensee's examining health care provider as to the ability of the applicant or licensee to operate a motor vehicle.

SECTION 34.36.(b) Report. – The Division shall report the findings of the study required under subsection (a) of this section, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

RESTORE MERCURY SWITCH REMOVAL FUNDING

SECTION 34.37.(a) G.S. 20-85(a1) reads as rewritten:

"(a1) One dollar ($1.00) of the fee imposed for any transaction assessed a fee under subdivision (a)(1), (a)(2), (a)(3), (a)(7), (a)(8), or (a)(9) of this section shall be credited to the North Carolina Highway Fund. The Division shall use the fees derived from transactions with commission contract agents for the payment of compensation to commission contract agents. An additional twenty cents (20¢) of the fee imposed for any transaction assessed a fee under subdivision (a)(1) of this section shall be credited to the Mercury Pollution Prevention Fund in the Department of Environmental Quality."

SECTION 34.37.(b) This section becomes effective July 1, 2017, and expires on June 30, 2021.

DOT/TRAFFIC IMPACT ANALYSIS TIME FRAME

SECTION 34.39.(a) Article 7 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-93.1A. Time frame for reviewing and making a decision on traffic impact analyses.**

(a) Required Time Frames. – The following time frames apply to the Department's process for reviewing and making a decision on a traffic impact analysis:

(1) The Department shall communicate the scope of the traffic impact analysis to the applicant no later than 10 business days from the day the Department receives the scope proposed by the applicant.

(2) The Department shall review and make a decision as to the completeness of the traffic impact analysis no later than 20 business days from the day the Department receives the traffic impact analysis. Failure of the Department to meet the time frame set forth in this subdivision shall result in the traffic impact analysis being deemed complete.

(3) The Department shall review and make a decision as to the approval or rejection of a traffic impact analysis no later than 20 business days from the day the traffic impact analysis is determined or deemed to be complete in accordance with subdivision (2) of this subsection or subsection (e) of this section. Failure of the Department to meet the time frame set forth in this subdivision shall result in the traffic impact analysis being deemed approved.

(b) Calculation. – The following rules apply when calculating the time frames set forth in subsection (a) of this section:

(1) The period of time in which a local government or local transportation planning organization reviews and provides feedback shall be included.

(2) The period of time in which the Department awaits a response from an applicant shall not be included.

(c) Basis for Rejection. – The Department shall not reject a traffic impact analysis on the basis that the applicant has failed to include information in a traffic impact analysis that is outside the scope established under subdivision (1) of subsection (a) of this section for that traffic impact analysis. When the Department rejects a traffic impact analysis, the Department shall provide the applicant written notice specifically setting forth the reason for rejection.

(d) Effect of Rejection. – The time frames set forth in subsection (a) of this section shall reset upon rejection of a traffic impact analysis. The Department may authorize an applicant to reuse the scope approved for a rejected traffic impact analysis if the applicant is submitting a revised traffic impact analysis. The Department shall notify the applicant as to whether the original scope may be used no later than five business days from the day the Department receives notice from the applicant that the applicant plans to submit a revised traffic impact analysis.

(e) Appeal. – An applicant may appeal a rejection of a traffic impact analysis by providing written notice of appeal to the Chief Engineer no later than five business days from the day the applicant receives the written notice required under subsection (c) of this section. No later than five business days from the day the Chief Engineer receives the written notice of appeal, the Chief Engineer shall either affirm or overturn the rejection being appealed. If the rejection being appealed is overturned, the traffic impact analysis that was the subject of the appeal shall be deemed (i) complete if the basis of the rejection being appealed was lack of completeness or (ii) approved if the basis of the rejection being appealed was for any reason other than lack of completeness. The Chief Engineer shall provide the appealing party with written notice of the Chief Engineer's decision, specifically setting forth the reason if the rejection being appealed is affirmed. A decision by the Chief Engineer shall be final and not subject to further appeal.

(f) Criteria. – The Department shall develop and use criteria for determining (i) the scope of a traffic impact analysis, (ii) the completeness of a traffic impact analysis, and (iii) whether to approve or reject a traffic impact analysis. The Department shall post the criteria on its Web site. Prior to amending the criteria, the Department shall consult with a working group that consists of engineers, local government representatives, local transportation planning organization representatives, and other interested stakeholders identified by the Department. The Department shall provide at least 90 days' notice prior to the effective date of any amendments to the criteria. The notice required under this subsection may be satisfied by publishing the proposed amendments on the Department's Web site.

(g) Report. – Beginning October 1, and annually thereafter, the Department shall provide to the chairs of the Joint Legislative Transportation Oversight Committee a report on the number of times the Department failed during the year preceding the report to meet the time frame set in subdivision (1) of subsection (a) of this section, including reasoning for each failure."

SECTION 34.39.(b) The Department of Transportation shall commence development of the appeals process required under G.S. 136-93.1A(e), as enacted by subsection (a) of this section.

SECTION 34.39.(c) From the funds appropriated in this act from the Highway Fund for general maintenance, the Department of Transportation may use up to the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year to cover any costs incurred by the Department from implementing the provisions of this section.

SECTION 34.39.(d) Subsection (a) of this section becomes effective October 1, 2017, and applies to proposed scopes and traffic impact analyses submitted on or after that date. The remainder of this section is effective when it becomes law.

EXCAVATION OR DEMOLITION NOTICE REQUIREMENTS/CLARIFY EXEMPTION

SECTION 34.40.(a) G.S. 87-124 reads as rewritten:

"**§ 87-124. Exemptions.**

The notice requirements in G.S. 87-122(a) and G.S. 87-122(b) do not apply to the following:

…

(6) An excavation or demolition performed when ~~the Department of Transportation, a local government, special purpose district, or public service district is~~ those responsible for routine maintenance of a right-of-way are conducting maintenance activities within ~~its designated~~ the right-of-way. Maintenance activities shall include resurfacing, milling, emergency replacement of signs critical for maintaining safety, or the reshaping of shoulders and ditches to the original road profile. Maintenance activities do not include the initial installation of traffic signs, traffic control equipment, or guardrails.

…."

SECTION 34.40.(b) This section is effective when it becomes law and applies to excavations and demolitions on or after that date.

DMV/SALE OF UNCLAIMED VEHICLES PROCESS IMPROVEMENT

SECTION 34.41.(a) G.S. 20-77(d) reads as rewritten:

"(d) An operator of a place of business for garaging, repairing, parking or storing vehicles for the public in which a vehicle remains unclaimed for 10 days, or the landowners upon whose property a motor vehicle has been abandoned for more than 30 days, shall, within five days after the expiration of that period, report the vehicle as unclaimed to the Division. Failure to make ~~such~~the report shall constitute a Class 3 misdemeanor. Persons who are required to make this report and who fail to do so within the time period specified may collect other charges due but may not collect storage charges for the period of time between when they

were required to make this report and when they actually did send the report to the Division by certified mail.

Any vehicle which remains unclaimed after report is made to the Division may be sold by ~~such~~the operator or landowner in accordance with the provisions relating to the enforcement of liens and the application of proceeds of sale of Article 1 of Chapter 44A. The Division shall make all forms required by the Division to effectuate a sale under this subsection available on the Division's Web site, and the Division shall allow for the electronic submission of these forms. Any form required by the Division to effectuate a sale under this subsection that requires a signature may be submitted with an electronic signature in accordance with Article 40 of Chapter 66 of the General Statutes."

SECTION 34.41.(b) This section becomes effective October 1, 2017.

SALE OF LINWOOD SPRINGS GOLF COURSE/RIGHT OF FIRST REFUSAL FOR CITY OF GASTONIA

SECTION 34.42.(a) Definition. – For purposes of this section, the term "Linwood Springs Golf Course property" means the property that (i) resides in Parcels 222538, 222544, 222540, 222542, 138225, 222546, and 224496, Gaston County Tax Maps, as seen in the Office of the Tax Administrator in Gaston County, North Carolina, (ii) consists of approximately 149.16 acres, and (iii) is the same property conveyed to the North Carolina Department of Transportation in Deed Book 4565, Page 367, Deed Book 4744, Page 2033, and Deed Book 4744, Page 2036, recorded with the Gaston County Register of Deeds. This term does not include that parcel consisting of approximately 2.47 acres conveyed by the North Carolina Department of Transportation in Deed Book 4834, Page 303, recorded with the Gaston County Register of Deeds, and residing in Parcel 224495, Gaston County Tax Maps, as seen in the Office of the Tax Administrator in Gaston County.

SECTION 34.42.(b) Right of First Refusal; Limitation. – If the Department of Transportation decides to sell the Linwood Springs Golf Course property, the Department shall give a right of first refusal to the City of Gastonia. Notwithstanding any provision of the law to the contrary, the Department shall not sell the Linwood Springs Golf Course property if it determines that any mitigation credits associated with the property cannot be transferred.

STATE PARK ROADS/INCREASE ALLOWABLE MAINTENANCE COSTS

SECTION 34.43.(a) Maintenance Costs. – Of the funds appropriated in this act to the General Maintenance Reserve in the Highway Fund, the Department of Transportation shall spend seven hundred fifty thousand dollars ($750,000) in nonrecurring funds for the 2017-2018 fiscal year for road maintenance costs in State parks incurred under G.S. 136-44.12.

SECTION 34.43.(b) Capital Plan. – The Department of Transportation and the Division of Parks and Recreation of the Department of Natural and Cultural Resources shall jointly develop a five-year capital plan to address road maintenance needs and costs in State parks. The Department shall submit the plan required under this subsection to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by February 15, 2018.

PART XXXV. SALARIES AND BENEFITS

ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY INCREASES/EFFECTIVE JULY 1, 2017

SECTION 35.1.(a) Except as provided by subsection (b) of this section, a person (i) whose salary is set by this part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on June 30, 2017, is awarded a legislative salary increase as follows:

(1) In the amount of one thousand dollars ($1,000) in the 2017-2018 fiscal year, effective July 1, 2017.

(2) As otherwise allowed or provided by law.

SECTION 35.1.(b) The following persons are not eligible to receive the legislative salary increases provided by subsection (a) of this section:

(1) The judicial branch judges whose salaries are set in Section 35.4(a) of this act.

(2) Teachers, principals, and assistant principals paid pursuant to a salary schedule or pay plan enacted in this act.

(3) The Governor and members of the Council of State.

SECTION 35.1.(c) Part-time employees shall receive the increase authorized by this section on a prorated and equitable basis.

GOVERNOR AND COUNCIL OF STATE

SECTION 35.2.(a) The salary of the Governor, as provided by G.S. 147-11(a), shall remain unchanged.

SECTION 35.2.(b) The annual salaries for members of the Council of State, payable monthly, for the 2017-2018 fiscal year shall remain unchanged:

Council of State	Annual Salary
Lieutenant Governor	$127,561
Attorney General	127,561
Secretary of State	127,561
State Treasurer	127,561
State Auditor	127,561
Superintendent of Public Instruction	127,561
Agriculture Commissioner	127,561
Insurance Commissioner	127,561
Labor Commissioner	127,561

CERTAIN EXECUTIVE BRANCH OFFICIALS

SECTION 35.3. The annual salaries, payable monthly, for the following executive branch officials for the 2017-2018 fiscal year are as follows:

Executive Branch Officials	Annual Salary 2017-2018
Chairman, Alcoholic Beverage Control Commission	$114,546
State Controller	159,501
Commissioner of Banks	128,561
Chair, Board of Review, Division of Employment Security	126,104
Members, Board of Review, Division of Employment Security	124,563
Chairman, Parole Commission	126,104
Full-Time Members of the Parole Commission	116,595
Chairman, Utilities Commission	142,947
Members of the Utilities Commission	128,561
Executive Director, North Carolina Agricultural Finance Authority	111,549

JUDICIAL BRANCH

SECTION 35.4.(a) The annual salaries, payable monthly, for the following judicial branch officials for the 2017-2018 fiscal year are as follows:

Judicial Branch Officials	Annual Salary 2017-2018
Chief Justice, Supreme Court	$150,086
Associate Justice, Supreme Court	146,191
Chief Judge, Court of Appeals	143,878

Judge, Court of Appeals	140,144
Judge, Senior Regular Resident Superior Court	136,364
Judge, Superior Court	132,584
Chief Judge, District Court	120,490
Judge, District Court	116,710
Chief Administrative Law Judge	117,710
District Attorney	128,215
Assistant Administrative Officer of the Courts	123,469
Public Defender	128,215
Director of Indigent Defense Services	132,145

SECTION 35.4.(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district, for the 2017-2018 fiscal year, do not exceed seventy-seven thousand seventy-three dollars ($77,073) and the minimum salary of any assistant district attorney or assistant public defender is at least forty-one thousand three hundred sixty-six dollars ($41,366), effective July 1, 2017.

SECTION 35.4.(c) G.S. 7A-751(a) reads as rewritten:

"(a) The head of the Office of Administrative Hearings is the Chief Administrative Law Judge, who shall serve as Director of the Office. The Chief Administrative Law Judge has the powers and duties conferred on that position by this Chapter and the Constitution and laws of this State and may adopt rules to implement the conferred powers and duties.

The salary of the Chief Administrative Law Judge shall be ~~the same as that fixed from time to time for district court judges.~~set in the Current Operations Appropriations Act. The salary of a Senior Administrative Law Judge shall be ninety-five percent (95%) of the salary of the Chief Administrative Law Judge.

In lieu of merit and other increment raises, the Chief Administrative Law Judge and any Senior Administrative Law Judge shall receive longevity pay on the same basis as is provided to employees of the State who are subject to the North Carolina Human Resources Act."

SECTION 35.4.(d) G.S. 7A-10(c) reads as rewritten:

"(c) In lieu of merit and other increment raises paid to regular State employees, the Chief Justice and each of the Associate Justices shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission.~~ Commission, or as an administrative law judge. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(e) G.S. 7A-18(b) reads as rewritten:

"(b) In lieu of merit and other increment raises paid to regular State employees, a judge of the Court of Appeals shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of Justice, as a member of the Utilities Commission, as an administrative law judge, or as the Director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(f) G.S. 7A-44(b) reads as rewritten:

"(b) In lieu of merit and other increment raises paid to regular State employees, a judge of the superior court, regular or special, shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission~~ Commission, as an administrative law judge, or as director or assistant director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(g) G.S. 7A-144(b) reads as rewritten:

"(b) Notwithstanding merit, longevity and other increment raises paid to regular State employees, a judge of the district court shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission~~ Commission, as an administrative law judge, or as director or assistant director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

CLERKS OF SUPERIOR COURT

SECTION 35.4A. Effective July 1, 2017, G.S. 7A-101(a) reads as rewritten:

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county as determined in subsection (a1) of this section, according to the following schedule:

Population	Annual Salary
Less than 100,000	~~$88,188~~$89,188
100,000 to 149,999	~~98,834~~99,834
150,000 to 249,999	~~109,480~~110,480
250,000 and above	~~120,131~~121,131

When a county changes from one population group to another, the salary of the clerk shall be changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for the new population group, except that the salary of an incumbent clerk shall not be decreased by any change in population group during his continuance in office."

ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT

SECTION 35.4B. Effective July 1, 2017, G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	~~$33,098~~$34,098
Maximum	~~58,963~~59,963
Deputy Clerks	Annual Salary
Minimum	~~28,646~~29,646
Maximum	~~46,092.~~47,092."

MAGISTRATES

SECTION 35.4C. Effective July 1, 2017, G.S. 7A-171.1 reads as rewritten:

"**§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

(a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate.

(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

Table of Salaries of Full-Time Magistrates

Step Level	Annual Salary	
	Minimum	Maximum
Entry Rate		~~$36,862~~$37,862
Step 1	~~38,519~~$39,519	~~39,658~~40,658
Step 2	~~41,448~~42,448	~~42,673~~43,673
Step 3	~~44,548~~45,548	~~45,865~~46,865
Step 4	~~48,263~~49,263	~~49,690~~50,690
Step 5	~~52,739~~53,739	~~54,298~~55,298
Step 6	~~57,754~~58,754	~~59,461.~~60,461.

…

(a1) Notwithstanding subsection (a) of this section, the following salary provisions apply to individuals who were serving as magistrates on June 30, 1994:

(1) The minimum and maximum salaries of magistrates who, on June 30, 1994, were paid at a salary level of less than five years of service under the table in effect that date shall be as follows:

	Minimum		Maximum
Less than 1 year of service			~~$29,099~~$30,099
1 or more but less than 3 years of service	~~29,288~~$30,288	–	~~30,333~~31,333
3 or more but less than 5 years of service	~~31,773~~32,773	–	~~32,818~~33,818

Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a).

(2) The salaries of magistrates who on June 30, 1994, were paid at a salary level of five or more years of service shall be based on the rates set out in subsection (a) as follows:

Salary Level on June 30, 1994	Salary Level on July 1, 1994
5 or more but less than 7 years of service	Entry Rate
7 or more but less than 9 years of service	Step 1
9 or more but less than 11 years of service	Step 2
11 or more years of service	Step 3

Thereafter, their salaries shall be set in accordance with the provisions in subsection (a).

(3) The salaries of magistrates who are licensed to practice law in North Carolina shall be adjusted to the annual salary provided in the table in subsection (a) as Step 4, and, thereafter, their salaries shall be set in accordance with the provisions in subsection (a).

(4) The salaries of "part-time magistrates" shall be set under the formula set out in subdivision (2) of subsection (a) but according to the rates set out in this subsection.

…."

LEGISLATIVE EMPLOYEES

SECTION 35.5.(a) Effective July 1, 2017, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2017, shall be legislatively increased by one thousand dollars ($1,000).

SECTION 35.5.(b) Nothing in this act limits any of the provisions of G.S. 120-32.

GENERAL ASSEMBLY PRINCIPAL CLERKS

SECTION 35.6. Effective July 1, 2017, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~one hundred seven thousand nine hundred twenty-eight dollars ($107,928),~~ one hundred eight thousand nine hundred twenty-eight dollars ($108,928), payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SERGEANTS-AT-ARMS AND READING CLERKS

SECTION 35.7. Effective July 1, 2017, G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~four hundred ten dollars ($410.00)~~ four hundred twenty-nine dollars ($429.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

COMMUNITY COLLEGES

SECTION 35.8.(a) Effective for the 2017-2018 fiscal year:

(1) The State Board of Community Colleges may provide community college personnel salary increases in accordance with policies adopted by the Board. Funds appropriated for these compensation increases under Section 35.1 of this act may be used for any one or more of the following purposes: (i) merit pay, (ii) across-the-board increases, (iii) recruitment bonuses, (iv) retention increases, and (v) any other compensation increase pursuant to those policies. The Board shall make a report on the use of these funds to the General Assembly by no later than March 1, 2018.

(2) Funds appropriated for community college personnel salary adjustments, other than the annual salary increases awarded by Section 35.1 of this act, may be used for any one or more of the following purposes: (i) merit pay, (ii) across-the-board increases, (iii) recruitment bonuses, (iv) retention increases, and (v) any other compensation increase pursuant to policies adopted by the State Board of Community Colleges. The State Board of Community Colleges shall make a report on the use of these funds to the Fiscal Research Division no later than March 1, 2018.

SECTION 35.8.(b) The minimum salaries for nine-month, full-time curriculum community college faculty for the 2017-2018 fiscal year are as follows:

Education Level	Minimum Salary 2017-2018
Vocational Diploma/Certificate or Less	$36,844

Associate Degree or Equivalent	37,356
Bachelor's Degree	39,579
Master's Degree or Education Specialist	41,551
Doctoral Degree	44,394

No full-time faculty member shall earn less than the minimum salary for his or her education level.

The pro rata hourly rate of the minimum salary for each education level shall be used to determine the minimum salary for part-time faculty members.

UNIVERSITY OF NORTH CAROLINA SYSTEM

SECTION 35.9.(a) Effective for the 2017-2018 fiscal year, the annual salaries of University of North Carolina SHRA employees shall be increased as provided by Section 35.1 of this act.

SECTION 35.9.(b) For the 2017-2018 fiscal year, the Board of Governors of The University of North Carolina may provide EHRA employees a salary increase pursuant to the policies adopted by the Board. Funds for EHRA compensation increases may be used for any one or more of the following purposes: (i) merit pay, (ii) across the board increases, (iii) recruitment bonuses, (iv) retention increases, and (v) any other compensation increase pursuant to those policies. The Board shall make a report on the use of these funds to the General Assembly by no later than March 1, 2018.

STATE AGENCY TEACHERS

SECTION 35.10. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, the State Board of Education, and employees of the School of Science and Mathematics of the University of North Carolina who are paid on the Teacher Salary Schedule shall be paid as authorized by Section 8.1 of this act.

ALL STATE-SUPPORTED PERSONNEL

SECTION 35.11.(a) Salaries and related benefits for positions that are funded:

(1) Partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

(2) Fully from sources other than the General Fund or Highway Fund shall be increased as provided by this act. The Director of the Budget may increase expenditures of receipts from these sources by the amount necessary to provide the legislative increase to receipt-supported personnel in the certified budget.

The Director of the Budget may increase expenditures of receipts from these sources in the certified budget by the amount necessary to provide the increases authorized by this part to receipt-supported personnel. Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

SECTION 35.11.(b) The legislative salary increases provided in this act for the 2017-2018 fiscal year do not apply to persons separated from service due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2017. With respect to the legislative increases awarded in this part, payroll checks issued to employees after July 1 of each year that represent payment of services provided prior to July 1 of each year shall not be eligible for salary increases provided for in this act.

SECTION 35.11.(c) This section applies to all employees paid from State funds, whether or not subject to or exempt from the North Carolina Human Resources Act, including employees of public schools, community colleges, and The University of North Carolina.

MOST STATE EMPLOYEES

SECTION 35.12. Unless otherwise expressly provided by this part, the annual salaries in effect for the following persons on June 30, 2017, shall be legislatively increased as provided by Section 35.1 of this act:

(1) Permanent, full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.
(2) Permanent, full-time State officials and persons in positions exempt from the State Human Resources Act.
(3) Permanent, part-time State employees.
(4) Temporary and permanent hourly State employees.

IMPLEMENT NEW CLASSIFICATION AND COMPENSATION SYSTEM

SECTION 35.13. The Office of State Human Resources shall implement the new Classification and Compensation System.

SALARY ADJUSTMENT FUND

SECTION 35.14.(a) The Salary Adjustment Fund is established to make funding available for salary increases in the executive, judicial, and legislative branches for specified purposes only as authorized in this section. Funds appropriated to the Salary Adjustment Fund by this act, or any other provision of law, shall only be used to fund the following purposes in order to provide competitive salary rates:

(1) Reallocation of positions to higher level job classifications.
(2) In-range adjustments for job change.
(3) Career progression adjustments for demonstrated competencies.
(4) Salary range revisions.
(5) Geographic site differential adjustments.
(6) In-range adjustments for labor market.
(7) In-range adjustments for equity issues.
(8) Any other adjustments related to an increase in job duties or responsibilities or labor market changes.

These adjustments must be documented through data collection and analysis according to accepted human resource professional practices and standards. Further, funds may only be used for salary adjustments for the stated purposes that are in compliance with State Human Commission policies and other provisions of the State Human Resources Act. For the executive branch, funding shall be approved by the State Human Resources Commission or Office of State Human Resources and shall not be used for any other purposes.

SECTION 35.14.(b) Funds appropriated to the Salary Adjustment Fund for the 2017-2019 fiscal biennium in the amount of seventy-three thousand dollars ($73,000) shall be distributed to the Office of the Lieutenant Governor for staff compensation increases.

SECTION 35.14.(c) The Director of the Budget may transfer to General Fund budget codes from the Salary Adjustment Fund amounts required to support salary adjustments authorized by this section. The Director of the Budget shall report to the Joint Legislative Commission on Governmental Operations within 30 days of allocation of the funds.

USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES

SECTION 35.15.(a) The appropriations set forth in Section 2.1 of this act include appropriations for legislatively mandated salary increases and employee benefits in amounts set forth in the Committee Report described in Section 39.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for the purposes of legislatively mandated salary increases and employee benefits.

SECTION 35.15.(b) If the Director of the Budget determines that funds appropriated to a State agency for legislatively mandated salary increases and employee benefits exceed the amount required by that agency for those purposes, the Director may

reallocate those funds to other State agencies that received insufficient funds for legislatively mandated salary increases and employee benefits.

SECTION 35.15.(c) Any funds appropriated for legislatively mandated salary and benefits increases in excess of the amounts required to implement the increases shall be credited to the Pay Plan Reserve established in this Part.

SECTION 35.15.(d) No later than March 1, 2018, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the expenditure of funds for legislatively mandated salary increases and employee benefits. This report shall include at least the following information for each State agency for the 2017-2018 fiscal year:

(1) The total amount of funds that the agency received for legislatively mandated salary increases and employee benefits.

(2) The total amount of funds transferred from the agency to other State agencies pursuant to subsection (b) of this section. This section of the report shall identify the amounts transferred to each recipient State agency.

(3) The total amount of funds used by the agency for legislatively mandated salary increases and employee benefits.

(4) The amount of funds credited to the Pay Plan Reserve.

MITIGATE BONUS LEAVE

SECTION 35.16. During the 2017-2019 fiscal biennium, State agencies, departments, institutions, the North Carolina Community College System, and The University of North Carolina may offer State employees the opportunity to use or to cash in special bonus leave benefits that have accrued pursuant to Section 28.3A of S.L. 2002-126, Section 30.12B(a) of S.L. 2003-284, Section 29.14A of S.L. 2005-276, and Section 35.10A of S.L. 2014-100, but only if all of the following requirements are met:

(1) Employee participation in the program must be voluntary.

(2) Special leave that is liquidated for cash payment to an employee must be valued at the amount based on the employee's current annual salary rate.

(3) By September 1, 2019, a report on the demographic information shall be submitted to the respective agency head or employing agency and to the Fiscal Research Division.

ESTABLISH PAY PLAN RESERVE/FUNDS

SECTION 35.17. Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-4-8. Pay Plan Reserve.**

(a) Creation. – The Pay Plan Reserve is established within the General Fund. The General Assembly shall appropriate in the Current Operations Appropriations Act or other appropriations act a specific amount to this reserve for allocation, on an as-needed basis only, to fund statutory and scheduled pay expenses authorized by:

(1) G.S. 20-187.3.

(2) G.S. 7A-102.

(3) G.S. 7A-171.1.

(4) Teacher Salary Schedule, as enacted by the General Assembly.

(5) Pay Plans for Principals and Assistant Principals, as enacted by the General Assembly.

(b) Authorized Uses. – The funds in the Pay Plan Reserve are available to agencies for employee salary and benefit costs only if the amount of funds appropriated for statutory or scheduled salaries and benefits expenses, in any fiscal year, would be insufficient to cover those expenses for eligible employees.

(c) Request for Allocation. – After January 1 of each fiscal year, an agency may request an allocation from the Pay Plan Reserve by submitting proof to the Office of State Budget and Management (OSBM) that the agency has exhausted or is projected to exhaust funds

appropriated for statutory or scheduled salary and benefit expenses. The OSBM must certify the need for any allocation before disbursing funds from the reserve. The OSBM shall report to Fiscal Research Division on or before April 1 of each year on any disbursements made from the reserve and regarding projected recurring appropriations necessary to fully fund positions eligible for funding in the next fiscal year. Funds from the reserve may be allocated and reallocated only as expressly provided by this section."

STATE HUMAN RESOURCES/HIRE FROM POOL OF MOST QUALIFIED PERSONS

SECTION 35.18. G.S. 126-14.2 reads as rewritten:

"**§ 126-14.2. Political hirings limited.**

(a) It is the policy of this State that State departments, agencies, and institutions select from the pool of the most qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select ~~the most qualified person~~ from the pool of the most qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, "qualified persons" shall mean each of the State employees or applicants for initial State employment who:

(1) Have timely applied for a position in State government;
(2) Have the essential qualifications for that position; and
(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;
(2) The complaining State employee or applicant for initial State employment was not hired into the position;
(3) The complaining State employee or applicant for initial State employment was among the most qualified persons applying for the position as defined in this Chapter;
(4) The successful applicant for the position was not among the most qualified persons applying for the position; and
(5) The hiring decision was based upon political affiliation or political influence.

…."

SPECIAL ANNUAL LEAVE BONUS

SECTION 35.18A.(a) Any person who is (i) a full-time, permanent employee of the State, a community college, or a local board of education on July 1, 2017, and (ii) eligible to earn annual leave shall have a one-time additional three days of annual leave credited on July 1, 2017.

SECTION 35.18A.(b) Except as provided by subsection (c) of this section, the additional leave granted in this act shall be accounted for separately with the leave provided by Section 28.3A of S.L. 2002-126, by Section 30.12B(a) of S.L. 2003-284, by Section 29.14A of S.L. 2005-276, and by Section 35.10A of S.L. 2014-100. The leave shall remain available during the length of the employee's employment, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward. Part-time, permanent employees shall receive a pro rata amount of the three days.

SECTION 35.18A.(c) The additional leave awarded under this section has no cash value and is not eligible for cash in. If not used prior to the time of separation or retirement, the bonus leave cannot be paid out and is lost.

STATE EMPLOYEES – AMEND SALARY CONTINUATION

SECTION 35.18B.(a) G.S. 143-166.14 reads as rewritten:

"**§ 143-166.14. Payment of salary notwithstanding incapacity; Workers' Compensation Act applicable after two years; duration of payment.**

The salary of any eligible person shall be paid as long as the person's employment in that position continues, notwithstanding the person's total or partial incapacity to perform any duties to which the person may be lawfully assigned, if that incapacity is the result of an injury or injuries resulting from or arising out of an episode of violence, resistance, or due to other special hazards that occur while the eligible person is performing official duties, except if that incapacity continues for more than two years from its inception, the person shall, during the further continuance of that incapacity, be subject to the provisions of Chapter 97 of the General Statutes pertaining to workers' compensation. The time period for which an eligible person receives benefits pursuant to this section shall be deducted from the eligible person's total eligibility for benefits pursuant to G.S. 97-29 and G.S. 97-30. For purposes of this section, the term "salary" shall be defined as the total base pay of the person reflected on the person's salary statement and shall not include overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been entitled prior to such incapacity. Salary paid to an eligible person pursuant to this Article shall cease upon the resumption of the person's regularly assigned ~~duties,~~ duties; assignment of duties which comply with the treating physician's restrictions; or retirement, resignation, or death, whichever first ~~occurs, except that~~ occurs; provided that salary payments will be ceased or may be equitably reduced when the employee has returned to work for the same or a different employer. A temporary return to duty shall not prohibit payment of salary for a subsequent period of incapacity which can be shown to be directly related to the original injury."

SECTION 35.18B.(b) G.S. 143-166.19 reads as rewritten:

"**§ 143-166.19. Determination of cause and extent of incapacity; hearing before Industrial Commission; appeal; effect of refusal to perform duties.**

Upon the filing of the report, the secretary or other head of the department or, in the case of the General Assembly, the Legislative Services Officer, shall determine the cause of the incapacity and to what extent the claimant may be assigned to other than the claimant's normal duties. The finding of the secretary or other head of the department shall determine the right of the claimant to benefits under this Article. Notice of the finding shall be filed with the North Carolina Industrial Commission. The finding of the secretary or other department head shall be final unless the claimant, within 30 days of receipt of the notice, files a request for a hearing with the North Carolina Industrial Commission using a form required by the Commission. Upon the filing of a request, the North Carolina Industrial Commission shall proceed to hear the matter in accordance with its regularly established procedure for hearing claims filed under the Worker's Compensation Act, and shall report its findings to the secretary or other head of the department. From the decision of the North Carolina Industrial Commission, an appeal shall lie as in other matters heard and determined by the Commission. Any person who refuses to perform any duties to which the person may be properly assigned as a result of the finding of the secretary, other head of the department or of the North Carolina Industrial Commission shall be entitled to no benefits pursuant to this Article as long as the refusal continues. A duty is properly assigned if the duty complies with the authorized treating physician's restrictions. Any eligible person whose salary continuation benefits are terminated by the secretary or other head of the department shall be immediately entitled to benefits under G.S. 97-29 or G.S. 97-30. Such benefits under G.S. 97-29 or G.S. 97-30 shall only be suspended or terminated by the employer pursuant to G.S. 97-18.1."

SECTION 35.18B.(c) This section is effective when it becomes law and applies to State employees incapacitated on or after that date.

EXEMPT EMPLOYEES/UNC INFORMATION TECHNOLOGY PROFESSIONALS

SECTION 35.18C. G.S. 126-5 reads as rewritten:

"**§ 126-5. Employees subject to Chapter; exemptions.**

…

(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

…

(8) Instructional and research staff, <u>information technology professionals,</u> physicians, and dentists of The University of North Carolina, including the faculty of the North Carolina School of Science and Mathematics.

…."

SALARY-RELATED CONTRIBUTIONS

SECTION 35.19.(a) Effective for the 2017-2019 fiscal biennium, required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employee's salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of the employee for hospital medical benefits, longevity pay, unemployment compensation, accumulated leave, workers' compensation, severance pay, separation allowances, and applicable disability income benefits.

SECTION 35.19.(b) Effective July 1, 2017, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2017-2018 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	**State LEOs**	**ORPs**	**CJRS**	**LRS**
Retirement	10.78%	10.78%	6.84%	31.05%	19.04%
Disability	0.14%	0.14%	0.14%	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.05%	6.05%	6.05%	6.05%	6.05%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
Total Contribution Rate	17.13%	22.13%	13.03%	37.10%	25.09%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.19.(c) Effective July 1, 2018, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2018-2019 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	**State LEOs**	**ORPs**	**CJRS**	**LRS**
Retirement	11.87%	11.87%	6.84%	33.26%	20.04%
Disability	0.14%	0.14%	0.14%	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.27%	6.27%	6.27%	6.27%	6.27%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
Total Contribution Rate	18.44%	23.44%	13.25%	39.53%	26.31%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.19.(d) Effective July 1, 2017, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2017-2018 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand five hundred sixty dollars ($4,560) and (ii) non-Medicare-eligible employees and retirees – five thousand eight hundred sixty-nine dollars ($5,869).

SECTION 35.19.(e) Effective July 1, 2018, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2018-2019 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand seven hundred forty-three dollars ($4,743) and (ii) non-Medicare-eligible employees and retirees – six thousand one hundred four dollars ($6,104).

PROVIDE COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM

SECTION 35.19A.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(vvv) From and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by one percent (1%) of the allowance payable on June 1, 2017, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2016, and June 30, 2017."

SECTION 35.19A.(b) G.S. 135-65 is amended by adding a new subsection to read:

"(gg) From and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by one percent (1%) of the allowance payable on June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2016, and June 30, 2017."

SECTION 35.19A.(c) G.S. 120-4.22A is amended by adding a new subsection to read:

"(aa) In accordance with subsection (a) of this section, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 2017, shall be increased by one percent (1%) of the allowance payable on

June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced after January 1, 2017, but before June 30, 2017, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 2017, and June 30, 2017."

ENHANCE THE BENEFITS OF PROBATION/PAROLE OFFICERS WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

SECTION 35.19B.(a) G.S. 135-1 reads as rewritten:

"**§ 135-1. Definitions.**

The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

…

(11c) "Law-Enforcement Officer" means a full-time paid employee of an employer who is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State of North Carolina or serving civil processes, and who possesses the power of arrest by virtue of an oath administered under the authority of the State. "Law-Enforcement Officer" also means a probation/parole officer as defined in this section with respect to any service rendered on or after July 1, 2017.

…

(17a) "Probation/Parole Officer" shall mean a full-time paid employee of the Division of Adult Correction of the Department of Public Safety whose duties include supervising, evaluating, or otherwise instructing offenders who have been placed on probation, parole, or post-release supervision or have been assigned to any other community-based program operated by the Division of Adult Correction.

…."

SECTION 35.19B.(b) G.S. 143-166.41(b) reads as rewritten:

"(b) As used in this section, "creditable service" means the service for which credit is allowed under the retirement system of which the officer is a member, provided that at least fifty percent (50%) of the service is as a law enforcement officer as herein ~~defined.~~defined or as a probation/parole officer as defined in G.S. 135-1(17a)."

SECTION 35.19B.(c) This section becomes effective July 1, 2017, and applies to persons retiring on or after that date.

STUDY STATE EMPLOYEE TOTAL COMPENSATION/REDUCE LONG-TERM UNFUNDED HEALTH CARE LIABILITIES

SECTION 35.21.(a) The State Employee Total Compensation Committee (Committee) is established to study the total compensation of State employees. Total compensation includes cash compensation and the value of heath care, retirement, leave, and other flexible benefits. The Committee shall do the following:

(1) Assess the strength of the total compensation of State employees with regards to recruitment and retention of State employees, including a specific evaluation of the retirement benefits available under the Teachers' and State Employees' Retirement System.

(2) Compare the total compensation of State employees with the total compensation provided to other states' employees, as well as large North Carolina employers that may recruit employees with similar skills.

(3) Evaluate the current financial condition and the sustainability of the State pension system.

(4) By February 1, 2019, submit a report to the General Assembly containing the information considered under subdivisions (1) through (3) of this subsection and any findings and recommendations, including any suggested legislation, to the General Assembly.

SECTION 35.21.(b) The Committee shall consist of nine members as follows:

(1) The State Treasurer, who shall serve as chair of the Committee.
(2) The Executive Administrator of the State Health Plan.
(3) The Director of the Office of State Budget and Management.
(4) The Director of Office of State Human Resources.
(5) One member appointed by the Board of Governors of the University of North Carolina.
(6) One member appointed by the State Board of Education.
(7) One member appointed by the State Board of Community Colleges.
(8) One member appointed by the President Pro Tempore of the Senate.
(9) One member appointed by the Speaker of the House of Representatives.

Members serve at the pleasure of the appointing officer and continue to serve until a successor is appointed. Vacancies on the Committee shall be filled by the same appointing authority making the initial appointment. The Committee shall meet upon the joint call of the chair. A quorum of the Committee is five members. The Office of the State Treasurer shall provide support to the Committee. Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 35.21.(c) G.S. 135-48.1(18) reads as rewritten:

"(18) Retired employee (retiree). – Retired teachers, State employees, and members of the General Assembly who (i) are receiving monthly retirement benefits from ~~any retirement system supported in whole or in part by contributions of the State of North Carolina,~~the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, or the Optional Retirement Programs established under G.S. 135-5.1 and G.S. 135-5.4 and (ii) earned contributory retirement service in one of these retirement systems prior to January 1, 2021, and did not withdraw that service, so long as the retiree is enrolled."

SECTION 35.21.(d) G.S. 135-48.40 reads as rewritten:

"**§ 135-48.40. Categories of eligibility.**

(a) Noncontributory Coverage. – The following persons are eligible for coverage under the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-48.43:

(1) ~~Retired teachers, State employees, members of the General Assembly,~~ Retired employees, as defined in G.S. 135-48.1(18), and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. Except as otherwise provided in this subdivision, on and after January 1, 1988, a retiring employee or retiree must have completed at least five years of contributory retirement service with an employing unit prior to retirement from any State-supported retirement system in order to be eligible for group benefits under this Part as a retired employee or retiree. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to a requirement that the future retiree have 20 or more years of retirement service credit in order to be covered by the provisions of this subdivision.

…

(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

…

(3) ~~Retired teachers, State employees, members of the General Assembly,~~ Retired employees, as defined in G.S. 135-48.1(18), and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. Except as otherwise provided in this subdivision, on and after January 1, 1988, a retiring employee or retiree must have completed at least five years of contributory retirement service with an employing unit prior to retirement from any State-supported retirement system in order to be eligible for group benefits under this Part as a retired employee or retiree. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to a requirement that the future retiree have 20 or more years of retirement service credit in order to be covered by the provisions of this subdivision.

…

(c) One-Half Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a one-half contributory basis, subject to the provisions of G.S. 135-48.43:

…

(2) ~~Employees and members of the General Assembly~~Retired employees, as defined in G.S. 135-48.1(18), with 10 but less than 20 years of retirement service credit provided the employees were first hired on or after October 1, 2006, and the members first took office on or after February 1, 2007. For such future retirees, the State shall pay fifty percent (50%) of the Plan's total employer premiums. Individual retirees shall pay the balance of the total premiums not paid by the State.

(d) Fully Contributory Coverage. – The following persons shall be eligible for coverage under the Plan, on a fully contributory basis, subject to the provisions of G.S. 135-48.43:

…

(11) ~~Retired teachers, State employees, and members of the General Assembly~~ Retired employees, as defined in G.S. 135-48.1(18), with less than 10 years of retirement service credit, provided the teachers and State employees were first hired on or after October 1, 2006, and the members first took office on or after February 1, 2007.

…."

SECTION 35.21.(e) Subsections (c) and (d) of this section become effective January 1, 2021.

STATE TREASURER AUTHORITY OVER STATE HEALTH PLAN EMPLOYEES

SECTION 35.22. G.S. 135-48.23 reads as rewritten:

"**§ 135-48.23. Executive Administrator.**

(a) The Plan shall have an Executive Administrator and a Deputy Executive Administrator. The Executive Administrator and the Deputy Executive Administrator positions are exempt from the provisions of Chapter 126 of the General Statutes as provided in G.S. 126-5(c1).

(b) The Executive Administrator shall be appointed by the State Treasurer. The term of employment and salary of the Executive Administrator shall be set by the State ~~Treasurer after consultation with the Board of Trustees.~~Treasurer.

The Executive Administrator may be removed from office by the State ~~Treasurer after consultation with the Board of Trustees,~~ Treasurer, and any vacancy in the office of Executive Administrator may be filled by the State Treasurer.

(c) The ~~Executive Administrator~~ State Treasurer shall appoint the Deputy Executive ~~Administrator and~~ Administrator. The term of employment and salary of the Deputy Executive

Administrator shall be set by the State Treasurer. The Deputy Executive Administrator may be removed from office by the State Treasurer. Any vacancy in the office of the Deputy Executive Administrator may be filled by the State Treasurer.

(c1) The State Treasurer may employ such clerical and professional staff, and such other assistance as may be necessary to assist the Executive Administrator, the Board of Trustees, and the State Treasurer in carrying out their duties and responsibilities under this Article. The ~~Executive Administrator~~ State Treasurer may designate any managerial, professional, or policy-making positions as exempt from the North Carolina Human Resources Act. All exempt employees shall serve at the pleasure of the State Treasurer, and any vacancies in these positions may be filled by the State Treasurer. Salaries of exempt employees shall be set by the State Treasurer.

(c2) The Executive Administrator may also negotiate, renegotiate and execute contracts with third parties in the performance of the Executive Administrator's duties and responsibilities under this Article; provided any contract negotiations, renegotiations and execution with a Claims Processor, with an optional alternative comprehensive health benefit plan, or program thereunder, authorized under G.S. 135-48.2, with a preferred provider of institutional or professional hospital and medical care, or with a pharmacy benefit manager shall be done only ~~after consultation~~ with the consent of the State Treasurer.

(d) The Executive Administrator shall quarterly make reports and recommendations on the Plan to the President Pro Tempore of the Senate and the Speaker of the House of Representatives."

UNC BOARD OF GOVERNORS TO MONITOR CREATION OF NEW POSITIONS AND CERTAIN INCREASES/CONSULTATION REQUIREMENT

SECTION 35.24. Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-17.3. Board of Governors monitors certain human resources actions.**

(a) The Board of Governors of The University of North Carolina shall monitor nonlegislative annual employee salary increases in the amount of five percent (5%) or more granted at constituent institutions or within the General Administration (i) to employees having annual salaries of one hundred thousand dollars ($100,000) or greater or (ii) that would result in an annual employee salary of one hundred thousand dollars ($100,000) or greater. No such salary increase shall become effective unless or until it is reported to the Board by a consultation that includes the justification for the increase or otherwise complies with consultation requirements adopted by the Board.

(b) The Board of Governors of The University of North Carolina shall monitor new personnel positions created at constituent institutions or within the General Administration having annual salaries of seventy thousand dollars ($70,000) or greater. No such new position may be filled unless or until its creation is reported to the Board by a consultation that includes the justification for the new position or otherwise complies with consultation requirements adopted by the Board."

PART XXXVI. CAPITAL APPROPRIATIONS

GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION

SECTION 36.1. The appropriations made by the 2017 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

CAPITAL APPROPRIATIONS/GENERAL FUND

SECTION 36.2.(a) There is appropriated from the General Fund for the 2017-2019 fiscal biennium the following amounts for capital improvements:

Capital Improvements – General Fund	**2017-2018**	**2018-2019**
Department of Environment and Natural Resources		
Water Resources Development	$15,648,000	–
Department of Public Safety		
Greenville Office Building & Garage	2,000,000	$1,917,993
National Guard – Joint Forces HQ Helipad	1,000,000	–
Youth Development Center in Rockingham County	13,200,000	–
Stonewall Jackson Youth Development Center fence	200,000	
National Guard – DuPont Forest		
Joint Training Center	100,000	–
Department of Natural and Cultural Resources		
Fort Fisher Museum and Visitor Center	5,000,000	–
Fayetteville Civil War Museum project	5,000,000	–
Fayetteville State University		
Health & Wellness Facility	5,500,000	–
Department of Agriculture and Consumer Services		
Emergency Programs Warehouse	500,000	–
Cleveland Community College		
Center for Advanced Manufacturing	5,000,000	–
Brunswick Community College		
Gym renovations	60,000	–
Stanly Community College		
Culinary Arts facility	500,000	–
University of North Carolina-Chapel Hill		
New Business School building	1,000,000	–
TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND	**$54,708,000**	**$1,917,993**

SECTION 36.2.(b) Notwithstanding G.S. 143C-3-3(b), the University of North Carolina at Chapel Hill may use the funds appropriated to it in subsection (a) of this section to develop plans for the construction of a new business school building.

SECTION 36.2.(c) Of the five million dollars ($5,000,000) appropriated in subsection (a) of this section to the Department of Natural and Cultural Resources for the Fayetteville Civil War Museum project, the sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a matching grant for the Fayetteville Civil War Museum project. Upon verification of the collection of two million five hundred thousand dollars ($2,500,000) in private donations toward the project, the Office of State Budget and Management shall provide one dollar for every private dollar provided in kind or otherwise, up to a maximum of two million five hundred thousand dollars ($2,500,000) for the matching grant described in this subsection.

SECTION 36.2.(d) The amount appropriated in this act to the Department of Public Safety for the construction of a new youth development center shall be used to construct that facility at a site located in Rockingham County.

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION 36.3.(a) The Department of Environmental Quality shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated fourteen million eighty-five thousand dollars ($14,085,000) in federal funds.

	Name of Project	**2017-2018**
(1)	Princeville Flood Damage Reduction	$431,000
(2)	Carolina Beach CSDR (Next cycle plans & specs.)	300,000
(3)	Kure Beach CSDR (Next cycle plans & specs.)	300,000
(4)	Wrightsville Storm Damage Reduction – Constr. Cycle 12	3,000,000
(5)	Wrightsville Storm Damage Reduction – Post-Auth. Change Report	135,000
(6)	Planning Assistance	25,000
(7)	Wilmington Harbor Maintenance	-
(8)	Morehead City Harbor Maintenance	-
(9)	Surf City/North Topsail Preconstruction Activities	218,000
(10)	West Onslow Beach Preconstruction Activities	218,000
(11)	NRCS EQIP	2,000,000
(12)	State-Local Projects	1,500,000
(13)	Eastern NC Storm Debris Removal	1,000,000
(14)	Cape Fear River Lock & Dam/Fish Ramp Construction	840,000
(15)	New River Storm Damage Mitigation	2,000,000
(16)	Carolina Beach CSDR	1,158,000
(17)	North Topsail Shoreline Protection – Phase 2	500,000
(18)	Kunz Farm Park Riverwalk	250,000
(19)	Perquimans Marine Industrial Park	2,885,000
TOTALS		**$16,760,000**

SECTION 36.3.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the fifteen million six hundred forty-eight thousand dollars ($15,648,000) appropriated for water resources development projects in Section 36.2 of this act. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

	Name of Project	**Amount Carried Forward**
(1)	Carolina Beach CSDR (Next cycle plans & specs.)	$50,000
(2)	Kure Beach CSDR (Next cycle plans & specs.)	50,000
(3)	Wrightsville Storm Damage Reduction – Constr.	700,000
(4)	Wrightsville Storm Damage Reduction – Post-Auth. Change Report	22,000
(5)	Planning Assistance	25,000
(6)	Surf City/North Topsail Preconstruction Activities	135,000
(7)	West Onslow Beach Preconstruction Activities	130,000
TOTALS		**$1,112,000**

SECTION 36.3.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2017-2018 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

(1) U.S. Army Corps of Engineers project feasibility studies.
(2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2017-2018 fiscal year.
(3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2017-2018 fiscal year.

SECTION 36.3.(d) The Department shall submit semiannual reports on the use of these funds to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Office of State Budget and Management on or before March 1 and September 1. Each report shall include all of the following:

(1) All projects listed in this section.
(2) The estimated cost of each project.
(3) The date that work on each project began or is expected to begin.
(4) The date that work on each project was completed or is expected to be completed.
(5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION 36.3.(e) Of the funds allocated for State-Local Projects in this section, the Department shall allocate the sum of five hundred thousand dollars ($500,000) for the 2017-2018 fiscal year to be used for Phase III of the Joseph McDowell Historical Catawba Greenway restoration project.

SECTION 36.3.(f) Of the funds allocated for State-Local Projects in this section, the Department shall allocate the sum of five hundred thousand dollars ($500,000) for the 2017-2018 fiscal year to be used for Phase VI-2 of the Ararat River Greenway and Stream Restoration project.

SECTION 36.3.(g) Section 37.2(e) of S.L. 2016-94 reads as rewritten:

"**SECTION 37.2.(e)** Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to, and there shall be no local match required for, any of the following, notwithstanding any other provision of law:

(1) The Environmental Quality Incentives Program. Furthermore, Section 36.3(e) of S.L. 2013-360, Section 36.2(e) of S.L. 2014-100, and Section 31.3(e) of S.L. 2015-241 shall not apply to funds made available as part of the Environmental Quality Incentives Program in any fiscal year. Any remaining balance of funds appropriated prior to the 2015-2017 fiscal biennium for Environmental Quality Incentives Program projects shall be paid out to each of the original grantees for the full grant award amount, except that the Secretary may retain ten percent (10%) of the State share of funding until the Natural Resources Conservation Service of the United States Department of Agriculture has provided a final practice approval for the project.

…."

SECTION 36.3.(h) G.S. 143-215.72 is amended by adding two new subsections to read:

"(c) When the Secretary issues new or revised policies for review of grant applications and fund disbursement under this Part, those policies shall not apply to a project already approved for funding unless the project applicant agrees to the new or revised policy. For purposes of this section, a project is approved for funding when the Department enters into a contract or other binding agreement to provide any share of State funding for the project. Nothing in this subsection is intended to preclude the Secretary from issuing or enforcing

policies applicable to projects approved for funding in order to comply with a requirement of State law or federal law or regulations.

(d) The following procedures apply only to grants for the purpose set forth in G.S. 143-215.71(8):

(1) A nongovernmental entity managing, administering, or executing the grant on behalf of a unit of local government may apply as a co-applicant for the grant and may be included as a responsible party on any required resolution issued by the unit of local government.

(2) The Department may make periodic payments for its share of nonfederal costs of a project prior to receipt of a final practice approval from the Natural Resources Conservation Service if the grantee has submitted a certified reimbursement request or invoice."

SECTION 36.3.(i) G.S. 143-215.72(d), as enacted by subsection (h) of this section, becomes effective July 1, 2017, and applies to projects approved for funding on or after that date.

SECTION 36.3.(j) Funds deposited with the Office of State Treasurer received pursuant to 33 U.S.C. § 701c-3 regarding leases related to lands acquired by the United States for flood control, navigation, and allied purposes are hereby appropriated to the relevant local governments for the benefit of public schools and public roads.

SECTION 36.3.(k) Notwithstanding any other provision of law, there shall be no local or federal match required for (i) the Perquimans Marine Industrial Park and (ii) the New River Storm Damage Mitigation.

SECTION 36.3.(*l*) In addition to the permissible uses for water resources grants provided in Part 8 of Article 21 of Chapter 143 of the General Statutes, basin construction shall be a permissible use for water resource grants issued for the Perquimans Marine Industrial Park project.

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION 36.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project	**Amount of Non-General Fund Funding Authorized**	
	FY 2017-2018	**FY 2018-2019**
Department of Natural and Cultural Resources		
Museum of Art- New Park and Pavilion Building	915,300	–
Wildlife Resources Commission		
Land Acquisition	7,000,000	3,000,000
Infrastructure Repair/Renovation	1,500,000	–
Setzer Hatchery Building Replacement	750,000	–
Boating Access	900,000	900,000
Setzer Hatchery Raceways Replacement	4,500,000	–
Outer Banks Education Center Air Handlers	–	300,000
Burnsville Depot	500,000	–
Butner Lab & Storage Building	500,000	–
Bolivia Depot	750,000	–
New Shooting Ranges	1,000,000	1,000,000
Department of Public Safety		
Nash Correctional Institution		
Field Ministry Program Facility	3,800,000	–

TOTAL AMOUNT OF NON-GENERAL FUND CAPITAL PROJECTS AUTHORIZED	**$22,115,300**	**$5,200,000**

SECTION 36.4.(b) From funds deposited with the State Treasurer in a capital improvement account to the credit of the Department of Agriculture and Consumer Services pursuant to G.S. 146-30, the sum of seventy-five thousand dollars ($75,000) for the 2017-2018 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2018-2019 fiscal year shall be transferred to the Department of Agriculture and Consumer Services to be used, notwithstanding G.S. 146-30, by the Department for its plant conservation program under Article 19B of Chapter 106 of the General Statutes for costs incidental to the acquisition of land, such as land appraisals, land surveys, title searches, and environmental studies, and for the management of the plant conservation program preserves owned by the Department.

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION 36.5.(a) Of the funds in the Reserve for Repairs and Renovations for the 2017-2018 fiscal year, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

(1) One-half of the funds shall be allocated to the Board of Governors of The University of North Carolina.

(2) One-half of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(d). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION 36.5.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in University residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

(1) The safety and well-being of the residents of campus housing programs.

(2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.

(3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.

(4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.

(5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

SECTION 36.5.(c) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b).

SECTION 36.5.(d) In making campus allocations of funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, the Board of Governors shall negatively weight the availability of non-State resources and carryforward funds available for repair and renovations and shall include information about the manner in which this subsection was complied within any report submitted pursuant to G.S. 143C-4-3(d).

SECTION 36.5.(e) Notwithstanding G.S. 143C-4-3, of the funds allocated from the Reserve for Repairs and Renovations for the 2017-2018 fiscal year, the following sums shall be allocated for the following projects:

(1) One million seven hundred fifty thousand dollars ($1,750,000) shall be allocated to the Department of Public Safety to be provided to the North Carolina National Guard for the demolition of Western Youth Correctional Facility.

(2) Two million dollars ($2,000,000) shall be allocated to the Department of Natural and Cultural Resources for the repairs and renovation projects involving the U.S.S. North Carolina Battleship.

(3) Three hundred thousand dollars ($300,000) shall be allocated to weatherproof Goodwin Hall and Joiner Hall at the North Carolina School for the Deaf in Morganton.

(4) Ten million dollars ($10,000,000) shall be allocated for the comprehensive renovation and repurposing of West Hall at the University of North Carolina at Pembroke.

(5) Two million five hundred thousand dollars ($2,500,000) shall be allocated to the Department of Natural and Cultural Resources, Division of Parks and Recreation, for repair and renovation projects at Morrow Mountain State Park in Stanly County.

(6) Four million five hundred thousand dollars ($4,500,000) shall be allocated to the Department of Natural and Cultural Resources for repair and renovation projects at the North Carolina Zoological Park.

(7) Two million two hundred thousand dollars ($2,200,000) shall be allocated to the Department of Public Safety to renovate the Swannanoa Correctional Center for Women to allow for portions to be used for a female Confinement Response to Violation (CRV) facility.

(8) Seven hundred fifty thousand dollars ($750,000) shall be allocated for the energy production facility replacement project at Western Carolina University.

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION 36.6. The appropriations made by the 2017 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2017 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2017 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

REPORTING ON CAPITAL PROJECTS

SECTION 36.7.(a) Definitions. – The following definitions apply in this section:

(1) Capital project. – Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars ($100,000) or more.

(2) Construction phase. – The status of a particular capital project as described using the terms customarily employed in the design and construction industries.

(3) New capital project. – A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION 36.7.(b) Reporting. – The following reports are required:

(1) By October 1, 2017, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.

(2) By October 1, 2017, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION 36.7.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

(1) The current construction phase of the project.

(2) The anticipated time line from the current construction phase to project completion.

(3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.

(4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.

(5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION 36.7.(d) In addition to the other reports required by this section, on October 1, 2017, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State building; (ii) detailed information about when the last FCAP assessment was for each State

building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

SECTION 36.7.(e) In addition to the other reports required by this section, on October 1, 2017, and quarterly thereafter, the State Construction Office shall report to the Joint Legislative Oversight Committee on Capital Improvements on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

ZOO STATE CONSTRUCTION EXEMPTIONS

SECTION 36.8.(a) G.S. 143-341 reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

…

(3) Architecture and Engineering:

a. To examine and approve all plans and specifications for the construction or renovation of:

1. All State buildings or buildings located on State lands, except those buildings over which a local building code inspection department has and exercises jurisdiction; and
2. All community college buildings requiring the estimated expenditure for construction or repair work for which public bidding is required under G.S. 143-129 prior to the awarding of a contract for such work; and to examine and approve all changes in those plans and specifications made after the contract for such work has been awarded.

a1. To organize and schedule, within three weeks of designer selection and before the design contract is let, a meeting of the stakeholders for each State capital improvement project to discuss plan review requirements and to define the terms of the memorandum of understanding developed by the State Building Commission pursuant to G.S. 143-135.26(2). The stakeholders shall include the funded agency, each State agency having plan review responsibilities for the project, and the selected designer. Notwithstanding the foregoing, the meeting need not be scheduled if the funded agency so requests.

b. To assist, as necessary, all agencies in the preparation of requests for appropriations for the construction or renovation of all State buildings.

b1. To certify that a statement of needs pursuant to G.S. 143C-3-3, other than for a project of The University of North Carolina for which advance planning has not been completed, is feasible. For purposes of this sub-subdivision, "feasible" means that the proposed project is sufficiently defined in overall scope; building program; site development; detailed design, construction, and equipment budgets; and comprehensive project scheduling so as to reasonably ensure that it may be completed with the amount of funds requested. At the discretion of the General Assembly, advanced planning funds may be appropriated in support of this certification. This sub-subdivision

shall not apply to requests for appropriations of less than one hundred thousand dollars ($100,000).

c. To supervise the letting of all contracts for the design, construction or renovation of all State buildings and all community college buildings whose plans and specifications must be examined and approved under a.2. of this subdivision.

d. To supervise and inspect all work done and materials used in the construction or renovation of all State buildings and all community college buildings whose plans and specifications must be examined and approved under a.2. of this subdivision; to act as the appropriate official inspector or inspection department for purposes of G.S. 143-143.2; and no such work may be accepted by the State or by any State agency until it has been approved by the Department.

e. To require all State agencies to use existing plans and specificiations for construction projects, where feasible. Prior to designing a project, State agencies shall consult with the Department of Administration on the availability of appropriate existing plans and specifications and the feasibility of using them for a project.

f. To provide written allocation of the deduction allowed under section 179D of the Code, as defined in G.S. 105-228.90, for designing energy efficient commercial building property that is installed on or in property owned by the State. The allocation must be made in accordance with section 179D of the Code.

Except for sub-subdivisions b., b1., e., and f. of this subdivision, this subdivision does not apply to either (i) the design, construction, or renovation of projects by The University of North Carolina pursuant to ~~G.S. 116-31.11.~~G.S. 116-31.11 or (ii) the North Carolina Zoological Park Council and the Department of Natural and Cultural Resources, with respect to projects at the North Carolina Zoological Park pursuant to G.S. 143B-135.214.

…."

SECTION 36.8.(b) Part 39 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-135.214. Powers of Council and Department regarding certain fee negotiations, contracts, and capital improvements.**

(a) The exception for the North Carolina Zoological Park set forth in G.S. 143-341(3) shall apply only to projects requiring the estimated expenditure of public money of two million dollars ($2,000,000) or less. The Council and the Department of Natural and Cultural Resources shall, with respect to the design, construction, or renovation of buildings, utilities, and other property developments of the North Carolina Zoological Park that fall below that threshold:

(1) Conduct the fee negotiations for all design contracts and supervise the letting of all construction and design contracts.

(2) Develop procedures governing the responsibilities of the Council and the Department to perform the duties of the Department of Administration under G.S. 133-1.1(d) and G.S. 143-341(3).

(3) Use existing plans and specifications for construction projects, where feasible. Prior to designing a project, the Council and the Department shall consult with the Department of Administration on the availability of existing plans and specifications and the feasibility of using them for a project.

(b) The Council and Department shall use the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

(c) A contract may not be divided for the purpose of evading the monetary limit under this section.

(d) Notwithstanding any other provision of this Chapter, the Department of Administration shall not be the awarding authority for contracts awarded pursuant to this section.

(e) This section shall not exempt any capital improvement project from review and approval as may be required by law by the entity having jurisdiction over the subject property.

(f) The Department shall annually report to the State Building Commission the following:

(1) A list of projects governed by this section.

(2) The estimated cost of each project along with the actual cost.

(3) The name of each person awarded a contract under this section.

(4) Whether the person or business awarded a contract under this section meets the definition of "minority business" or "minority person" as defined in G.S. 143-128.2(g).

(g) Unless clearly indicated otherwise, nothing in this section is intended to relieve the Department or the Council from the obligations imposed by Article 3 of Chapter 143 of the General Statutes."

REALIGNMENT OF DHHS CAPITAL PROJECTS

SECTION 36.9.(a) Section 23.12(e) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(e)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~ninety-eight million seven hundred eighty-two thousand five hundred forty dollars ($98,782,540)~~ninety-one million two hundred eighty-two thousand five hundred forty dollars ($91,282,540) to finance the capital facility costs of the Department of Health and Human Services Public Health Laboratory and Office of Chief Medical Examiner. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2007."

SECTION 36.9.(b) Section 23.12(f) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(f)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~one hundred thirty-eight million three hundred twenty-five thousand eight hundred fourteen dollars ($138,325,814)~~one hundred thirty-nine million three hundred twenty-five thousand eight hundred fourteen dollars ($139,325,814) to finance the capital facility costs of the Eastern Regional Psychiatric Hospital for the Department of Health and Human Services. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2007. No more than a maximum aggregate principal amount of one hundred million dollars ($100,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2008."

SECTION 36.9.(c) Section 23.12(h) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(h)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~one hundred fifty-four million seven hundred seventy-two thousand eight hundred one dollars ($154,772,801)~~one hundred sixty-one million two hundred seventy-two thousand eight hundred one dollars ($161,272,801) to finance the capital facility costs of the Western Regional Psychiatric Hospital for the Department of Health and Human Services. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No special indebtedness may be issued or incurred under this subsection prior to July 1, 2008. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2009. No more than a maximum aggregate principal amount of fifty-four million dollars ($54,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2011."

DPS EXISTING FACILITIES MAXIMIZATION

SECTION 36.10. If House Bill 280 of the 2017 Regular Session becomes law, the Department of Public Safety shall accommodate any new requirements resulting from its enactment by maximizing the use of existing facilities. The Department shall demonstrate that the use of existing facilities has been maximized prior to requesting funding for additional facilities.

PAY-AS-YOU-GO CAPITAL AND INFRASTRUCTURE FUND ESTABLISHED JULY 1, 2019

SECTION 36.12.(a) Effective July 1, 2019, G.S. 143C-4-3 is repealed.

SECTION 36.12.(b) Effective July 1, 2019, Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-4-3.1. State Capital and Infrastructure Fund.**

(a) Legislative Intent. – The General Assembly recognizes the need to establish and maintain a sufficient funding source to address the ongoing capital and infrastructure needs of the State. The General Assembly further recognizes the need to protect the State's substantial improvements in existing public facilities while providing a stable funding source to pay for new facilities to meet the needs of a growing population.

(b) Creation and Source of Funds. – There is established in the General Fund the State Capital and Infrastructure Fund, hereinafter referred to as the "Fund." The Fund shall be maintained as a special fund and administered by the Office of State Budget and Management to carry out the provisions of this section. With the exception of debt service obligations, appropriations from the Fund may be administered by other State agencies as deemed necessary by the Office of State Budget and Management. Interest accruing from the monies in the Fund shall be credited to the Fund. The Fund shall consist of the following sources of funding:

(1) One-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.

(2) Four percent (4%) of the net State tax revenues that are deposited in the General Fund during the fiscal year.

(3) All monies appropriated by the General Assembly for the purposes of capital improvements, as defined in G.S. 143C-1-1(d).

(4) All interest and investment earnings received on monies in the Fund.

(5) Any other funds, as directed by the General Assembly.

(c) Funding Requirements. – Each Current Operations Appropriations Act enacted by the General Assembly shall include (i) a transfer to the Fund of four percent (4%) of each fiscal year's estimated net State tax revenues that are deposited in the General Fund and (ii)

one-fourth of the General Fund unreserved fund balance, as determined on a cash basis, at the end of each fiscal year.

(d) Transfer of Funds to the Fund. – Each fiscal year, the Office of State Controller shall transfer to the Fund the estimated amounts required pursuant to subsection (c) of this section. Upon calculation of the actual net State tax revenue collections that are deposited in the General Fund, the Office of State Controller shall adjust the amount of the transfer to the Fund to achieve an amount equivalent to four percent (4%) of collections. Each fiscal year, the Office of State Controller shall transfer to the Fund one-fourth of the General Fund unreserved fund balance, as determined on a cash basis, at the end of the fiscal year.

(e) Use of Funds. – Monies in the Fund shall first be used to meet the debt service obligations of the State. In addition to meeting the State's debt service obligations, monies in the Fund may be used for the following purposes:

(1) New State and The University of North Carolina capital projects governed pursuant to Article 8 of Chapter 143C of the General Statutes.

(2) Repair and renovation of existing capital assets, as provided in G.S. 143C-8-13.

(f) Funds Available Only Upon Appropriation. – Funds reserved to the Fund shall be available for expenditure only upon an act of appropriation by the General Assembly."

SECTION 36.12.(c) Effective July 1, 2019, Article 8 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-8-13. Repairs and Renovations.**

(a) Use of Funds. – Funds for repairs and renovations shall be available for expenditure only upon an act of appropriation by the General Assembly. Funds appropriated for repairs and renovations shall be used only for State facilities and related infrastructure that are supported from the General Fund and for Department of Information Technology facilities and related infrastructure. Funds appropriated for repairs and renovations projects shall not be used for new construction or the expansion of the building area (sq. ft.) of an existing facility unless required in order to comply with federal or State codes or standards. Allowable projects include any of the following:

(1) Roof repairs and replacements.

(2) Structural repairs.

(3) Repairs and renovations to meet federal and State standards.

(4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems.

(5) Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended.

(6) Improvements to meet fire safety needs.

(7) Improvements to existing facilities for energy efficiency.

(8) Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks.

(9) Improvements and renovations to improve use of existing space.

(10) Historical restoration.

(11) Improvements to roads, walks, drives, and utilities infrastructure.

(12) Drainage and landscape improvements.

(13) Building demolition.

(b) Allocation and Reallocation of Funds for Particular Projects. – Any funds that are allocated to the Board of Governors of The University of North Carolina or to the Office of State Budget and Management may be allocated or reallocated by those agencies for repairs and renovations projects so long as all of the following conditions are satisfied:

(1) Any project that receives an allocation or reallocation satisfies the requirements of subsection (a) of this section.

(2) If the allocation or reallocation of funds from one project to another under this section is two million five hundred thousand dollars ($2,500,000) or

more for a particular project, the Office of State Budget and Management or the Board of Governors, as appropriate, consults with the Joint Legislative Commission on Governmental Operations prior to the expenditure or reallocation.

(3) If the allocation or reallocation of funds from one project to another under this section is less than two million five hundred thousand dollars ($2,500,000) for a particular project, the allocation or reallocation of funds is reported to the Joint Legislative Commission on Governmental Operations within 60 days of the expenditure or reallocation."

SECTION 36.12.(d) Effective July 1, 2019, G.S. 143C-3-5 reads as rewritten:

"**§ 143C-3-5. Budget recommendations and budget message.**

…

(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

…

(6) The Governor's Recommended State Budget shall include a transfer to the State Capital and Infrastructure Fund of four percent (4%) of the estimated net State tax revenues that are deposited in the General Fund for each fiscal year of the upcoming biennium.

…."

SECTION 36.12.(e) Effective July 1, 2019, G.S. 143B-135.188(d)(2) reads as rewritten:

"(2) The project meets the requirements of ~~G.S. 143C-4-3(b).~~G.S. 143C-8-13(a)."

SECTION 36.12.(f) Effective July 1, 2019, G.S. 143B-135.209(c)(2) reads as rewritten:

"(2) The project meets the requirements of ~~G.S. 143C-4-3(b).~~G.S. 143C-8-13(a)."

SECTION 36.12.(g) Effective July 1, 2019, G.S. 143B-135.225(c)(2) reads as rewritten:

"(2) The project meets the requirements of ~~G.S. 143C-4-3(b).~~G.S. 143C-8-13(a)."

SECTION 36.12.(h) Effective July 1, 2019, G.S. 143C-5-4(b)(8) reads as rewritten:

"(8) Statutory transfers to reserves. – Notwithstanding G.S. 143C-4-2 and ~~G.S. 143C-4-3,~~G.S. 143C-4-3.1, funds shall not be reserved to the Savings Reserve Account or the ~~Repairs and Renovations Reserve Account~~State Capital and Infrastructure Fund and the State Controller shall not transfer funds from the unreserved fund balance to those accounts on June 30 of the prior fiscal year."

SECTION 36.12.(i) Effective July 1, 2019, G.S. 143C-6-5(a) reads as rewritten:

"(a) Notwithstanding any other provision of law, no funds from any source, except for gifts, grants, or funds allocated from the ~~Repair and Renovations Account~~State Capital and Infrastructure Fund in accordance with ~~G.S. 143C-4-3,~~G.S. 143C-4-3.1, funds allocated from the Contingency and Emergency Fund in accordance with G.S. 143C-4-4, and funds exempted from Chapter 143C in accordance with G.S. 143C-1-3(c) may be expended for any new or expanded purpose, position, or other expenditure for which the General Assembly has considered but not enacted an appropriation of funds for the current fiscal period. For the purpose of this subsection, the General Assembly has considered a purpose, position, or other expenditure when that purpose is included in a bill which fails a reading, or if the purpose is included in the version of a bill that passes one house, but the bill is enacted without the purpose."

SECTION 36.12.(j) Effective July 1, 2019, G.S. 143C-8-12(b) reads as rewritten:

"(b) Carryforward Funds. – For purposes of this section, the term "non-General Fund money" includes funds carried forward from one fiscal year to another pursuant to

G.S. 116-30.3 and G.S. 116-30.3B. These funds shall only be used for projects listed in ~~G.S. 143C-4-3(b).~~G.S. 143C-8-13(a)."

PART XXXVII. DEPARTMENT OF INFORMATION TECHNOLOGY

GOVERNMENT DATA ANALYTICS CENTER/INFRASTRUCTURE AND OPERATIONS

SECTION 37.1. Of the funds appropriated in this act to the Department of Information Technology, Government Data Analytics Center (GDAC), the sum of two million dollars ($2,000,000) for the 2017-2018 fiscal year and the sum of two million dollars ($2,000,000) for the 2018-2019 fiscal year shall be used to fund contract additions that support GDAC infrastructure and operations improvements, including security upgrades to comply with State and federal requirements, and to provide enhanced and expanded GDAC user services, data storage, data integration, and system maintenance.

GOVERNMENT BUDGETS TRANSPARENCY/ACCOUNTABILITY/REPORTING

SECTION 37.2.(a) By September 1, 2017, the State Chief Information Officer, the State Controller, the Office of State Budget and Management (OSBM), and the State Chief Information Officer (State CIO) shall make a detailed written report to the chairs of the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of efforts to effectuate the State budget transparency Internet Web site as mandated in Section 7.17 of S.L. 2015-241 to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016. Specifically, the reports shall:

(1) Include an explanation of coordination efforts with counties and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites.

(2) Account for how the appropriated General Funds in the amount of eight hundred fourteen thousand dollars ($814,000) for the 2015-2016 fiscal year were or were not spent toward the purposes of implementation of the mandated transparency requirements.

SECTION 37.2.(b) By January 1, 2018, the Internet Web sites mandated by Section 7.17 of S.L. 2015-241 must be fully functional and:

(1) User friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

SECTION 37.2.(c) Of the funds appropriated to the Department of Information Technology for the 2017-2019 fiscal biennium, the sum of up to one million dollars ($1,000,000) from the Information Technology Reserve Fund balance shall be used to implement fully the government transparency initiative mandated in Section 7.17 of S.L. 2015-241, including collection of all financial information from all State government agencies, public universities, community colleges, counties, and local school administrative units, with the option for full local government participation (with cities encouraged, but not required, to participate).

SECTION 37.2.(d) Section 7.17 of S.L. 2015-241 reads as rewritten:

"**SECTION 7.17.(a)** In coordination with the State Controller and the Office of State Budget and Management (OSBM), the State Chief Information Officer (State CIO) shall establish a State budget transparency Internet Web site to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016.

"**SECTION 7.17.(b)** In addition, the State CIO shall coordinate with ~~counties, cities,~~ counties and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites and to provide the data to

the Local Government Commission (LGC) to be published, in a standardized format, on the State budget transparency Internet Web site established in subsection (a) of this section.

"**SECTION 7.17.(c)** The Internet Web sites mandated by this section shall be fully functional by April 1, 2016. Each Internet Web site shall:

(1) Be user-friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed by the public.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

"**SECTION 7.17.(d)** Each State agency, county, ~~city,~~ and local education agency shall work with the State CIO, the State Controller, and the OSBM to ensure that complete and accurate budget and spending information is provided in a timely manner as directed by the State CIO. Each State agency Internet Web site shall include a hyperlink to the State's budget transparency Internet Web site. The LGC shall work with the State CIO to post data on the LGC's Internet Web site in a consistent manner that allows comparisons between the local entities providing data under subdivision (2) of subsection (c) of this section.

"**SECTION 7.17.(e)** There is appropriated from the General Fund to the Office of State Budget and Management the sum of eight hundred fourteen thousand dollars ($814,000) for the 2015-2016 fiscal year for the purpose of implementing the provisions of this section.

"**SECTION 7.17.(f)** The Office of State Budget and Management, in coordination with the Department of Information Technology, shall submit a quarterly report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the progress of the budget transparency Internet Web site development and implementation as directed by this section."

DATA CENTER CONSOLIDATION

SECTION 37.3.(a) The consolidation of State data centers shall continue as a priority for the 2017-2019 fiscal biennium, however, the Western Data Center in Rutherford County and the Eastern Data Center in Wake County may not be closed or consolidated without express authorization by the General Assembly.

SECTION 37.3.(b) Unless otherwise exempt, State agencies shall continue to use the State infrastructure to host their projects, services, data, and applications, except that the State Chief Information Officer may grant an exception if the State agency demonstrates any of the following:

(1) Using an outside contractor would be more cost-effective for the State.

(2) The Department of Information Technology does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

SECTION 37.3.(c) By December 1, 2017, the State Chief Information Officer shall present a report on data center consolidations to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before May 1, 2018, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the number of physical servers eliminated across all departments as a result of data center consolidation and the savings associated with such elimination.

DEPARTMENT OF INFORMATION TECHNOLOGY TRANSFERS/COMPLETION BY JULY 1, 2018

SECTION 37.4.(a) The transition period mandated by G.S. 143B-1325 for consolidation of the State's information technology functions and personnel under the Department of Information Technology ends effective June 30, 2018, except as provided by subsection (d) of that section.

SECTION 37.4.(b) Effective July 1, 2018, G.S. 143B-1325 reads as rewritten:

"**§ 143B-1325. ~~Transition to~~ State information technology consolidated under Department of Information Technology.**

(a) ~~Transition Period. – During the 2015-2016 fiscal year, the State CIO shall work with appropriate State agencies to develop a State business plan. The State CIO shall develop documentation to support~~ Consolidation Completed. – Effective July 1, 2018, the consolidation of enterprise information technology functions within the executive branch ~~to include the following:~~is completed with the Secretary heading all of the information technology functions under the Department's purview, including all of the following:

(1) Information technology architecture.
(2) ~~Updated~~ State information technology strategic plan that reflects State and agency business plans and the State information technology architecture.
(3) Information technology funding process to include standardized, transparent rates that reflect market costs for information technology requirements.
(4) Information technology personnel management.
(5) Information technology project management.
(6) Information technology procurement.
(7) Hardware configuration and management.
(8) Software acquisition and management.
(9) Data center operations.
(10) Network operations.
(11) System and data security, including disaster recovery.

(b) Phased Transitions. – The State CIO shall develop detailed plans for the phased transition of participating agencies to the Department, as well as a plan that defines in detail how information technology support shall be provided to agencies that are not participating agencies. These plans shall be coordinated, in writing, with each agency and shall address any issues unique to a specific agency.

(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

(1) Department of Natural and Cultural Resources.
(2) Department of Health and Human Services.
(3) Department of Revenue.
(4) Department of Environmental Quality.
(5) Department of Transportation.
(6) Department of Administration.
(7) Department of Commerce.
(8) Governor's Office.
(9) Office of State Budget and Management.
(10) Office of State Human Resources.
(11) Repealed by Session Laws 2016-94, s. 7.11(a), effective July 1, 2016.
(12) Department of Military and Veterans Affairs.
(13) Department of Public Safety, with the exception of the following:
    a. State Bureau of Investigation.
    b. State Highway Patrol.
    c. Division of Emergency Management.

The State CIO shall ensure that State agencies' operations are not adversely impacted ~~during the transition.~~under the State agency information technology consolidation.

(d) Report on Transition Planning. – The Community College System ~~Office~~ Office, the Department of Public Instruction, and the State Board of Elections shall work with the State CIO to plan their transition to the Department. By October 1, 2018, these agencies, in

conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on their respective transition plans.

(e) Separate agencies may transition their information technology to the Department following completion of a transition plan."

INFORMATION TECHNOLOGY INTERNAL SERVICE FUND/RATES

SECTION 37.5.(a) During the 2017-2019 fiscal biennium:

(1) Information Technology Internal Service Fund receipts for the 2017-2018 fiscal year shall not exceed two hundred five million dollars ($205,000,000).

(2) Information Technology Internal Service Fund receipts for the 2018-2019 fiscal year shall not exceed two hundred five million dollars ($205,000,000).

Rates approved by the Office of State Budget and Management during the 2017-2019 fiscal biennium to support the Information Technology Internal Service Fund shall be based on the fund limit set in this section.

Information Technology Internal Service Fund receipts may be increased for specific purposes only after consultation with the Joint Legislative Commission on Governmental Operations each time a requirement necessitating an increase is identified.

SECTION 37.5.(b) For the 2017-2018 fiscal year, receipts in excess of requirements, including information technology equipment and fixtures, shall be maintained in a separate account to be managed by the Office of State Budget and Management. The amounts received shall be used for the following purposes:

(1) To offset agency budget shortfalls resulting from Department of Information Technology rate increases.

(2) To offset Department of Information Technology Internal Service Fund budget shortfalls, if approved by the Office of State Budget and Management.

SECTION 37.5.(c) For the 2018-2019 fiscal year, budget requirements and associated rates shall be developed based on actual service costs for fiscal year 2016-2017. These budget requirements and associated rates shall be developed and reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by October 1, 2018.

SECTION 37.5.(d) Receipts collected for Information Technology Internal Service Fund services shall only be used for the specific purposes for which they were collected and, to the extent not already appropriated, are hereby appropriated for those purposes. Funds collected for information technology equipment and fixtures shall be separately maintained and accounted for by the Department of Information Technology, and such funds shall be used only for the replacement of the fixtures and equipment for which the funds were collected.

SECTION 37.5.(e) By December 1, 2017, the Department of Information Technology shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the development of rates and the means and methods by which it is in compliance with the requirements of this section.

SECTION 37.5.(f) The State Chief Information Officer shall ensure that bills from the Department of Information Technology are easily understandable and fully transparent. If a State agency fails to pay its IT Internal Service Fund bill within 30 days of receipt, the Office of State Budget and Management may transfer funds from the agency to fully or partially cover the cost of the bill from that agency to the IT Internal Service Fund following notification of the affected agency.

ENTERPRISE RESOURCE PLANNING

SECTION 37.6.(a) The Department of Information Technology shall collaborate with the Office of State Budget and Management and the Office of State Controller to continue to develop a fully consolidated statewide Enterprise Resource Planning (ERP) solution. To that end, of the funds appropriated in this act to the Statewide Reserves, the sum of three million dollars ($3,000,000) for the 2017-2018 fiscal year and the sum of ten million dollars

($10,000,000) for the 2018-2019 fiscal year shall be allocated to the Department of Information Technology for ERP projects.

SECTION 37.6.(b) The Department of Information Technology shall annually report on the progress of the ERP projects to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before January 1. In its January 1, 2019, report, and prior to entering into any contract, the Department shall include the results of the ERP request for proposals process.

COMMUNITY COLLEGE SYSTEM ENTERPRISE RESOURCE PLAN DESIGN AND IMPLEMENTATION REVISIONS

SECTION 37.7. Section 7.10A of S.L. 2016-94 reads as rewritten:

"**COMMUNITY COLLEGES SYSTEM ERP DESIGN AND IMPLEMENTATION**

"**SECTION 7.10A.(a)** The North Carolina Community Colleges System Office, in consultation with the Department of Information Technology, shall begin planning and design of a modernized ERP for the State's 58 community colleges. The ERP system shall address, at a minimum, student information system, core financial management, grants, human resource management, and payroll. The planning and design of the ERP system may include either a modernization of the current system or a replacement system. ~~A request for proposal for a replacement system implementation shall be prepared for release~~ The North Carolina Community Colleges System Office shall initiate a competitive solicitation process for implementation of a replacement system no later than October 1, 2017. The North Carolina Community Colleges System Office may use funds from the North Carolina Community College IT Systems Budget Code 26802 to support planning and request for proposal development ~~efforts; provided, that the total amount expended for the project does not exceed one million dollars ($1,000,000).~~efforts. To the extent that these funds have not been appropriated for the 2016-2017 fiscal year elsewhere, they are hereby appropriated.

"**SECTION 7.10A.(b)** The North Carolina Community Colleges System Office shall submit a preliminary report on the planning and implementation of the enterprise resource planning system to the Joint Legislative Oversight Committee on Information Technology on or before January 15, 2017. ~~The report shall identify~~ By no later than October 1, 2017, the System Office shall report on the results of the planning and design effort, including at least all of the following information:

(1) Proposed sequence of functional and site implementation.
(2) A phased-in contracting plan with checkpoints to facilitate budgeting and program management.
(3) The feasibility of a cloud-based component.
(4) Cost estimate for full implementation."

ESTABLISH ROTATIONAL DEVELOPMENT PROGRAM FOR STATE INFORMATION TECHNOLOGY

SECTION 37.8. The Department of Information Technology shall develop a rotational development program (RDP) for its Statewide Information Technology Division and for information technology procurement. The RDP shall coordinate with participating agencies, as defined in G.S. 143B-1320, to utilize existing agency staff on a quarterly basis to supplement Department resources and to expand opportunities for education and cross-functional training.

RISK AND VULNERABILITY ASSESSMENT

SECTION 37.9.(a) The Department of Information Technology shall coordinate with each participating agency, as defined in G.S. 143B-1320, to conduct a risk and vulnerability assessment (RVA). The RVA shall consider, at a minimum, all of the following for each participating agency:

(1) The existing network infrastructure and configuration, including all interconnectivity and supported protocols and network services offered.
(2) Publicly available information and data accessible via agency Web sites.

(3) An inventory of all agency hardware and its operating systems and network management systems.
(4) An inventory of all applications, data storage devices and systems, and identification and authentication measures.
(5) Existing security systems and components, including antivirus, firewalls, and network monitoring.
(6) Network application processes and formal and informal policies, procedures, and guidelines.
(7) All applicable laws, regulations, and industry best practices.

SECTION 37.9.(b) Of the funds appropriated to the Department of Information Technology for the 2017-2019 fiscal biennium, the sum of two million dollars ($2,000,000) from the Information Technology Reserve Fund balance shall be used to conduct the RVA pursuant to this section.

DIT ENCRYPTED DEVICE STUDY

SECTION 37.10. The Department of Information Technology shall conduct a study on the use of encrypted mobile information storage devices. The study shall consider potential benefits, risks, and costs of implementing and utilizing encrypted mobile information storage devices, including any identifiable issues relating to interfacing or networking with existing State resources. The Department shall submit the results of the study to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before January 15, 2018.

NETWORK SEGMENTATION AND AUTOMATION

SECTION 37.11. In an effort to better protect critical State infrastructure and data, the Department of Information Technology shall incorporate network segmentation and automation into its statewide cybersecurity policy and shall require participating agencies, as defined in G.S. 143B-1320, to adopt solutions and security controls that isolate and segment sensitive information.

WIRELESS BROADBAND NETWORK FOR PUBLIC SAFETY/COMPETITIVE GRANTS PROGRAM

SECTION 37.12. The Department of Information Technology shall use a competitive request for proposals (RFP) process as necessary during the 2017-2019 fiscal biennium to continue the work of the FirstNet program for wireless broadband networking capabilities. The Department shall submit a report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the outcome of the RFP process upon its completion.

PART XXXVIII. FINANCE PROVISIONS

LOWER PERSONAL INCOME TAX RATE

SECTION 38.1.(a) G.S. 105-153.7(a) reads as rewritten:

"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax is ~~five and four hundred ninety-nine thousandths percent (5.499%)~~ five and one-quarter percent (5.25%) of the taxpayer's North Carolina taxable income."

SECTION 38.1.(b) This section is effective for taxable years beginning on or after January 1, 2019.

INCREASE STANDARD DEDUCTION

SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2)

of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

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

Filing Status	**Standard Deduction**
Married, filing jointly/surviving spouse	~~$17,500~~$20,000
Head of Household	~~14,000~~15,000
Single	~~8,750~~10,000
Married, filing separately	~~8,750.~~10,000."

SECTION 38.2.(b) This section is effective for taxable years beginning on or after January 1, 2019.

CONVERT CHILD TAX CREDIT TO A DEDUCTION

SECTION 38.4.(a) G.S. 105-153.5 is amended by adding a new subsection to read:

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

…

(a1) Child Deduction Amount. – A taxpayer who is allowed a federal child tax credit under section 24 of the Code for the taxable year is allowed a deduction under this subsection for each dependent child for whom the taxpayer is allowed the federal tax credit. The amount of the deduction is equal to the amount listed in the table below based on the taxpayer's adjusted gross income, as calculated under the Code:

Filing Status	**AGI**	**Deduction Amount**
Married, filing jointly/ surviving spouse	Up to $40,000	$2,500.00
	Over $40,000 Up to $60,000	2,000.00
	Over $60,000 Up to $80,000	1,500.00
	Over $80,000 Up to $100,000	1,000.00
	Over $100,000 Up to $120,000	500.00
	Over $120,000	0
Head of Household	Up to $30,000	$2,500.00
	Over $30,000 Up to $45,000	2,000.00
	Over $45,000 Up to $60,000	1,500.00
	Over $60,000 Up to $75,000	1,000.00
	Over $75,000 Up to $90,000	500.00
	Over $90,000	0
Single	Up to $20,000	$2,500.00
	Over $20,000 Up to $30,000	2,000.00
	Over $30,000 Up to $40,000	1,500.00
	Over $40,000 Up to $50,000	1,000.00
	Over $50,000	

	Up to $60,000	500.00
	Over $60,000	0
Married, filing separately	Up to $20,000	$2,500.00
	Over $20,000	
	Up to $30,000	2,000.00
	Over $30,000	
	Up to $40,000	1,500.00
	Over $40,000	
	Up to $50,000	1,000.00
	Over $50,000	
	Up to $60,000	500.00
	Over $60,000	0.

…."

SECTION 38.4.(b) G.S. 105-153.10 is repealed.

SECTION 38.4.(c) This section is effective for taxable years beginning on or after January 1, 2018.

LOWER CORPORATE INCOME TAX RATE

SECTION 38.5.(a) G.S. 105-130.3 reads as rewritten:

"**§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~four percent (4%).~~three percent (3%). An S Corporation is not subject to the tax levied in this section."

SECTION 38.5.(b) G.S. 105-130.3, as amended by subsection (a) of this section, reads as rewritten:

"**§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~three percent (3%).~~two and one-half percent (2.5%). An S Corporation is not subject to the tax levied in this section."

SECTION 38.5.(c) G.S. 105-130.3C is repealed.

SECTION 38.5.(d) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2017. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2019. The remainder of this section is effective when this act becomes law.

LOWER FRANCHISE TAX FOR S CORPORATIONS

SECTION 38.6.(a) G.S. 105-122 reads as rewritten:

"**§ 105-122. Franchise or privilege tax on domestic and foreign corporations.**

(a) Tax Imposed. – An annual franchise or privilege tax is imposed on a corporation doing business in this ~~State.~~ State for the privilege of doing business in this State and for the continuance of articles of incorporation or domestication of each corporation in this State. The tax is determined on the basis of the books and records of the corporation as of the close of its income year. A corporation subject to the tax must file a return under affirmation with the Secretary at the place and in the manner prescribed by the Secretary. The return must be signed by the president, vice-president, treasurer, or chief financial officer of the corporation. The return is due on or before the fifteenth day of the fourth month following the end of the corporation's income year.

…

(d) Tax ~~Base and Tax Rate. – After determining the~~ Base. – A corporation's tax base is the greater of the following:

(1) The proportion of its net worth as set out in subsection (c1) of this ~~section, which amount shall not be less than fifty-five percent (55%)~~ section.

(2) Fifty-five percent (55%) of the corporation's appraised value as determined for ad valorem taxation of all the real and tangible personal property in this ~~State of each corporation nor less than its~~ State. For purposes of this subdivision, the appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return.

(3) The corporation's total actual investment in tangible property in this ~~State, every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, a franchise or privilege tax at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the total amount of net worth as provided in this section. The tax imposed in this section shall not be less than two hundred dollars ($200.00) and is for the privilege of carrying on, doing business, and/or the continuance of articles of incorporation or domestication of each corporation in this State. Appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return. The term "total~~ State. For purposes of this subdivision, the total actual investment in tangible ~~property" as used in this section means~~ property in this State is the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this State plus additions and improvements thereto less reserve for depreciation as permitted for income tax purposes.

…

(d2) Tax Rate. – For a C Corporation, as defined in G.S. 105-130.2, the tax rate is one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the corporation's tax base as determined under subsection (d) of this section. For an S Corporation, as defined in G.S. 105-130.2, the tax rate is two hundred dollars ($200.00) for the first one million dollars ($1,000,000) of the corporation's tax base as determined under subsection (d) of this section and one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of its tax base that exceeds one million dollars ($1,000,000). In no event may the tax imposed by this section be less than two hundred dollars ($200.00).

…."

SECTION 38.6.(b) This section is effective for taxable years beginning on or after January 1, 2019, and is applicable to the calculation of franchise tax reported on the 2018 and later corporate income tax returns.

EXEMPT MILL MACHINERY FROM TAX AND STUDY

SECTION 38.8.(a) Article 5F of Chapter 105 of the General Statutes, G.S. 105-164.13(5a), and G.S. 105-163.13(57a) are repealed.

SECTION 38.8.(b) G.S. 105-164.4I(b) reads as rewritten:

"(b) Exemptions. – The tax imposed by this section does not apply to the sales price of or the gross receipts derived from a service contract applicable to any of the following items:

(1) An item exempt from tax under this Article.

(2) A transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement.

(3) A transmission, an engine, rear-end gears, and any other item purchased by a professional motorsports racing team or a related member of a team for which the team may receive a sales tax refund under G.S. 105-164.14A(a)(5). This subdivision expires January 1, 2020.

~~(4) An item subject to tax under Article 5F of Chapter 105 of the General Statutes.~~

(5) A qualified aircraft or a qualified jet engine."

SECTION 38.8.(c) G.S. 105-164.13 is amended by adding the following new subdivisions to read:

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

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

…

(5e) Sales of mill machinery or mill machinery parts or accessories to any of the following:

a. A manufacturing industry or plant. A manufacturing industry or plant does not include (i) a delicatessen, cafe, cafeteria, restaurant, or another similar retailer that is principally engaged in the retail sale of foods prepared by it for consumption on or off its premises or (ii) a production company.

b. A contractor or subcontractor if the purchase is for use in the performance of a contract with a manufacturing industry or plant.

c. A subcontractor if the purchase is for use in the performance of a contract with a general contractor that has a contract with a manufacturing industry or plant.

(5f) Sales to a major recycling facility of any of the following tangible personal property for use in connection with the facility:

a. Cranes, structural steel crane support systems, and foundations related to the cranes and support systems.

b. Port and dock facilities.

c. Rail equipment.

d. Material handling equipment.

(5g) Sales of equipment, or an attachment or repair part for equipment, that meets all of the following requirements:

a. Is sold to a company primarily engaged at the establishment in research and development activities in the physical, engineering, and life sciences included in industry group 54171 of NAICS.

b. Is capitalized by the company for tax purposes under the Code.

c. Is used by the company at the establishment in the research and development of tangible personal property.

(5h) Sales of equipment, or an attachment or repair part for equipment, that meets all of the following requirements:

a. Is sold to a company primarily engaged at the establishment in software publishing activities included in industry group 5112 of NAICS.

b. Is capitalized by the company for tax purposes under the Code.

c. Is used by the company at the establishment in the research and development of tangible personal property.

(5i) Sales of equipment, or an attachment or repair part for equipment, that meets all of the following requirements:

a. Is sold to a company primarily engaged at the establishment in industrial machinery refurbishing activities included in industry group 811310 of NAICS.

b. Is capitalized by the company for tax purposes under the Code.

c. Is used by the company at the establishment in repairing or refurbishing tangible personal property.

(5j) Sales of the following to a company located at a ports facility for waterborne commerce:

a. Machinery and equipment that is used at the facility to unload or to facilitate the unloading or processing of bulk cargo to make it suitable for delivery to and use by manufacturing facilities.

b. Parts, accessories, or attachments used to maintain, repair, replace, upgrade, improve, or otherwise modify such machinery and equipment.

(5k) Sales of the following to a secondary metals recycler:

a. Equipment, or an attachment or repair part for equipment, that (i) is capitalized by the person for tax purposes under the Code, (ii) is used by the person in the secondary metals recycling process, and (iii) is not a motor vehicle or an attachment or repair part for a motor vehicle.

b. Fuel, piped natural gas, or electricity for use at the person's facility at which the primary activity is secondary metals recycling.

(5*l*) Sales of equipment, or an attachment or repair part for equipment, that meets all of the following requirements:

a. Is sold to a company primarily engaged at the establishment in processing tangible personal property for the purpose of extracting precious metals, as defined in G.S. 66-406, to determine the value for potential purchase.

b. Is capitalized by the company for tax purposes under the Code.

c. Is used by the company in the process described in this subdivision.

(5m) Sales of equipment, or an attachment or repair part for equipment, that meets all of the following requirements:

a. Is sold to a company that is engaged in the fabrication of metal work and that has annual gross receipts, including the gross receipts of all related persons, as defined in G.S. 105-163.010, from the fabrication of metal work of at least eight million dollars ($8,000,000).

b. Is capitalized by the company for tax purposes under the Code.

c. Is used by the company at the establishment in the fabrication or manufacture of metal products or used by the company to create equipment for the fabrication or manufacture of metal products.

(5n) Sales of repair or replacement parts for a ready-mix concrete mill, regardless of whether the mill is freestanding or affixed to a motor vehicle, to a company that primarily sells ready-mix concrete.

…."

SECTION 38.8.(d) G.S. 105-164.3 is amended by adding a new subdivision to read:

"(37g) Secondary metals recycler. – A person that gathers and obtains ferrous metals, nonferrous metals, and items that have served their original economic purpose and that converts them by processes, including sorting, cutting, classifying, cleaning, baling, wrapping, shredding, or shearing into a new or different product for sale consisting of prepared grades."

SECTION 38.8.(e) Sales of mill machinery to manufacturers and certain industrial processors have historically enjoyed preferential tax treatment, whether in the form of a reduced wholesale tax, a preferential rate of sales and use tax, or a one-percent (1%) privilege tax with an eighty-dollar ($80.00) cap per article. Despite the nature of the tax, the operational language has remained virtually unchanged for over 60 years and lacks clear guidance with regard to its application. Specifically, Article 5F of Chapter 105 of the General Statutes, and its predecessors, did not define "manufacturing industry or plant" or "mill machinery." This lack of guidance has resulted in a substantial body of administrative interpretation being developed over the years by the Department of Revenue. These interpretations are not included in the statutes and may not necessarily comport with the traditional definition of manufacturing, but

they may be consistent with the General Assembly's intent to provide preferential tax treatment to certain industrial equipment.

This act repeals the one-percent (1%) privilege tax on mill machinery and mill machinery parts and accessories and substitutes a sales and use tax exemption for the items. However, the General Assembly recognizes that, once this transition has occurred, efforts need to be made to provide more guidance and specificity to taxpayers and the Department of Revenue with respect to the treatment of manufacturing and industrial processing equipment. Therefore, the Revenue Laws Study Committee is directed to study ways in which to clarify the scope of the sales and use tax exemption for mill machinery, as enacted by this act, by modernizing and further defining the statutory language and by incorporating existing administrative interpretations of the Department of Revenue, to the extent the General Assembly desires to maintain those interpretations.

The Committee may report its findings, together with any recommended legislation, to the 2018 Regular Session of the 2017 General Assembly upon its convening. The study may include an examination of the following:

(1) The criteria that had to be met under prior law to qualify for the preferential rate under Article 5F of Chapter 105 of the General Statutes and whether that criteria should be incorporated into or otherwise clarified in the corresponding sales and use tax exemption, as enacted by this act, including the following:
   a. What constitutes an eligible manufacturer or industrial processor.
   b. The extent to which a business's activities must consist of manufacturing or processing items for sale in order for the sales and use tax exemption, as enacted by this act, to apply.
   c. The types of activities that qualify as manufacturing or industrial processing.
   d. The types of machinery, parts, accessories, and other supplies that are eligible for the exemption and the degree to which they must be used in that process to qualify.

(2) A review of the Department's administrative interpretations of the mill machinery statute, in all its forms, and whether and how to incorporate those interpretations into the statutes.

(3) Terminology used by surrounding states in their statutory provisions that provide a sales and use tax exemption for manufacturing equipment.

(4) Any other issues the Committee deems relevant.

SECTION 38.8.(f) Subsections (a), (b), (c), and (d) of this section become effective July 1, 2018, and apply to sales made on or after that date. The remainder of this section is effective when it becomes law.

SALES TAX EXEMPTION FOR FULFILLMENT FACILITIES

SECTION 38.9.(a) G.S. 105-164.3 is amended by adding a new subdivision to read:

"(16f) Large fulfillment facility. – A facility that satisfies both of the following conditions:
   a. The facility is used primarily for receiving, inventorying, sorting, repackaging, and distributing finished retail products for the purpose of fulfilling customer orders.
   b. The Secretary of Commerce has certified that an investment of private funds of at least one hundred million dollars ($100,000,000) has been or will be made in real and tangible personal property for the facility within five years after the date on which the first property investment is made and that the facility will achieve an employment level of at least 400 within five years after the date the facility is

placed into service and maintain that minimum level of employment throughout its operation."

SECTION 38.9.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"(5o) Sales of equipment, or an accessory, an attachment, or a repair part for equipment, that meets all of the following requirements:

a. Is sold to a large fulfillment facility.

b. Is used at the facility in the distribution process, which includes receiving, inventorying, sorting, repackaging, or distributing finished retail products.

c. Is not electricity.

If the level of investment or employment required by G.S. 105-164.3(16f)b. is not timely made, achieved, or maintained, then the exemption provided under this subdivision is forfeited. If the exemption is forfeited due to a failure to timely make the required investment or to timely achieve the minimum required employment level, then the exemption provided under this subdivision is forfeited on all purchases. If the exemption is forfeited due to a failure to maintain the minimum required employment level once that level has been achieved, then the exemption provided under this subdivision is forfeited for those purchases occurring on or after the date the taxpayer fails to maintain the minimum required employment level. A taxpayer that forfeits an exemption under this subdivision is liable for all past sales and use taxes avoided as a result of the forfeiture, computed at the applicable State and local rates from the date the taxes would otherwise have been due, plus interest at the rate established under G.S. 105-241.21. Interest is computed from the date the sales or use tax would otherwise have been due. The past taxes and interest are due 30 days after the date of forfeiture. A taxpayer that fails to pay the past taxes and interest by the due date is subject to the provisions of G.S. 105-236."

SECTION 38.9.(c) This section becomes effective July 1, 2017, and applies to sales made on or after that date.

SALES TAX REFUND FOR TRANSFORMATIVE PROJECTS

SECTION 38.9A.(a) G.S. 105-164.14A(a) is amended by adding a new subdivision to read:

"(8) Transformative projects. – An owner or lessee of a business that is the recipient of a grant under the Job Development Investment Grant Program on or before June 30, 2019, for a transformative project as defined in G.S. 143B-437.51(9a) is allowed a refund of the sales and use tax paid by it on building materials, building supplies, fixtures, and equipment that become a part of the real property of the facility. Liability incurred indirectly by the owner for sales and use taxes on these items is considered tax paid by the owner."

SECTION 38.9A.(b) This section becomes effective July 1, 2017, and applies to purchases made on or after that date.

RENEWABLE ENERGY TAX CREDIT EXTENSION

SECTION 38.13. G.S. 105-129.16A reads as rewritten:

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

…

(f) Delayed Sunset. – This section is repealed effective for renewable energy property placed in service on or after ~~January 1, 2017.~~January 1, 2017, except as provided in subsection (f1) of this section.

(f1) Alternate Delayed Sunset. – This section is repealed effective for renewable energy property utilizing renewable biomass resources placed in service on or after May 5, 2017.

(g) Delayed Sunset Conditions. – A taxpayer is eligible for the delayed sunset provided by ~~this subsection~~subsection (f) or (f1) of this section if the taxpayer makes a timely application for the extension, pays the application fee, and meets both of the following conditions on or before January 1, 2016: (i) incurred at least the minimum percentage of costs of the project and (ii) completed at least the minimum percentage of the physical construction of the project. For a project with a total size of less than 65 megawatts of direct current capacity, the minimum percentage of incurred costs and partial construction is at least eighty percent (80%). For a project with a total size of 65 megawatts or more of direct current capacity, the minimum percentage of incurred costs and partial construction is at least fifty percent (50%).

An application and payment must be filed with the Secretary on or before October 1, 2015. The application must include the location of the project, an estimate of the total cost of the project, the total anticipated credit to be claimed, and the total size in megawatt capacity of each project proposed or under construction. The nonrefundable fee to be paid with the application is one thousand dollars ($1,000) per megawatt of capacity, with a minimum fee of five thousand dollars ($5,000).

A taxpayer must provide the documentation required under this subsection to the Department on or before March 1, 2016, to verify that the taxpayer meets the minimum percentage of incurred costs and partial construction required to be eligible for the sunset extension:

(1) A written certification signed by the taxpayer that, prior to January 1, 2016, at least the minimum percentage of the physical construction of the project was completed and that at least the minimum percentage of the total cost of the project was incurred.

(2) A notarized copy of a written report prepared by an independent engineer duly licensed in the State of North Carolina with expertise in the design and construction of installations of renewable energy property stating that at least the minimum percentage of the physical construction of the project was completed prior to January 1, 2016.

(3) A notarized copy of a written report prepared by a certified public accountant duly licensed to practice in the State of North Carolina with expertise in accounting for and taxation of renewable energy property and that was prepared in accordance with AT Section 201 of the American Institute of Certified Public Accountants Standards for Agreed-Upon Procedures Engagements stating that the minimum percentage of the total cost of the project was paid or incurred as determined under Section 461 and other relevant sections of the Code prior to January 1, 2016."

PART XXXIX. MISCELLANEOUS PROVISIONS

STATE BUDGET ACT APPLIES

SECTION 39.1. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

COMMITTEE REPORT

SECTION 39.2.(a) The Joint Conference Committee Report on the Base, Capital, and Expansion Budgets for Senate Bill 257, dated June 19, 2017, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall, therefore, be used to construe this act, as provided in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

SECTION 39.2.(b) The budget enacted by the General Assembly is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2017-2019 biennial budget as provided in G.S. 143C-3-5. This budget includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

The Director of the Budget submitted a recommended base budget to the General Assembly in the Governor's Recommended Budget for the 2017-2019 fiscal biennium, dated March 2017, and in the Budget Support Document for the various departments, institutions, and other spending agencies of the State. The adjustments to the recommended base budget made by the General Assembly are set out in the Committee Report.

SECTION 39.2.(c) The budget enacted by the General Assembly shall also be interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other appropriate legislation. In the event that there is a conflict between the line-item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

SECTION 39.2.(d) Notwithstanding subsection (a) of this section, the following portions of the Committee Report are for reference, and do not expand, limit, or define the text of the Committee Report:

(1) Summary pages setting forth the enacted budget, the legislative changes, the revised budget, and the related FTE information for a particular budget code and containing no other substantive information.

(2) Summary pages setting forth the enacted budget, the legislative changes, the revised budget, and the related FTE information for multiple fund codes within a single budget code and containing no other substantive information.

REPORT BY FISCAL RESEARCH DIVISION

SECTION 39.3. The Fiscal Research Division shall issue a report on budget actions taken by the 2017 Regular Session of the General Assembly. The report shall be in the form of a revision of the Committee Report adopted for Senate Bill 257 pursuant to G.S. 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report issued pursuant to this section to the Director of the Budget. The report shall be published on the General Assembly's Internet Web site for public access.

MOST TEXT APPLIES ONLY TO THE 2017-2019 FISCAL BIENNIUM

SECTION 39.4. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2017-2019 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2017-2019 fiscal biennium.

EFFECT OF HEADINGS

SECTION 39.5. The headings to the Parts, subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part or subpart.

SEVERABILITY CLAUSE

SECTION 39.6. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 39.7. Except as otherwise provided, this act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-58 **H.B. 288**

AN ACT TO AMEND THE CHARTERS OF THE TOWNS OF RAYNHAM AND ORRUM TO EXTEND THE TERM OF OFFICE FOR THE MAYOR OF RAYNHAM AND MAYOR OF ORRUM FROM TWO YEARS TO FOUR YEARS; TO EXTEND FOR THE TOWN COUNCIL OF ORRUM FROM TWO YEARS TO FOUR YEARS; AND TO ALLOW FOR ELECTIONS FOR ALL TOWN OFFICERS IN RAYNHAM AND ORRUM TO BE CONDUCTED ON THE SAME SCHEDULE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of the Charter of the Town of Raynham, being Chapter 388 of the 1975 Session Laws, as amended by Section 1 of Chapter 16 of the 1977 Session Laws and Section 1 of Chapter 270 of the 1977 Session Laws, reads as rewritten:

"Sec. 3. The Board of Commissioners of the Town of Raynham shall consist of three ~~members beginning on the first Monday in December, 1977. The~~ members. In 2017, and quadrennially thereafter, the members shall be elected for ~~staggered terms as provided in Section 4 of this act. The~~ a term of four years. In 2017, and quadrennially thereafter, the mayor of the town shall be elected for a term of ~~two years.~~four years and shall serve until the mayor's successor is elected and qualified."

SECTION 2. Section 4 of the Charter of the Town of Raynham, being Chapter 388 of the 1975 Session Laws, as amended by Section 1 of Chapter 16 of the 1977 Session Laws and Section 1 of Chapter 270 of the 1977 Session Laws, is repealed.

SECTION 3. The previous elections in the Town of Raynham since May 26, 1975, are hereby validated, notwithstanding any irregularity in the elections for the members of the Board of Commissioners. Further, any and all actions of the Board of Commissioners of the Town of Raynham since May 26, 1975, are hereby ratified and confirmed, notwithstanding any irregularity in the manner of election.

SECTION 4.(a) Section 2.2 of the Charter of the Town of Orrum, being Chapter 993 of the 1983 Session Laws, reads as rewritten:

"Sec. 2.2. Town Council; Composition; Terms of Office. The Town Council shall be composed of 4 members, each of whom shall be elected for a term of ~~2 years~~ four years in the manner provided by Article III of this Charter, provided they shall serve until their successors are elected and qualified."

SECTION 4.(b) Section 2.3 of the Charter of the Town of Orrum, being Chapter 993 of the 1983 Session Laws, reads as rewritten:

"Sec. 2.3. Mayor; Term of Office; Duties. The Mayor shall be elected in the manner provided by Article II of this Charter to serve for a term of ~~2 years~~ four years or until ~~his~~ the mayor's successor is elected and qualified. The Mayor shall be the official head of the Town government and shall preside at all meetings of the Council. ~~He~~ The mayor shall have the right to vote in any and all matters before the Council. The Mayor shall exercise such powers and perform such duties as presently are or hereinafter may be conferred upon ~~him~~ the mayor by the General Statutes of North Carolina, by this Charter, and by the ordinances of the Town."

SECTION 4.(c) Section 3.1 of the Charter of the Town of Orrum, being Chapter 993 of the 1983 Session Laws, reads as rewritten:

"Sec. 3.1. Regular Municipal Elections; Conduct and Method of Election. Regular municipal elections shall be held in the Town every ~~2 years~~ four years and shall be conducted in accordance with the uniform municipal election laws of North Carolina. The Mayor and members of the Council shall be elected according to the nonpartisan plurality method of election."

SECTION 4.(d) Section 3.2 of the Charter of the Town of Orrum, being Chapter 993 of the 1983 Session Laws, reads as rewritten:

"Sec. 3.2. Election of Council Members. At the regular municipal election ~~in 1984, and biennially thereafter,~~ in 2017, and quadrennially thereafter, all council members shall be nominated and voted upon by the voters of the Town voting at large."

SECTION 4.(e) Section 3.3 of the Charter of the Town of Orrum, being Chapter 993 of the 1983 Session Laws, reads as rewritten:

"Sec. 3.3. Election of Mayor. At the regular municipal election ~~in 1984, and biennially thereafter,~~ in 2017, and quadrennially thereafter, there shall be elected a Mayor to serve a term of ~~2 years.~~ four years. The Mayor shall be elected by the voters of the Town voting at large."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-59 **H.B. 420**

AN ACT CHANGING THE MEMBERSHIP COMPOSITION OF ROCKINGHAM COUNTY ECONOMIC DEVELOPMENT AND TOURISM.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2 of Chapter 322 of the Session Laws of 1991, as amended by Chapter 52 of the Session Laws of 1995, Part V of S.L. 2005-233, and Part III of S.L. 2009-428, reads as rewritten:

"**Sec. 2.** Tourism Development Authority. –

(a) Appointment and Membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. ~~At least one-third of the members must be individuals affiliated with businesses that collect the tax in the county, and at least one-half of the members must be individuals currently active in the promotion of travel and tourism in the county.~~ The Authority shall be composed of the following 12 members:

(1) The Executive Director of ~~the~~ Rockingham County Economic Development ~~Commission,~~ and Tourism, who shall serve as an ex officio, nonvoting member.

(2) A county commissioner appointed by the Rockingham County Board of Commissioners, who shall serve as an ex officio, nonvoting member.

(2a) The County Finance Officer, who shall serve as an ex officio, nonvoting member.

(3) Two owners or operators of hotels, motels, or other taxable accommodations ~~and two individuals involved in tourist businesses who have demonstrated an interest in tourism development, appointed as follows: one by the Rockingham County Board of Commissioners and one by each chamber of commerce in Rockingham County.~~that collect the occupancy tax.

(4) ~~Five~~ Seven individuals involved in businesses or professions ~~that are concerned with or affected by tourism development~~ in such a way that their expertise would benefit the ~~Authority, appointed as follows: one by each chamber of commerce in Rockingham County and two by the Rockingham County Board of Commissioners.~~Authority. These individuals may be affiliated with businesses that collect the occupancy tax but shall not be required to have such affiliation.

~~(5) The President of the Chinqua-Penn Foundation, Inc., who shall serve as an ex officio, nonvoting member.~~

All members of the Authority shall serve without compensation. Vacancies in the Authority shall be filled by the ~~appointing authority of the member creating the vacancy.~~Rockingham County Board of Commissioners. Members appointed to fill vacancies shall serve for the remainder of the unexpired term which they are appointed to fill. ~~Except as provided in subsection (b) for initial members, members~~ Members shall serve three-year terms. ~~Members~~ Voting members may serve no more than two consecutive terms. The members shall elect a chair from the ~~membership~~ voting members of the Authority, who shall serve for a term of ~~two~~

~~years.~~ one year. The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Rockingham County shall be the ex officio finance officer of the Authority.

…."

SECTION 2. The members of Rockingham County Economic Development and Tourism serving on the date this act becomes law shall continue to serve until the expiration of their terms. Upon the expiration of each of the members' terms, the Rockingham County Board of Commissioners shall appoint a person to Rockingham County Economic Development and Tourism as provided in Section 2 of Chapter 322 of the Session Laws of 1991, as amended by Chapter 52 of the Session Laws of 1995, Part V of S.L. 2005-233, Part III of S.L. 2009-428, and Section 1 of this act.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-60 **H.B. 445**

AN ACT TO MODIFY BRUNSWICK COUNTY'S FIRE PROTECTION FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of S.L. 1999-323, as amended by S.L. 2001-74 and Section 2 of S.L. 2007-335, reads as rewritten:

"**Section 1.** Fee-supported fire districts.

"**Section 1.(a)** Request for Fee-Supported District. – A county may create a fee-supported fire district for insurance grading purposes if it receives one of the following:

(1) A written request to create the district signed by at least two-thirds of the members of the board of directors of a fire department that contracts with the county to provide fire protection within an area of the county.

(2) A petition requesting creation of a district signed by fifteen percent (15%) of the resident freeholders living in an area in the county. The petition must describe the area to be designated as the district.

"**Section 1.(b)** Creation of Fee-Supported District. – Upon receipt of a request as provided in subsection (a), the county may adopt a resolution establishing a fee-supported fire district and imposing annual fees for the provision of fire protection services within the district. The fee may be established or changed only after the county board of commissioners has received the recommendations of the committee for that district, established under subsection (b1) of this section. The district may not include any area that is within (i) a tax-supported fire district established under Article 3A of Chapter 69 of the General Statutes; (ii) a county service district established under Article 16 of Chapter 153A of the General Statutes for fire protection purposes; or (iii) another fee-supported fire district. The district may not include any area that is within the corporate limits of a municipality unless the governing body of the municipality agrees to the inclusion. However, it is not necessary to obtain the consent of a municipality if the municipality has not levied a tax, performed any official act, nor held any elections within a period of 10 years preceding the adoption of the resolution including the area within the district.

"**Section 1.(b1)** Committee for District. – Each district shall have a committee to allow local control over the fee-setting process. In each district that does not include any territory in a participating municipality, the committee shall consist of five members as follows: The Fire Chief, the member of the board of county commissioners in whose electoral district more than fifty percent (50%) of the land area of the district lies, a community member chosen by the Fire Department Board of Directors, a community member chosen by the board of county commissioners, and the Fire ~~Marshal.~~Marshal or other official as designated by the County Manager. In each district that does include any territory in a participating municipality, the committee shall consist of members as follows: The Fire Chief, the mayor of each participating

municipality in the district, the member of the board of county commissioners in whose electoral district more than fifty percent (50%) of the land area of the district lies, a community member chosen by the Fire Department Board of Directors, a community member chosen by the board of county commissioners, and the Fire ~~Marshal.~~Marshal or other official as designated by the County Manager. In either type of district, the Fire Marshal or the other official designated by the County Manager shall chair the committee, but may vote only to break a tie. The committee shall conduct an inquiry into the amount of funds required by the district to meet its needs, and shall make findings on the issue. The committee will communicate these findings to the board of county commissioners and recommend a fee. The board of county commissioners will then set the fee. The same process shall be used for changes to the fee once established.

"**Section 1.(c)** Fees. – The fees imposed by the county may not exceed the cost of providing fire protection services within the district and may be imposed on owners of all real property that benefits from the availability of fire protection and on owners of all manufactured or mobile homes that benefit from the availability of fire protection. For the purpose of this section, the term 'fire protection' includes furnishing emergency medical, rescue, and ambulance services to protect persons in the district from injury or death. The county shall establish a schedule of fees for different classes of property and the fee for each class of property shall be proportional to the estimated cost of providing fire protection services to that class of property. The schedule of fees shall include the following classes of property and the fee on each class of property shall not exceed the following maximums:

(1) A single-family dwelling or manufactured or mobile home, and appurtenant structures, plus up to five acres of surrounding land. The fee on this class of property may not exceed:
   a. ~~Fifty dollars ($50.00)~~One hundred dollars ($100.00) per site per year for homes 1,000 square feet of heated floor area or less.
   b. ~~One hundred dollars ($100.00)~~Two hundred dollars ($200.00) per site per year for homes greater than 1,000 square feet of heated floor area but less than 2,000 square feet of heated floor area.
   c. ~~Two hundred dollars ($200.00)~~Four hundred dollars ($400.00) per site per year for homes 2,000 square feet or greater of floor area but not greater than 3,000 square feet of heated floor area.
   d. ~~Three hundred dollars ($300.00)~~Six hundred dollars ($600.00) per site per year for homes greater than 3,000 square feet of floor area but not greater than 4,000 square feet of heated floor area.
   e. ~~Four hundred dollars ($400.00)~~Eight hundred dollars ($800.00) per site per year for homes greater than 4,000 square feet of floor area but not greater than 5,000 square feet of heated floor area.
   f. ~~Five hundred dollars ($500.00)~~One thousand dollars ($1,000) per site per year for homes greater than 5,000 square feet of floor area but not greater than 6,000 square feet of heated floor area.
   g. ~~Six hundred dollars ($600.00)~~One thousand two hundred dollars ($1,200) per site per year for homes greater than 6,000 square feet of floor area but not greater than 7,000 square feet of heated floor area.
   h. ~~Seven hundred dollars ($700.00)~~One thousand four hundred dollars ($1,400) per site per year for homes greater than 7,000 square feet of floor area but not greater than 8,000 square feet of heated floor area.
   i. ~~Eight hundred dollars ($800.00)~~One thousand six hundred dollars ($1,600) per site per year for homes greater than 8,000 square feet of heated floor area.

(2) Unimproved land other than the five acres of land classified as part of a single-family dwelling or manufactured or mobile home. The county may establish a maximum fee for unimproved land as follows:

a. Up to five acres, ~~ten dollars ($10.00).~~twenty dollars ($20.00).
b. Five acres or more but less than 25 acres, ~~twenty dollars ($20.00).~~forty dollars ($40.00).
c. 25 acres or more but less than 50 acres, ~~fifty dollars ($50.00).~~one hundred dollars ($100.00).
d. 50 acres or more but less than 100 acres, ~~one hundred dollars ($100.00).~~two hundred dollars ($200.00).
e. 100 acres or more but less than 200 acres, ~~one hundred fifty dollars ($150.00).~~three hundred dollars ($300.00).
f. 200 acres or more but less than 300 acres, ~~two hundred dollars ($200.00).~~four hundred dollars ($400.00).
g. 300 acres or more but less than 400 acres, ~~three hundred dollars ($300.00).~~six hundred dollars ($600.00).
h. 400 acres or more but less than 500 acres, ~~four hundred dollars ($400.00).~~eight hundred dollars ($800.00).
i. 500 acres or more, ~~five hundred dollars ($500.00).~~one thousand dollars ($1,000).

(3) An animal production or horticultural operation. The fee on this class of property may not exceed ~~ten dollars ($10.00)~~twenty dollars ($20.00) per site per year.

(4) A commercial facility other than an animal production or horticultural operation. The fee on this class of property may not exceed for a commercial facility:
a. Less than 5,000 square feet, ~~two hundred dollars ($200.00).~~four hundred dollars ($400.00).
b. 5,000 square feet but less than 10,000 square feet, ~~four hundred dollars ($400.00).~~eight hundred dollars ($800.00).
c. 10,000 square feet but less than 20,000 square feet, ~~eight hundred dollars ($800.00).~~one thousand six hundred dollars ($1,600).
d. 20,000 square feet but less than 30,000 square feet, ~~one thousand dollars ($1,000).~~two thousand dollars ($2,000).
d1. 30,000 square feet but less than 40,000 square feet, ~~one thousand five hundred dollars ($1,500).~~three thousand dollars ($3,000).
d2. 40,000 square feet but less than 50,000 square feet, ~~two thousand dollars ($2,000).~~four thousand dollars ($4,000).
e. 50,000 square feet but less than 60,000 square feet, ~~three thousand dollars ($3,000).~~six thousand dollars ($6,000).
e1. 60,000 square feet but less than 70,000 square feet, ~~four thousand dollars ($4,000).~~eight thousand dollars ($8,000).
e2. 70,000 square feet but less than 80,000 square feet, ~~five thousand dollars ($5,000).~~ten thousand dollars ($10,000).
e3. 80,000 square feet but less than 90,000 square feet, ~~six thousand dollars ($6,000).~~twelve thousand dollars ($12,000).
e4. 90,000 square feet but less than 100,000 square feet, ~~seven thousand dollars ($7,000).~~fourteen thousand dollars ($14,000).
f. 100,000 square feet or over, ~~eight thousand dollars ($8,000).~~sixteen thousand dollars ($16,000).

(5) A multiple-family dwelling. Each unit in a multiple-family dwelling shall be treated as a single-family dwelling under subdivision (1) of this subsection.

(6) Any other class of property selected by the county. The fee on these classes of property may not exceed ~~one hundred dollars ($100.00)~~two hundred dollars ($200.00) per year.

(7) Outbuildings and special structures that fail to fall into any category above will be classified based on the most appropriate category determined by the specific use of the type of structure.

For properties located beyond six road miles from the closest fire station of their district that have a fire insurance rating of 10, the fee shall be seventy-five percent (75%) of the amount otherwise applicable under the above fee schedules.

"**Section 1.(d)** Billing of Fees. – The county may include a fee imposed under this section on the property tax bill for the real property, or the manufactured or mobile home, on which the fee is imposed.

"**Section 1.(e)** Use of Fees. – The county shall credit the fees collected within the district to a separate fund to be used only to furnish fire protection in the district. The board of commissioners shall administer the fund to provide fire protection by one or more of the following methods:

(1) Contracting with any municipality, any incorporated nonprofit volunteer or community fire department, or the Department of Environment and Natural Resources.

(2) Furnishing fire protection itself if it maintains an organized fire department.

(3) Establishing a fire department in the district.

"**Section 1.(f)** Audit of Fire Department. – If the county contracts with a fire department to provide fire protection services in a fee-supported fire district, the fire department shall prepare an annual budget based on anticipated revenues and shall submit the budget to the county for processing and approval through the county's regular budget procedure. The fire department shall contract for quarterly bookkeeping/accounting services from an independent accountant for each fiscal year July 1 through June 30. The independent accountant must be approved in advance by the County Finance Officer. The fire department is to submit all invoices, cash receipts, bank statements with canceled checks or facsimiles, check registers or stubs, and other financial source documents to the accountant within 15 days of the end of each fiscal quarter. The accountant is to provide a monthly bank reconciliation for each month of the quarter, an itemized schedule of all disbursements for the quarter, and an itemized schedule of cash receipts for the quarter, a quarterly financial report, and a year-to-date financial report directly to the County ~~Fire Marshal's office~~Manager within 45 days of the end of each fiscal quarter. Funding will not be disbursed until the financial report is accepted by the Finance Officer. The fire department agrees to contract for an independent financial audit conducted by a certified public accountant in accordance with generally accepted accounting principles, for each fiscal year July 1 through June 30 to be completed by October 31 after that fiscal year and submitted to the Brunswick County Emergency Services Department by November 10 following that fiscal year and will comply with federal and State laws and regulations related to financial and compliance audits. Towns will handle all financing and accounts that are spent for the town fire departments. The Town will follow all accounting principles and practices as required by the State of North Carolina. The Treasurer of any fee-supported department shall be bonded for at least one and one-half times the department's annual budget. The county may audit the fire department's financial records upon reasonable notice to the fire department. Any fees collected by the county to be disbursed to a fee-supported department will be withheld until all fiscal issues are resolved to the satisfaction of the County Finance Officer.

"**Section 1.(g)** Extension of Area of District. – The county may by resolution annex to any fee-supported fire district any territory that it could include in a new district under subsection (c) of this section, upon finding that:

(1) The area to be annexed is contiguous to the district, with at least one-eighth of the area's aggregate external boundary coincident with the existing boundary of the district; and

(2) The area to be annexed requires the services of the district.

The county may also by resolution annex to any fee-supported fire district any territory it could include in a new district under subsection (c) of this section if seventy-five percent (75%)

of the real property owners in the territory to be annexed have petitioned the board of commissioners for annexation to the service district.

The area of any fee-supported fire district may be increased by including within the boundaries of the district any adjoining territory lying within a municipality if the territory is not already included in another fire protection district, and both the municipal governing body and the county commissioners of the county in which the district is located agree by resolution to the inclusion. However, it is not necessary to obtain the consent of a municipality if the municipality has not levied a tax, performed any official act, nor held any elections within a period of 10 years preceding the adoption of the resolution including the area within the district.

"**Section 1.(h)** Annexation of District. – When any portion of a fee-supported fire district has been annexed by a municipality furnishing fire protection to its citizens, and the municipality has not agreed to allow territory within it to be in the district, then the portion of the district annexed is no longer part of a fee-supported district. For the purposes of this section and regardless of the actual effective date of annexation, the date of annexation shall be considered to be a date in the month of June. When any portion of a fee-supported fire district is annexed by a municipality furnishing fire protection to its citizens, there is debt associated with the prior fee-supported district providing the fire protection to that area, an assumption of debt shall be paid to the fee-supported district at a rate of not less than one-half the fees that are collected from the annexed area for a period of not less than three years. This shall in no way limit or restrict a municipality from contracting with a fee-supported district to provide fire protection services nor shall it require a fee-supported district to provide fire protection services without an additional contract.

"**Section 1.(i)** Abolition of District. – Upon finding that there is no longer a need for a given fee-supported fire district, the board of commissioners may repeal the resolution establishing the district and thus abolish the district.

"**Section 1.(j)** Administrative Oversight. – Each nonmunicipal department shall bring any purchase in excess of ten thousand dollars ($10,000) for approval to a fire protection oversight board that is determined by the board of commissioners of the county and is chaired by the Emergency Services Director or his designee. Failure to adhere to the recommendations of the committee could lead to forfeiture of collected fees. All departments that receive funding from a fee-supported district shall participate in countywide strategic planning sessions conducted by the emergency services office no less than once a year.

"**Section 1.(k)** Collection Remedies. – A county may ~~foreclose fire fee liens~~ collect any delinquent fire fees, existing either before or after the effective date of this act, under any procedure provided by law for the ~~foreclosure~~ collection of property tax liens, including attachment, garnishment, and foreclosure, except that: (i) lien sales and lien sale certificates are not required, and (ii) foreclosure may be begun at any time after 30 days after the due date. The county is not entitled to a deficiency judgment in an action to foreclose a fire fee lien. The lien of fire fees is inferior to all prior and subsequent liens for State, local, and federal taxes, and superior to all other liens."

SECTION 2. This act applies to Brunswick County only.

SECTION 3. This act is effective when it becomes law.

Session Law 2017-61 **H.B. 447**

AN ACT TO CHANGE THE COMPOSITION OF THE LEXINGTON CITY BOARD OF EDUCATION FROM A NINE-MEMBER APPOINTED BOARD OF EDUCATION TO A SEVEN-MEMBER BOARD OF EDUCATION ELECTED ON A NONPARTISAN BASIS IN ODD-NUMBERED YEARS AND TO PROVIDE FOR DISTRICTS FOR THE LEXINGTON CITY COUNCIL.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Beginning in 2017, the Lexington City Board of Education shall be composed of seven members elected on a nonpartisan plurality basis in accordance with this section on the Tuesday after the first Monday in November in odd-numbered years, with the results determined as provided by G.S. 163-292. Except as otherwise provided by this section, elections shall be administered in accordance with Articles 23 and 24 of Chapter 163 of the General Statutes.

SECTION 1.(b) A member shall reside in the ward or in the area that the member represents for the length of his or her term. Members shall be elected as follows:

(1) One member shall be elected by and from the qualified voters each of the six wards of the City of Lexington, which member and qualified voters shall reside inside the ward, the Lexington School Administrative Unit, and the corporate limits of the City of Lexington.

(2) One member shall be elected by and from all qualified voters in the Lexington City School Administrative Unit, which member shall reside outside of the corporate limits of the City of Lexington and within the jurisdictional area of the Lexington City School Administrative Unit.

SECTION 1.(c) Beginning in 2017 and quadrennially thereafter, the members elected from Wards 4, 5, and 6 and the member elected as the representative of Davidson County shall serve four-year terms. Members elected in 2017 from Wards 1, 2, and 3 shall serve initial terms of two years. Beginning in 2019 and quadrennially thereafter, members elected from Wards 1, 2, and 3 shall serve four-year terms.

SECTION 1.(d) Beginning with members elected to the Lexington City Board of Education in 2017, members shall take office and qualify on the first Monday in December of the year of election and the terms of their predecessors shall expire at that same time. Members shall serve until a successor has been elected and qualified.

SECTION 1.(e) Beginning with members elected to the Lexington City Board of Education in 2017, vacancies on the Lexington City Board of Education shall be filled in accordance with G.S. 115C-37(f). To be eligible to fill a vacancy, the member shall reside in the ward or in the area that the vacancy represents.

SECTION 1.(f) The terms of members appointed to the Lexington City Board of Education who are serving their terms at the time of the 2017 election shall expire upon the qualification of members elected to the Board in accordance with this section.

SECTION 1.(g) Section 2 of Chapter 26 of the Private Laws of 1935, as amended by Chapter 700 of the Session Laws of 1943, Chapter 56 of the Session Laws of 1949, Chapter 342 of the Session Laws of 1957, Chapter 892 of the Session Laws of 1973, and Chapter 192 of the Session Laws of 1987, is repealed. All other laws and clauses of laws in conflict with the provisions of this act are hereby repealed.

SECTION 2. Section 1.4 of the Charter of the City of Lexington, being Chapter 906 of the Session Laws of 1981, as amended by Chapter 806 of the 1985 Session Laws, Chapter 64 of the Session Laws of 1987, and Chapter 542 of the 1989 Session Laws, and S.L. 1995-442, reads as rewritten:

"Sec. 1.4. Electoral wards.

A. Until modified in accordance with law, the City shall be divided into six electoral wards, numbered one through six in a clockwise direction. The boundaries of the electoral wards shall be ~~established by ordinance, which may adopt by inclusion or by reference the map labeled 'City Voting Wards 1986' or a similar map. In the initial adoption of the ordinance, the Council need not follow the procedural requirements of Chapter 160A of the General Statutes, Article 5, Part 4, and no public hearing shall be required. The map shall be maintained and may be modified from time to time in accordance with the provisions of Articles 4 and 4A, Chapter 160A of the General Statutes.~~as follows:

District 1: Davidson County: VTD 10: Block(s) 0570618032000, 0570618032001, 0570618032002, 0570618032009; VTD 30: Block(s) 0570615001045, 0570615001046,

0570615001047, 0570615002011, 0570615003020, 0570615003022, 0570615003023, 0570615003024, 0570615003025, 0570615003026, 0570615003027, 0570615003028, 0570615003029, 0570615003030, 0570615003031, 0570615003032, 0570615003033, 0570615003035, 0570615003036, 0570615003037, 0570615003038, 0570615003039, 0570615003040, 0570615003041, 0570615003057, 0570615003058, 0570615003059, 0570615003060, 0570615003061, 0570615003062, 0570615003063, 0570615003064, 0570615003065, 0570615003066, 0570615003067, 0570615003081, 0570615003082, 0570615003084, 0570615004011, 0570615004014, 0570615004015, 0570615004016, 0570615004017, 0570615004020, 0570615004021, 0570615004022, 0570615004023, 0570615004033, 0570615004034, 0570615004036, 0570615004037, 0570615004038, 0570615004039, 0570615004040, 0570615004041, 0570615004043, 0570615004044, 0570615004045, 0570615004046, 0570615004047, 0570615004048, 0570615004049, 0570615004050, 0570615004051, 0570615004052, 0570615004054, 0570618031021, 0570618031022, 0570618031023, 0570618031024, 0570618031025, 0570618031026, 0570618031027; VTD 40: Block(s) 0570615004053.

District 2: Davidson County: VTD 28: Block(s) 0570616003005, 0570616003026, 0570616003027, 0570617011051, 0570617011052, 0570617012046, 0570617012047, 0570617012048, 0570617012050, 0570617012069, 0570617012070, 0570617012071, 0570617012074, 0570618031000, 0570618031001, 0570618031002, 0570618031003, 0570618031004, 0570618031005, 0570618031006, 0570618031007, 0570618031008, 0570618031009, 0570618031010, 0570618031011, 0570618031012, 0570618031013, 0570618031014, 0570618031015, 0570618031016, 0570618031017, 0570618031018, 0570618031019, 0570618031020, 0570618031028, 0570618031029, 0570618031030, 0570618031031, 0570618031032, 0570618031033, 0570618031034, 0570618031035, 0570618031036, 0570618031037, 0570618032003, 0570618032004, 0570618032005, 0570618032006, 0570618032007, 0570618032008, 0570618032015, 0570618032016, 0570618032018, 0570618032019, 0570618032020, 0570618032021, 0570618032022, 0570618032023; VTD 30: Block(s) 0570615004008, 0570615004024, 0570615004025, 0570615004026, 0570615004027, 0570615004028, 0570615004029, 0570615004030, 0570615004031, 0570615004035, 0570615004059; VTD 32: Block(s) 0570615001009, 0570615001010, 0570615001011, 0570615001012, 0570615001013, 0570615001023, 0570615001024, 0570615001025, 0570615001026, 0570615001027, 0570615001028, 0570615001029, 0570615001030, 0570615001031, 0570615001032, 0570615001040, 0570615001041, 0570615001042, 0570615001043, 0570615001044, 0570615004000, 0570615004001, 0570615004002, 0570615004003, 0570615004004, 0570615004005, 0570615004006, 0570615004007, 0570615004009, 0570615004010, 0570615004012, 0570615004013, 0570615004019, 0570615004032, 0570616001003, 0570616001004, 0570616001005, 0570616001006, 0570616001007, 0570616001008, 0570616001011, 0570616001012, 0570616001026, 0570616001027, 0570616001028, 0570616001031, 0570616002000, 0570616002001, 0570616002002, 0570616002003, 0570616002004, 0570616002005, 0570616002006, 0570616002007, 0570616002008, 0570616002009, 0570616002010, 0570616002011, 0570616002012, 0570616002013, 0570616002014, 0570616002015, 0570616002016, 0570616002017, 0570616002018, 0570616002019, 0570616002020, 0570616002021, 0570616002022, 0570616002023, 0570616002024, 0570616002025, 0570616002026, 0570616003000, 0570616003001, 0570616003003, 0570616003037, 0570616003038, 0570616003040, 0570616003041, 0570616003042, 0570616003043, 0570616003044, 0570616003046, 0570616003047.

District 3: Davidson County: VTD 24: Block(s) 0570612012019, 0570612013008; VTD 26: Block(s) 0570612013015, 0570612013025, 0570612013062, 0570612013063, 0570612013077, 0570612013078, 0570612013079, 0570612013080, 0570612013081, 0570612022039, 0570612022040; VTD 28: Block(s) 0570616003036; VTD 34: Block(s) 0570612012013, 0570612012014, 0570612012017, 0570612012028, 0570612012029, 0570612012030, 0570612012031, 0570612012032, 0570612012033, 0570612012034,

0570612012035, 0570612012049, 0570612012050, 0570612012052, 0570612012053, 0570612012054, 0570612012055, 0570612012056, 0570612013000, 0570612013001, 0570612013002, 0570612013003, 0570612013004, 0570612013005, 0570612013006, 0570612013011, 0570612013020, 0570612013026, 0570612013027, 0570612013029, 0570612013030, 0570612013031, 0570612013032, 0570612013033, 0570612013036, 0570612013037, 0570612013038, 0570612013039, 0570612013040, 0570612013041, 0570612013042, 0570612013043, 0570612013044, 0570612013045, 0570612013046, 0570612013047, 0570612013048, 0570612013049, 0570612013050, 0570612013051, 0570612013052, 0570612013053, 0570612013054, 0570612013056, 0570612013057, 0570612013058, 0570612013059, 0570612013060, 0570612013061, 0570612013071, 0570612013072, 0570612013073, 0570612013074, 0570612013075, 0570612013076, 0570612013082, 0570612014005, 0570612014006, 0570612014007, 0570612014008, 0570612014009, 0570612014010, 0570612014011, 0570612014012, 0570612014013, 0570612014014, 0570612014015, 0570612014016, 0570612014017, 0570612014018, 0570612014019, 0570612014020, 0570612014021, 0570612014025, 0570612014026, 0570612014027, 0570612014028, 0570612014029, 0570612014030, 0570612014031, 0570612014032, 0570612014033, 0570612014039, 0570612014040, 0570612014041, 0570612014042, 0570612014043, 0570612014044, 0570612014045, 0570612014052, 0570612014053, 0570612014054, 0570612014055, 0570612014056, 0570612014057, 0570612014058, 0570612014059, 0570612014060, 0570612014061, 0570612014062, 0570613002000, 0570613002001, 0570613002002, 0570613002003, 0570613002004, 0570613002005, 0570613002006, 0570613002007, 0570613002008, 0570613002009, 0570613002010, 0570613002013, 0570613002014, 0570613002015, 0570613002016, 0570613002017, 0570613002018, 0570613002019, 0570613002020, 0570613002021, 0570613002022, 0570613002023, 0570613002024, 0570613002025, 0570613002026, 0570613002027, 0570613002028, 0570613002029.

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B. The names and boundaries of voting tabulation districts, tracts, block groups, and blocks specified in this section are as shown on the 2010 Census Redistricting TIGER/Line Shapefiles. If any voting tabulation district boundary is changed, that change shall not change the boundary of a district, which shall remain the same as it is depicted by the 2010 Census Redistricting TIGER/Line Shapefiles.

C. Nothing in this section shall expand the corporate limits of the City; if this section assigns an area outside the corporate limits of the City, it shall have no effect. If this section does not specifically assign any area within the corporate limits of the City to a district, and the area is:

(1) Entirely surrounded by a single district, the area shall be deemed to have been assigned to that district.

(2) Contiguous to two or more districts, the area shall be deemed to have been assigned to that district which contains the least population according to the 2010 United States Census."

SECTION 3. The Legislative Services Officer shall certify a true copy of the block assignment file associated with any mapping software used to generate the language in Section 2 of this act. The certified true copy of the block assignment file shall be delivered by the Legislative Services Officer to the Davidson County Board of Elections and the City of Lexington.

SECTION 4. This act is effective when it becomes law and applies to elections held on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-62 **H.B. 504**

AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN THE CITY OF LINCOLNTON SHALL BE HELD IN EVEN-NUMBERED YEARS AND TO EXTEND THE MAYOR'S TERM FROM TWO TO FOUR YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Article III of Chapter 341 of the 1979 Session Laws, as amended by Chapter 58 of the 1983 Session Laws, reads as rewritten:

"ARTICLE III. ELECTIONS.

"Section 3.1. Method of Election. ~~Regular~~ Beginning in 2018, regular municipal elections shall be held in the City every two years in ~~odd-numbered~~even-numbered years and shall be conducted in accordance with State law governing municipal elections. The Mayor and members of the City Council shall be elected ~~according to the partisan primary and election method.~~on a partisan basis. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers.

"Section 3.2. Election of the Mayor; Term of Office. At each regular municipal election in the City, a Mayor shall be elected ~~for a term of two years~~ by and from the qualified voters of the City voting at large. The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years.

"Section 3.3. Election of the City Council; Term of Office; Ward Representation. (a) The City Council shall continue to serve four-year staggered terms of office as set forth herein. ~~At the regular municipal election to be held in 1979, and every four years thereafter, there shall be elected two members to the City Council, one member from Ward Two and one member from Ward Four, to serve terms of four years each. At the regular municipal election in 1981, and every four years thereafter, there shall be elected two members to the Board of Aldermen, one member from Ward One and one member from Ward Three, to serve terms of four years each.~~The two members of the City Council whose terms expire in 2017 shall continue to serve until 2018. At the regular municipal election in 2018, and quadrennially thereafter, two members shall be elected to the City Council, one member from Ward One and one member from Ward Three, who shall each serve four-year terms. The two members of the City Council whose terms expire in 2019 shall continue to serve until 2020. At the regular municipal election in 2020, and quadrennially thereafter, two members shall be elected to the City Council, one member from Ward Two and one member from Ward Four, who shall each serve four-year terms.

(b) Every person who is a candidate for the City Council and every person who is elected to the City Council shall reside in the ward which the person represents or seeks to represent, but all candidates shall be voted upon and elected by all the qualified voters of the City.

(c) If a member of the City Council has been elected from a ward and during his tenure of office moves from his ward to another ward within the City, the Council member will not forfeit his office but will continue to serve as Council member for the remaining term for which he was elected.

"Section 3.4. Wards and Ward Boundaries. (a) The City shall be divided into four wards – Ward One, Ward Two, Ward Three and Ward Four.

(b) The boundaries of the four wards shall be those existing at the time of the ratification of this Charter, as the same are set forth on an official map or written description of the City. The official map or written description showing the current ward boundaries shall be maintained in the office of the City Clerk, and shall be available for public inspection. Upon alteration of the City's corporate limits, the City Council shall have the authority to revise the ward boundaries, in accordance with State law.

"Section 3.5. Unaffiliated Candidates; Nomination by Petition. Any candidate seeking nomination by petition for municipal office shall comply with the requirements of Article II of Chapter 163 of the General Statutes, provided the Lincoln County Board of Elections may set the date and time completed petitions must be timely submitted for verification."

SECTION 2. No elections shall occur in the City of Lincolnton in 2017. Municipal elections shall next occur in the City of Lincolnton in 2018.

SECTION 3. This act is effective when it becomes law and applies to elections held on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-63 **H.B. 520**

AN ACT TO CHANGE THE ELECTION METHOD OF THE UNION COUNTY BOARD OF EDUCATION FROM NONPARTISAN TO PARTISAN.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding Section 5(a) of the Plan for Merging the Monroe City School System and the Union County School System adopted by the State Board of Education on January 8, 1992, and validated under Chapter 767 of the 1991 Session Laws (the Merger Plan), beginning in 2018, the Union County Board of Education shall consist of nine members who shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Except as otherwise provided by this act, elections shall be conducted in accordance with Chapters 115C and 163 of the General Statutes. Candidates for election to the Union County Board of Education shall be nominated at the same time and manner as other county officers. As the terms of the present members expire, beginning with the primary and election to be held in 2018, and every two years thereafter, members of the Union County Board of Education shall be elected for terms of four years.

SECTION 2. Notwithstanding Section 5(f) and Section 5(h) of the Merger Plan, beginning in 2018, vacancies on the Union County Board of Education shall be filled as follows:

(1) Vacancies for positions elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f).

(2) Vacancies for positions elected on a partisan basis in 2018 and thereafter shall be filled by appointment for the remainder of the unexpired term by the remaining Board members. If the vacating member was elected as a nominee of a political party, the Board shall consult the county executive committee of the appropriate political party before filling the vacancy, and shall appoint

the person recommended by the county executive committee of the political party of which the vacating member is registered, if that county executive committee makes a recommendation within 30 days of the occurrence of the vacancy. If only the qualified voters of an area less than the entire county were eligible to vote in the general election for the vacating member, the Board must accept the recommendation of the county executive committee only if the county executive committee restricted voting to committee members who represent precincts all or part of which were within the electoral district of the vacating member. To be eligible to fill a vacancy, a person shall be all of the following:

a. Registered with the same political party as the vacating member, if that vacating member was elected as the nominee of a political party.

b. A resident of the same district as the vacating member, if the vacating member was elected to represent an electoral district of less than the entire county.

SECTION 3. This act does not affect the terms of office of any person elected in 2014 or 2016 to the Union County Board of Education. The members of the Union County Board of Education elected in 2014 or 2016, or any member appointed by the remaining members of the Board to fill a vacancy of a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

SECTION 4. Chapter 359 of the 1975 Session Laws and Chapter 136 of the 1989 Session Laws are repealed.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-64 **S.B. 63**

AN ACT TO REQUIRE THE MILITARY AFFAIRS COMMISSION TO ADOPT A COMPREHENSIVE STRATEGIC PLAN TO ENHANCE NORTH CAROLINA MILITARY INSTALLATIONS AND THEIR MISSIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 14 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-1310.1. Strategic plan.**

(a) Strategic Plan. – The Military Affairs Commission shall adopt a comprehensive strategic plan to enhance North Carolina military installations and their missions. The strategic plan shall include specific objectives related to the following topics:

(1) Supporting and enhancing existing military installations and missions.

(2) Attracting new military assets and missions to North Carolina.

(3) Expanding military-related economic development in North Carolina.

(4) Improving the quality of life for military members and their families, military retirees, and veterans.

(5) Advocating military-related issues to the General Assembly, the United States Congress, and State and federal agencies.

(6) Any other topic related to enhancing North Carolina military installations and their missions.

(b) Update, Review, and Report. – The Commission shall update this plan every four years. The Commission shall annually review the State's performance based on this plan and shall annually report the results of its review to the Joint Legislative Oversight Committee on General Government."

SECTION 2. The Military Affairs Commission's February 2016 "Strategic Plan for Supporting and Enhancing North Carolina Military Missions and Installations" satisfies the

requirements of G.S. 143B-1310.1(a). The Military Affairs Commission shall complete its first annual review and its first annual report to the Joint Legislative Oversight Committee on General Government by November 1, 2017. The Military Affairs Commission shall complete its first update of the strategic plan by November 1, 2020.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of June, 2017.

Session Law 2017-65 **S.B. 64**

AN ACT TO ESTABLISH VETERANS' HISTORY AWARENESS MONTH IN NOVEMBER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-84.2(b) reads as rewritten:

"(b) Limitations. – The following limitations apply when developing the school calendar:

(1) The total number of teacher workdays for teachers employed for a 10-month term shall not exceed 195 days.

(2) The calendar shall include at least 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.

(3) School shall not be held on Sundays.

(4) Veterans Day shall be a holiday for all public school personnel and for all students enrolled in the public schools. The month of November shall be designated "Veterans' History Awareness Month.""

SECTION 2. G.S. 115C-12 is amended by adding a new subdivision to read:

"**§ 115C-12. Powers and duties of the Board generally.**

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

…

(33a) Duty to Develop Recommended Programs for Use in Schools During Veterans' History Awareness Month. – The State Board of Education shall develop recommended programs in collaboration with active military installations, veterans, and veterans service organizations that enable students to gain a better understanding of the meaning and importance of the contributions of American veterans and, in particular, veterans from North Carolina. Recommended programs may be integrated into lesson plans and may include veteran participation and veteran sponsorship in the form of an Adopt-A-Veteran program. All schools are encouraged to collaborate with veterans and veteran service organizations during Veterans' History Awareness Month to designate time for appropriate commemorative activities.

…."

SECTION 3. This act is effective when it becomes law and applies beginning with the 2017-2018 school year.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-66 **S.B. 244**

AN ACT TO ADD THE COASTAL CRESCENT TRAIL TO THE MOUNTAINS-TO-SEA STATE TRAIL.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Natural and Cultural Resources shall add the Coastal Crescent Trail through Johnston, Sampson, Cumberland, Bladen, Pender, and Onslow counties, as well as other counties designated by the Secretary of the Department of Natural and Cultural Resources, to the Mountains-to-Sea State Park Trail unit of the State Parks System as provided in G.S. 143B-135.54(b). The Coastal Crescent route of the Mountains-to-Sea Trail shall include public and private lands as authorized by G.S. 143B-135.98. The Secretary and staff of the Department of Natural and Cultural Resources shall work cooperatively with the staff and volunteers of Friends of the Mountains-to-Sea Trail to plan and develop the Coastal Crescent route.

SECTION 2. No later than October 1, 2017, the Department of Natural and Cultural Resources shall amend the State Parks System Plan required by G.S. 143B-135.48 to reflect the addition of the Coastal Crescent Trail to the Mountains-to-Sea State Park Trail.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of June, 2017.

Session Law 2017-67 **S.B. 312**

AN ACT TO ALLOW THE STATE SURPLUS PROPERTY AGENCY TO DISTRIBUTE STATE SURPLUS COMPUTERS TO NONPROFIT ENTITIES THAT REFURBISH AND DONATE COMPUTERS FOR THE BENEFIT OF LOW-INCOME STUDENTS AND HOUSEHOLDS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 143-64.02 reads as rewritten:

"**§ 143-64.02. Definitions.**

As used in Part 1 of this Article, except where the context clearly requires otherwise:

...

(2) "Nonprofit tax exempt organizations" means ~~those nonprofit tax exempt~~ the following entities certified by the Internal Revenue Service as tax-exempt nonprofit organizations under section 501(c)(3) of the United States Internal Revenue Code of 1954: medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, public libraries, ~~and~~ civil defense organizations, ~~that have been certified by the Internal Revenue Service as tax-exempt nonprofit organizations under section 501(c)(3) of the United States Internal Revenue Code of 1954.~~and nonprofit entities that are qualified under rules adopted by the State Surplus Property Agency of the Department of Administration to refurbish computers and donate them to low-income students or households throughout the State.

...."

SECTION 1.(b) G.S. 143-64.03 reads as rewritten:

"**§ 143-64.03. Powers and duties of the State agency for surplus property.**

(a) The State Surplus Property Agency is authorized and directed to:

(1) Sell all State owned supplies, materials, and equipment that are surplus, obsolete, or unused and sell all seized vehicles and other conveyances that the State Surplus Property Agency is authorized to sell;

(2) Warehouse such property; and

(3) Distribute such property to tax-supported or nonprofit tax-exempt organizations.

(b) The State Surplus Property Agency is authorized and empowered to act as a clearinghouse of information for agencies and private nonprofit tax-exempt organizations, to locate property available for acquisition from State agencies, to ascertain the terms and conditions under which the property may be obtained, to receive requests from agencies and private nonprofit tax-exempt organizations, and transmit all available information about the property, and to aid and assist the agencies and private nonprofit tax-exempt organizations in transactions for the acquisition of State surplus property. When distributing computer equipment to nonprofit entities that refurbish computers and donate them to low-income students or households in this State, the State Surplus Property Agency must give consideration to the counties where the computer equipment will be donated to ensure that all geographic regions of the State benefit from the distributions.

(c) The State agency for surplus property, in the administration of Part 1 of this Article, shall cooperate to the fullest extent consistent with the provisions of Part 1 of this Article, with the departments or agencies of the State.

(d) The State agency for surplus property may sell or otherwise dispose of surplus property, including motor vehicles, through an electronic auction service."

SECTION 2. This act is effective when it becomes law. Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an emergency rule in accordance with G.S. 150B-21.1A to effectuate the provisions of this act.

In the General Assembly read three times and ratified this the 19th day of June, 2017.

Session Law 2017-68 **S.B. 315**

AN ACT TO DIRECT THE UNIVERSITY OF NORTH CAROLINA TO IMPLEMENT THE UNDERGRADUATE DEGREE COMPLETION IMPROVEMENT PLAN; TO DIRECT THE STATE BOARD OF COMMUNITY COLLEGES AND THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO DEVELOP AND IMPLEMENT A SYSTEMWIDE ARTICULATION AGREEMENT FOR THE TRANSFER OF CREDIT FROM A COMMUNITY COLLEGE EARLY CHILDHOOD EDUCATION PROGRAM TO A UNIVERSITY OF NORTH CAROLINA CONSTITUENT INSTITUTION; TO DIRECT THE PRESIDENT, OR THE PRESIDENT'S DESIGNEE, AND THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO CONSIDER AND EVALUATE THE FEASIBILITY OF APPLYING FOR AND IMPLEMENTING THE UTEACH PROGRAM AS PART OF THE CURRICULA OFFERED BY THE UNIVERSITY OF NORTH CAROLINA SYSTEM; TO AUTHORIZE THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO SET THE EXPENDITURE BENCHMARK FOR THE PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA AT AN AMOUNT CONSISTENT WITH THE MAXIMUM BENCHMARK SET FOR CONSTITUENT INSTITUTIONS; AND TO CHANGE THE DATE BY WHICH THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA SHALL BEGIN REPORTING ANNUALLY THE NUMBER OF STUDENTS WHO GRADUATED FROM EARLY COLLEGE HIGH SCHOOL AND APPLIED FOR ADMISSION TO A CONSTITUENT INSTITUTION.

The General Assembly of North Carolina enacts:

PART I. UNDERGRADUATE DEGREE COMPLETION

SECTION 1.(a) The President of The University of North Carolina shall implement the University of North Carolina Undergraduate Degree Completion Improvement Plan, developed in accordance with Section 11.7 of S.L. 2015-241, as amended by Section 11.2

of S.L. 2016-94, and presented to the General Assembly on December 31, 2016, effective beginning with the 2017-2018 academic year.

SECTION 1.(b) This section is effective when it becomes law.

PART II. EARLY EDUCATION ARTICULATION AGREEMENT

SECTION 2.(a) By March 1, 2018, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall develop an articulation agreement for the transfer of credits earned for an associate degree in an early childhood education program at a community college toward a baccalaureate degree in an early childhood education program at a constituent institution for the purposes of the student obtaining teacher licensure in the area of Birth through Kindergarten. The articulation agreement shall apply to all community college campuses and constituent institutions with early childhood education programs. The articulation agreement may include that the community college student transferring credit and enrolling in the constituent institution has a minimum grade point average and a minimum Praxis I score.

SECTION 2.(b) By April 15, 2018, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee on the development of the articulation agreement and the plan for implementation of the articulation agreement at all community college campuses and constituent institutions with early childhood education programs. The systemwide articulation agreement for early childhood education programs entered into between The University of North Carolina and the Community College System shall apply beginning with the 2018-2019 academic year.

SECTION 2.(c) This section is effective when it becomes law.

PART III. UNC/UTEACH PROGRAM

SECTION 3.(a) The President, or the President's designee, and the Board of Governors of The University of North Carolina shall jointly consider and evaluate the feasibility of applying for and implementing the UTEACH program as part of the curricula offered by the University of North Carolina System.

UTEACH is a model program originally developed by the University of Texas at Austin. It is designed as a secondary STEM (science, technology, engineering, and mathematics) teacher preparation program with the goal of attracting high-caliber students, experienced and successful master teachers, and tenure-track faculty who are interested in STEM education. The UTEACH program is a course of study that combines the requirements for rigorous STEM degrees and for secondary teaching certification without adding time or cost to four-year degrees.

SECTION 3.(b) In their evaluation of the UTEACH program, the President, or the President's designee, and the Board of Governors may consider the following:

(1) How the UTEACH program would match up with the curricula currently offered through the University of North Carolina System and what adjustments, if any, would be required for implementation of the UTEACH program.

(2) Which constituent institutions and which departments and programs at those institutions would participate and collaborate in the UTEACH program if it was implemented.

(3) The application process and time frame required to develop a UTEACH program tailored to fit within the curricula of the University of North Carolina System.

(4) The cost of implementing and maintaining a UTEACH program and the alternatives for financing the program.

(5) Any statutory amendments or other legislative action that would be needed for the implementation of a UTEACH program.

(6) Any other issues the President, or the President's designee, and the Board of Governors deem relevant in their evaluation of the UTEACH program.

SECTION 3.(c) The President, or the President's designee, and the Board of Governors of The University of North Carolina shall report to the Joint Legislative Education Oversight Committee by April 1, 2018, their findings and recommendations regarding the feasibility of applying for and implementing the UTEACH program as part of the curricula offered through the University of North Carolina System.

SECTION 3.(d) This section is effective when it becomes law.

PART IV. UNC EXPENDITURE BENCHMARKS

SECTION 4.(a) G.S. 116-31.10 reads as rewritten:

"**§ 116-31.10. Powers of Board regarding certain purchasing contracts.**

(a) Notwithstanding G.S. 143-53.1 or G.S. 143-53(a)(2), the expenditure benchmark for the President of The University of North Carolina or a special responsibility constituent institution with regard to competitive bid procedures and the bid value benchmark shall be an amount not greater than five hundred thousand dollars ($500,000). The Board shall set the benchmark for the President and each institution from time to time. In setting ~~an institution's~~ the benchmark for the President or an institution in accordance with this section, the Board shall consider the ~~institution's~~ overall capabilities including staff resources, purchasing compliance reviews, and audit ~~reports.~~reports of the President's administrative staff or the institution. The Board shall also consult with the Director of the Division of Purchase and Contract and the Director of the Budget prior to setting the benchmark.

(b) ~~Each~~ If the President or a constituent institution ~~with~~ has an expenditure benchmark greater than ~~two hundred fifty thousand dollars ($250,000)~~ two hundred fifty thousand dollars ($250,000), the President or constituent institution shall comply with this subsection for any purchase greater than the President's or institution's benchmark set by the Board but not greater than five hundred thousand dollars ($500,000). ~~This~~ The President or institution shall submit to the Division of Purchase and Contract for that Division's approval or other action deemed necessary by the Division a copy of all offers received and the President's or institution's recommendation of award or other action. Notice of the Division's decision shall be sent to ~~that~~ the President or the institution. The President or institution shall then proceed with the award of contract or other action recommended by the Division."

SECTION 4.(b) G.S. 143-53.1 reads as rewritten:

"**§ 143-53.1. Setting of benchmarks; increase by Secretary.**

(a) On and after July 1, 2014, the procedures prescribed by G.S. 143-52 with respect to competitive bids and the bid value benchmark authorized by G.S. 143-53(a)(2) with respect to rule making by the Secretary of Administration for competitive bidding shall promote compliance with the principles of procurement efficiency, transparency, and fair competition to obtain the State's business. For the President of The University of North Carolina or a special responsibility constituent institution of The University of North Carolina, the benchmark prescribed in this section is as provided in G.S. 116-31.10. For community colleges, the benchmark prescribed in this section is as provided in G.S. 115D-58.14.

…."

SECTION 4.(c) This section is effective when it becomes law.

PART V. REPORTING DATE CHANGE

SECTION 5.(a) Section 11.16 of S.L. 2015-241 reads as rewritten:

"**EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY**

…

"**SECTION 11.16.(b)** Beginning ~~March 1, 2017,~~ September 30, 2017, the Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

…."

SECTION 5.(b) This section is effective when it becomes law.

PART VI. EFFECTIVE DATE

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Session Law 2017-69 **S.B. 326**

AN ACT TO CLARIFY THE APPLICATION OF THE HIGHWAY USE TAX TO OUT-OF-STATE VEHICLES TITLED IN THIS STATE, TO IMPROVE THE VEHICLE TITLING PROCESS BY ELIMINATING DUPLICATIVE REQUIREMENTS, AND TO DIRECT DMV TO TITLE AND REGISTER HIGH-MOBILITY MULTIPURPOSE VEHICLES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-187.6 is amended by adding a new subsection to read:

"(d) Exemption Limitation. – The full exemptions set out in subsection (a) of this section, except for those set out in subdivisions (1), (2), (9), and (10) of subsection (a) of this section, do not apply to a certificate of title issued for a motor vehicle titled in another state at the time of the transfer. The partial exemptions set out in subsection (b) of this section do not apply to a certificate of title issued for a motor vehicle titled in another state at the time of the transfer."

SECTION 2.(a) Subdivisions (4), (5), and (6) of subsection (a) of G.S. 20-52 are repealed.

SECTION 2.(b) G.S. 20-52(a) is amended by adding a new subdivision to read:

"(7) A statement that the owner has proof of financial responsibility, as required by Article 9A or Article 13 of this Chapter."

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

"(b) It shall be a Class 3 misdemeanor for any person who, with the intent to deceive an insurer, does any of the following:

(1) Presents or causes to be presented a written or oral statement in support of an application for issuance of or amendment to a policy of auto ~~insurance or for vehicle registration pursuant to G.S. 20-52(a)(4) and (a)(5),~~ insurance, knowing that the application contains false or misleading information that states the applicant is an eligible risk when the applicant is not an eligible risk.

(2) Assists, abets, solicits, or conspires with another person to prepare or make any written or oral statement that is intended to be presented to an insurer in connection with or in support of an application for issuance of or amendment to a policy of auto ~~insurance or for vehicle registration pursuant to G.S. 20-52(a)(4) and (a)(5),~~ insurance, if the person knows that the statement contains false or misleading information that states the applicant is an eligible risk when the applicant is not an eligible risk.

In addition to any other penalties authorized by law, a violation of this subsection may be punishable by a fine of not more than one thousand dollars ($1,000) for each violation."

SECTION 2.1.(a) G.S. 20-4.01 is amended by adding a new subdivision to read:

"(12h) High-Mobility Multipurpose Wheeled Vehicle (HMMWV). – A four-wheel drive vehicle produced for military or government use and commonly referred to as a "HMMWV" or "Humvee"."

SECTION 2.1.(b) Part 3 of Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-53.5. Titling and registration of HMMWV.**

(a) Registration and Certificate of Title. – The Division shall register and issue a certificate of title for an HMMWV if all of the following conditions are met:

(1) The applicant for the title and registration of the HMMWV has provided to the Division a sworn affidavit from a manufacturer, motor vehicle dealer, or seller of the HMMWV certifying that the vehicle complies with all applicable federal motor vehicle safety standards for vehicles designed for highway use.

(2) The vehicle has a vehicle identification number that matches the vehicle ownership documents. If the vehicle does not have a vehicle identification number, the Division shall assign one to the vehicle prior to registration. The existence of a valid vehicle identification number for the vehicle shall be verified by the License and Theft Bureau of the Division prior to its registration and titling.

(b) Applicability of This Chapter. – All provisions of this Chapter shall apply to an HMMWV, including the provisions of Article 3A and Article 9A of this Chapter, to the same extent they would apply to any other registered motor vehicle.

(c) Fees. – The vehicle registration fees applicable to property-hauling vehicles shall apply to the registration of an HMMWV.

(d) No Liability for Operations. – Neither the State nor its commission contract agents shall be liable for any injury or damages resulting from the operation of an HMMWV registered or titled pursuant to this section."

SECTION 3. Section 2 of this act becomes effective July 1, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of June, 2017.

Session Law 2017-70 **S.B. 6**

AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF CORNELIUS.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property, referenced by the Mecklenburg County Tax Office Parcel Identification Number, is added to the corporate limits of the Town of Cornelius:

00513121	00541108	00502104	00513126
00541102	00502127	00513125	00541105
00502115	00513202	00507104	00502103
00502102	00541101	00533104	00502122
00511105	00533105	00504226	00507197
00533106	00504C99	00507166	00533124
00504225	00507118	00533102	00504C98
00507116	00502109	00504230	00507112
00502114	00504C96	00503214	00502113
00513122	00502111	00513117	00503201
00502112	00541107	00538386	00506102
00502105	00502117	00502106	00538385
00502125	00502129	00503288	00502108
00503211	00503209	00502118	00114509
00507115	00513124	00114522	00507114
00513107	00511106	00513205	00503208
00502116	00538387	00182123	00538388
00507119	00182124	00513106	00506101

00182122	00513120	00507117	00182121
00513105	00506110	00182120	00513129
00506111	00182125	00513119	00502124
00182119	00513118	00502126	00182118.

SECTION 2. This act becomes effective June 30, 2017. Property in the territory described by Section 1 of this act as of January 1, 2017, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-71 **H.B. 58**

AN ACT TO AMEND THE LAW ESTABLISHING THE CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. Subdivision (11) of Chapter 926 of the 1947 Session Laws, as amended by Chapter 506 of the 1987 Session Laws, Chapter 248 of the 1989 Session Laws, Chapter 830 of the 1991 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"(11) "Final Average Salary" ~~means~~ means, effective with respect to Plan Years beginning on and after July 1, 2001, the higher amount of (i) the monthly average Compensation received ~~by a Member~~ during ~~any~~ the two highest consecutive Plan Years of the Member's last five years of Membership Service ~~which produces the highest average and is contained within the Member's last five years of~~ or (ii) the monthly average Compensation received during the 104 weeks preceding the end of the Member's Membership Service. If a Member has less than two years of Membership Service, his Final Average Salary shall mean the monthly average Compensation for his total Membership Service. For the purpose of calculating a Member's Final Average Salary, (i) payments for unused sick and vacation days shall be included as Compensation to the extent that the vacation and sick days for which payments are made could have accrued during two Plan Years of the Member's last five years of Membership Service, and (ii) payments for longevity shall be included as Compensation to the extent such payments were made during two Plan Years of the Member's last five years of Membership Service."

SECTION 2. This act applies only to the City of Charlotte.

SECTION 3. This act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-72 **H.B. 245**

AN ACT TO AMEND THE CHARTER OF THE CITY OF WINSTON-SALEM TO ESTABLISH A UNIFORM PROCESS FOR THE ELECTION OF INDEPENDENT OR NONPARTISAN CANDIDATES IN MUNICIPAL ELECTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Paragraph 6 of Section 12A of the Charter of the City of Winston-Salem, being Chapter 232 of the Private Laws of 1927, as amended by Chapter 13 of the 1965 Session Laws, and by Ordinance dated January 6, 2003, reads as rewritten:

"Sec. 12A. Generally.

…

6. Independent or nonpartisan candidates; petition; affidavit of candidates; filing of petition; rules and regulations governing petitions. ~~The Forsyth County Board of Elections shall include among the candidates for municipal office, as independent or nonpartisan candidates, the name~~

~~of any qualified voter who has been requested to be a candidate for office by written petitions signed by at least twenty-five percent (25%) of those entitled to vote for a candidate for such office according to the vote cast in the last municipal election for the particular office, when such petition is accompanied by an affidavit from such proposed candidate that he seeks to become an independent or nonpartisan candidate and does not affiliate with any political party; provided, such petition is filed with the secretary of the board of elections on or before twelve o'clock Noon on the third Friday preceding the general municipal election for such office.The~~Any candidate seeking nomination by petition for municipal office shall comply with the requirements of Article 11 of Chapter 163 of the General Statutes, provided the Forsyth County board of elections may prescribe rules and regulations ~~covering~~ governing the following:

(1) Setting the date and time completed petitions must be timely submitted for verification.

(2) Stating the information that shall be set out in the petition to be signed by the voters requesting a person to be a candidate for any such office, such as the giving of the full name of every such voter, the street address of such voter and any other pertinent information required to facilitate the checking of such petition against the registration books.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-73 **H.B. 272**

AN ACT TO PERMIT FOX AND COYOTE TRAPPING IN DAVIE AND YADKIN COUNTIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding any other provision of law, there is an open season for taking foxes by trapping from October 1 through February 28 of each year, with no tagging requirements prior to or after sale.

SECTION 1.(b) Notwithstanding any other provision of law, the open season for taking coyotes by trapping shall be October 1 through March 31 of each year.

SECTION 2. No bag limit applies to foxes or coyotes taken under this act.

SECTION 3. The Wildlife Resources Commission shall provide for the sale of foxes and coyotes taken lawfully pursuant to this act.

SECTION 4. This act applies only to the Counties of Davie and Yadkin.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-74 **H.B. 243**

AN ACT STRENGTHENING OPIOID MISUSE PREVENTION BY EXTENDING STANDING ORDERS FOR OPIOID ANTAGONIST TO COMMUNITY HEALTH GROUPS; REQUIRING SUPERVISING PHYSICIANS TO PERSONALLY CONSULT WITH PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS WHO PRESCRIBE CERTAIN SCHEDULE II OR III CONTROLLED SUBSTANCES FOR LONG-TERM USE; REQUIRING ELECTRONIC PRESCRIBING OF CERTAIN SCHEDULE II AND III CONTROLLED SUBSTANCES; ESTABLISHING MAXIMUM LIMITS FOR INITIAL PRESCRIPTIONS OF CERTAIN SCHEDULE II AND III CONTROLLED SUBSTANCES; REQUIRING HOSPICE AND PALLIATIVE CARE PROVIDERS TO PROVIDE EDUCATION REGARDING PROPER DISPOSAL OF CERTAIN UNUSED CONTROLLED SUBSTANCES; CLARIFYING ALLOWABLE FUNDS FOR SYRINGE

EXCHANGE PROGRAMS; REQUIRING VETERINARIAN PARTICIPATION IN THE CONTROLLED SUBSTANCES REPORTING SYSTEM; ESTABLISHING CIVIL PENALTIES FOR PHARMACIES THAT EMPLOY DISPENSERS WHO IMPROPERLY REPORT INFORMATION TO THE CONTROLLED SUBSTANCES REPORTING SYSTEM (CSRS); EXPANDING THE ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) IN USING CSRS DATA TO DETECT AND PREVENT FRAUD AND MISUSE; MANDATING DISPENSER REGISTRATION FOR ACCESS TO THE CSRS; MANDATING DISPENSER AND PRACTITIONER USE OF THE CSRS; REQUIRING DHHS TO REPORT PRACTITIONERS WHO FAIL TO PROPERLY USE THE CSRS; CREATING A SPECIAL REVENUE FUND TO SUPPORT THE CSRS; AND REQUIRING AN ANNUAL REPORT FROM DHHS ON THE CSRS.

Whereas, the General Assembly recognizes the substantial impact the nationwide opioid epidemic continues to have on the State of North Carolina; and

Whereas, North Carolina has seen a 442% increase in overdose deaths caused by commonly prescribed opioids between 1999 and 2015; and

Whereas, the General Assembly fully recognizes the appropriate use of opioids in the treatment of acute and chronic pain; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. TITLE OF ACT

SECTION 1. This act shall be known and may be cited as the "Strengthen Opioid Misuse Prevention Act of 2017" or the "STOP Act."

PART II. EXTEND STANDING ORDERS FOR OPIOID ANTAGONIST TO COMMUNITY HEALTH GROUPS

SECTION 2. G.S. 90-12.7 reads as rewritten:

"**§ 90-12.7. Treatment of overdose with opioid antagonist; immunity.**

(a) As used in this section, "opioid antagonist" means naloxone hydrochloride that is approved by the federal Food and Drug Administration for the treatment of a drug overdose.

(b) The following individuals may prescribe an opioid antagonist in the manner prescribed by this subsection:

(1) A practitioner acting in good faith and exercising reasonable care may directly or by standing order prescribe an opioid antagonist to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose. As an indicator of good faith, the practitioner, prior to prescribing an opioid under this subsection, may require receipt of a written communication that provides a factual basis for a reasonable conclusion as to either of the following:

a. The person seeking the opioid antagonist is at risk of experiencing an opiate-related overdose.

b. The person other than the person who is at risk of experiencing an opiate-related overdose, and who is seeking the opioid antagonist, is in relation to the person at risk of experiencing an opiate-related overdose:

1. A family member, friend, or other person.

2. In the position to assist a person at risk of experiencing an opiate-related overdose.

(2) The State Health Director <u>or a designee</u> may prescribe an opioid antagonist pursuant to subdivision (1) of this subsection by means of a statewide standing order.

(3) A practitioner acting in good faith and exercising reasonable care may directly or by standing order prescribe an opioid antagonist to any governmental or nongovernmental organization, including a local health department, a law enforcement agency, or an organization that promotes scientifically proven ways of mitigating health risks associated with substance use disorders and other high-risk behaviors, for the purpose of distributing, through its agents, the opioid antagonist to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose.

(c) A pharmacist may dispense an opioid antagonist to a person ~~described in subdivision (b)(1) of this section~~ or organization pursuant to a prescription issued ~~pursuant to~~ in accordance with subsection (b) of this section. For purposes of this section, the term "pharmacist" is as defined in G.S. 90-85.3.

(c1) A governmental or nongovernmental organization, including a local health department, a law enforcement agency, or an organization that promotes scientifically proven ways of mitigating health risks associated with substance use disorders and other high-risk behaviors may, through its agents, distribute an opioid antagonist obtained pursuant to a prescription issued in accordance with subdivision (3) of subsection (b) of this section to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose. An organization, through its agents, shall include with any distribution of an opioid antagonist pursuant to this subsection basic instruction and information on how to administer the opioid antagonist.

(d) A person who receives an opioid antagonist that was prescribed pursuant to subsection (b) of this section or distributed pursuant to subsection (c1) of this section may administer an opioid antagonist to another person if (i) the person has a good faith belief that the other person is experiencing a drug-related overdose and (ii) the person exercises reasonable care in administering the drug to the other person. Evidence of the use of reasonable care in administering the drug shall include the receipt of basic instruction and information on how to administer the opioid antagonist.

(e) All of the following individuals are immune from any civil or criminal liability for actions authorized by this section:

(1) Any practitioner who prescribes an opioid antagonist pursuant to subsection (b) of this section.

(2) Any pharmacist who dispenses an opioid antagonist pursuant to subsection (c) of this section.

(3) Any person who administers an opioid antagonist pursuant to subsection (d) of this section.

(4) The State Health Director acting pursuant to subsection (b) of this section.

(5) Any organization, or agent of the organization, that distributes an opioid antagonist pursuant to subsection (c1) of this section."

PART III. IMPROVE OPIOID PRESCRIBING PRACTICES

SECTION 3. G.S. 90-87 reads as rewritten:

"**§ 90-87. Definitions.**

As used in this Article:

…

(26a) "Targeted controlled substance" means any controlled substance included in G.S. 90-90(1) or (2) or G.S. 90-91(d).

…."

SECTION 4. G.S. 90-18.1(b) is amended by adding a new subdivision to read:

"(5) A physician assistant shall personally consult with the supervising physician prior to prescribing a targeted controlled substance as defined in Article 5 of this Chapter when all of the following conditions apply:

a. The patient is being treated by a facility that primarily engages in the treatment of pain by prescribing narcotic medications or advertises in any medium for any type of pain management services.

b. The therapeutic use of the targeted controlled substance will or is expected to exceed a period of 30 days.

When a targeted controlled substance prescribed in accordance with this subdivision is continuously prescribed to the same patient, the physician assistant shall consult with the supervising physician at least once every 90 days to verify that the prescription remains medically appropriate for the patient."

SECTION 5. G.S. 90-18.2(b) is amended by adding a new subdivision to read:

"(5) A nurse practitioner shall personally consult with the supervising physician prior to prescribing a targeted controlled substance as defined in Article 5 of this Chapter when all of the following conditions apply:

a. The patient is being treated by a facility that primarily engages in the treatment of pain by prescribing narcotic medications or advertises in any medium for any type of pain management services.

b. The therapeutic use of the targeted controlled substance will or is expected to exceed a period of 30 days.

When a targeted controlled substance prescribed in accordance with this subdivision is continuously prescribed to the same patient, the nurse practitioner shall consult with the supervising physician at least once every 90 days to verify that the prescription remains medically appropriate for the patient."

SECTION 6. G.S. 90-106 reads as rewritten:

"**§ 90-106. Prescriptions and labeling.**

(a) ~~Except when dispensed directly by a practitioner, other than a pharmacist, to an ultimate user, no controlled substance included in Schedule II of this Article may be dispensed without the written prescription of a practitioner.~~ No Schedule II substance shall be dispensed pursuant to a written or electronic prescription more than six months after the date it was prescribed.

(a1) Electronic Prescription Required; Exceptions. – Unless otherwise exempted by this subsection, a practitioner shall electronically prescribe all targeted controlled substances. This subsection does not apply to prescriptions for targeted controlled substances issued by any of the following:

(1) A practitioner, other than a pharmacist, who dispenses directly to an ultimate user.

(2) A practitioner who orders a controlled substance to be administered in a hospital, nursing home, hospice facility, outpatient dialysis facility, or residential care facility, as defined in G.S. 14-32.2.

(3) A practitioner who experiences temporary technological or electrical failure or other extenuating circumstance that prevents the prescription from being transmitted electronically; provided, however, that the practitioner documents the reason for this exception in the patient's medical record.

(4) A practitioner who writes a prescription to be dispensed by a pharmacy located on federal property; provided, however, that the practitioner documents the reason for this exception in the patient's medical record.

(5) A person licensed to practice veterinary medicine pursuant to Article 11 of Chapter 90 of the General Statutes.

(a2) Verification by Dispenser Not Required. – A dispenser is not required to verify that a practitioner properly falls under one of the exceptions specified in subsection (a1) of this section prior to dispensing a targeted controlled substance. A dispenser may continue to dispense targeted controlled substances from valid written, oral, or facsimile prescriptions that are otherwise consistent with applicable laws.

(a3) Limitation on Prescriptions Upon Initial Consultation for Acute Pain. – A practitioner may not prescribe more than a five-day supply of any targeted controlled substance upon the initial consultation and treatment of a patient for acute pain, unless the prescription is for post-operative acute pain relief for use immediately following a surgical procedure. A practitioner shall not prescribe more than a seven-day supply of any targeted controlled substance for post-operative acute pain relief immediately following a surgical procedure. Upon any subsequent consultation for the same pain, the practitioner may issue any appropriate renewal, refill, or new prescription for a targeted controlled substance. This subsection does not apply to prescriptions for controlled substances issued by a practitioner who orders a controlled substance to be wholly administered in a hospital, nursing home licensed under Chapter 131E of the General Statutes, hospice facility, or residential care facility, as defined in G.S. 14-32.2(c1). A practitioner who acts in accordance with the limitation on prescriptions as set forth in this subsection shall be immune from any civil liability or disciplinary action from the practitioner's occupational licensing agency for acting in accordance with this subsection.

(a4) Definitions. – As used in this subsection, the following terms have the following meanings:

(1) Acute pain. – Pain, whether resulting from disease, accident, intentional trauma, or other cause, that the practitioner reasonably expects to last for three months or less. The term does not include chronic pain or pain being treated as part of cancer care, hospice care, palliative care, or medication-assisted treatment for substance use disorder.

(2) Chronic pain. – Pain that typically lasts for longer than three months or that lasts beyond the time of normal tissue healing.

(3) Surgical procedure. – A procedure that is performed for the purpose of structurally altering the human body by incision or destruction of tissues as part of the practice of medicine. This term includes the diagnostic or therapeutic treatment of conditions or disease processes by use of instruments such as lasers, ultrasound, ionizing, radiation, scalpels, probes, or needles that cause localized alteration or transportation of live human tissue by cutting, burning, vaporizing, freezing, suturing, probing, or manipulating by closed reduction for major dislocations and fractures, or otherwise altering by any mechanical, thermal, light-based, electromagnetic, or chemical means.

(a5) Dispenser Immunity. – A dispenser shall be immune from any civil or criminal liability or disciplinary action from the Board of Pharmacy for dispensing a prescription written by a prescriber in violation of this section.

(b) In emergency situations, as defined by rule of the Commission, Schedule II drugs may be dispensed upon oral prescription of a practitioner, reduced promptly to writing and filed by the dispensing agent. Prescriptions shall be retained in conformity with the requirements of G.S. 90-104. No prescription for a Schedule II substance may be refilled.

(c) Except when dispensed directly by a practitioner, other than a pharmacist, to an ultimate user, no controlled substance included in Schedules III or IV, except paregoric, U.S.P., as provided in G.S. 90-91(e)1, may be dispensed without a prescription, and oral prescriptions shall be promptly reduced to writing and filed with the dispensing agent. Such prescription may not be filled or refilled more than six months after the date thereof or be refilled more than five times after the date of the prescription.

(d) No controlled substance included in Schedule V of this Article or paregoric, U.S.P., may be distributed or dispensed other than for a medical purpose.

(e) No controlled substance included in Schedule VI of this Article may be distributed or dispensed other than for scientific or research purposes by persons registered under, or permitted by, this Article to engage in scientific or research projects.

(f) No controlled substance shall be dispensed or distributed in this State unless such substance shall be in a container clearly labeled in accord with regulations lawfully adopted and published by the federal government or the Commission.

(g) When a copy of a prescription for a controlled substance under this Article is given as required by G.S. 90-70, such copy shall be plainly marked: "Copy – for information only." Copies of prescriptions for controlled substances shall not be filled or refilled.

(h) A pharmacist dispensing a controlled substance under this Article shall enter the date of dispensing on the prescription order pursuant to which such controlled substance was dispensed.

(i) A manufacturer's sales representative may distribute a controlled substance as a complimentary sample only upon the written request of a practitioner. Such request must be made on each distribution and must contain the names and addresses of the supplier and the requester and the name and quantity of the specific controlled substance requested. The manufacturer shall maintain a record of each such request for a period of two years."

SECTION 7. Article 5 of Chapter 90 of the General Statutes is amended by adding a new section to read:

"**§ 90-106.3. Disposal of residual pain prescriptions following death of hospice or palliative care patient.**

Any hospice or palliative care provider who prescribes a targeted controlled substance to be administered to a patient in his or her home for the treatment of pain as part of in-home hospice or palliative care shall, at the commencement of treatment, provide oral and written information to the patient and his or her family regarding the proper disposal of such targeted controlled substances. This information shall include the availability of permanent drop boxes or periodic "drug take-back" events that allow for the safe disposal of controlled substances such as those permanent drop boxes and events that may be identified through North Carolina Operation Medicine Drop."

PART IV. CLARIFY ALLOWABLE FUNDS FOR SYRINGE EXCHANGE PROGRAMS

SECTION 8. G.S. 90-113.27(b)(2) reads as rewritten:

"(2) Needles, hypodermic syringes, and other injection supplies at no cost and in quantities sufficient to ensure that needles, hypodermic syringes, and other injection supplies are not shared or reused. No ~~public~~ State funds may be used to purchase needles, hypodermic syringes, or other injection supplies."

PART V. STRENGTHEN CONTROLLED SUBSTANCES REPORTING SYSTEM

SECTION 9. G.S. 90-113.72 reads as rewritten:

"**§ 90-113.72. Definitions.**

The following definitions apply in this Article:

(1) ~~"Commission" means the~~ Commission. – The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services established under Part 4 of Article 3 of Chapter 143B of the General Statutes.

(2) ~~"Controlled substance" means a~~ Controlled substance. – A controlled substance as defined in G.S. 90-87(5).

(3) ~~"Department" means the~~ Department. – The Department of Health and Human Services.

(4) ~~"Dispenser" means a~~ Dispenser. – A person who delivers a Schedule II through V controlled substance to an ultimate user in North Carolina, but does not include any of the following:

a. A licensed hospital or long-term care pharmacy that dispenses such substances for the purpose of inpatient administration.
b. Repealed by Session Laws 2013-152, s. 1, effective January 1, 2014, and applicable to prescriptions delivered on or after that date.
c. A wholesale distributor of a Schedule II through V controlled substance.
d. A person licensed to practice veterinary medicine pursuant to Article 11 of Chapter 90 of the General Statutes.

(4a) Pharmacy. – A person or entity holding a valid pharmacy permit pursuant to G.S. 90-85.21 or G.S. 90-85.21A.

(5) ~~"Ultimate user" means a~~ Ultimate user. – A person who has lawfully obtained, and who possesses, a Schedule II through V controlled substance for the person's own use, for the use of a member of the person's household, or for the use of an animal owned or controlled by the person or by a member of the person's household."

SECTION 10. G.S. 90-113.73 reads as rewritten:

"**§ 90-113.73. Requirements for controlled substances reporting ~~system.~~system; civil penalties for failure to properly report.**

(a) The Department shall establish and maintain a reporting system of prescriptions for all Schedule II through V controlled substances. Each dispenser shall submit the information in accordance with transmission methods and frequency established by rule by the Commission. The Department may issue a waiver to a dispenser who is unable to submit prescription information by electronic means. The waiver may permit the dispenser to submit prescription information by paper form or other means, provided all information required of electronically submitted data is submitted. The dispenser shall report the information required under this section no later than ~~the close of business three business days after the day when the prescription was delivered, beginning the next day after the delivery date; however, dispensers are encouraged to report the information no later than 24 hours~~the close of the next business day after the prescription is delivered; however, dispensers are encouraged to report the information no later than 24 hours after the prescription was delivered. The information shall be submitted in a format as determined annually by the Department based on the format used in the majority of the states operating a controlled substances reporting system. In the event the dispenser is unable to report the information within the time frame required by this section because the system is not operational or there is some other temporary electrical or technological failure, this inability shall be documented in the dispenser's records. Once the electrical or technological failure has been resolved, the dispenser shall promptly report the information.

(b) The Commission shall adopt rules requiring dispensers to report the following information. The Commission may modify these requirements as necessary to carry out the purposes of this Article. The dispenser shall report:

(1) The dispenser's DEA number.
(2) The name of the patient for whom the controlled substance is being dispensed, and the patient's:
  a. Full address, including city, state, and zip code,
  b. Telephone number, and
  c. Date of birth.
(3) The date the prescription was written.
(4) The date the prescription was filled.
(5) The prescription number.
(6) Whether the prescription is new or a refill.
(7) Metric quantity of the dispensed drug.
(8) Estimated days of supply of dispensed drug, if provided to the dispenser.
(9) National Drug Code of dispensed drug.

(10) Prescriber's DEA number.

(11) Method of payment for the prescription.

(c) A dispenser shall not be required to report instances in which a controlled substance is provided directly to the ultimate user and the quantity provided does not exceed a 48-hour supply.

(d) A dispenser shall not be required to report instances in which a Schedule V non-narcotic, non-anorectic Schedule V controlled substance is provided directly to the ultimate user for the purpose of assessing a therapeutic response when prescribed according to indications approved by the United States Food and Drug Administration.

(e) The Department shall assess, against any pharmacy that employs dispensers found to have failed to report information in the manner required by this section within a reasonable period of time after being informed by the Department that the required information is missing or incomplete, a civil penalty of not more than one hundred dollars ($100.00) for a first violation, two hundred fifty dollars ($250.00) for a second violation, and five hundred dollars ($500.00) for each subsequent violation if the pharmacy fails to report as required under this section, up to a maximum of five thousand dollars ($5,000) per pharmacy per calendar year. Each day of a continuing violation shall constitute a separate violation. A pharmacy acting in good faith that attempts to report the information required by this section shall not be assessed any civil penalty. The clear proceeds of penalties assessed under this section shall be deposited to the Civil Penalty and Forfeiture Fund in accordance with Article 31A of Chapter 115C of the General Statutes. The Commission shall adopt rules to implement this subsection that include factors to be considered in determining the amount of the penalty to be assessed."

SECTION 11. G.S. 90-113.74 reads as rewritten:

"**§ 90-113.74. Confidentiality.**

…

(b1) The Department may review the prescription information data in the controlled substances reporting system and upon review may:

…

(1a) Notify practitioners and their respective licensing boards of prescribing behavior that (i) increases risk of diversion of controlled substances, (ii) increases risk of harm to the patient, or (iii) is an outlier among other practitioner behavior.

…

(c) The Department shall release data in the controlled substances reporting system to the following persons only:

(1) Persons authorized to prescribe or dispense controlled substances for the purpose of providing medical or pharmaceutical care for their patients. A person authorized to receive data pursuant to this paragraph may delegate the authority to receive the data to other persons working under his or her direction and supervision, provided the Department approves this delegation.

a. The administrator of a hospital emergency department or hospital acute care facility shall provide the Department with a list of prescribers who are authorized to prescribe controlled substances for the purpose of providing medical care for patients of the hospital emergency department or hospital acute care facility and a list of delegates who are authorized to receive data on behalf of the providers listed. The administrator acting under this paragraph shall submit the lists to the Department no later than December 1 of the calendar year preceding the year during which the delegates are to receive data and may provide updated lists at any time during the course of the year. Within one week of receiving the initial or updated lists described in this paragraph, the Department shall establish all of the delegate accounts necessary to enable each

delegate listed by the administrator of the hospital emergency department or hospital acute care facility to receive data on behalf of the listed prescribers. Delegations made pursuant to this paragraph are valid during the calendar year for which submitted by the administrator.

…."

SECTION 12. Article 5E of Chapter 90 of the General Statutes is amended by adding new sections to read:

"**§ 90-113.74B. Mandatory dispenser registration for access to controlled substances reporting system; exception.**

(a) Within 30 days after obtaining an initial or renewal license to practice pharmacy, the licensee shall demonstrate to the satisfaction of the North Carolina Board of Pharmacy that he or she is registered for access to the controlled substances reporting system. A violation of this section may constitute cause for the Board of Pharmacy to suspend or revoke the license.

(b) This section does not apply to a licensee employed in a pharmacy practice setting where a Schedule II, III, or IV controlled substance will not be dispensed.

"**§ 90-113.74C. Practitioner use of controlled substances reporting system; mandatory reporting of violations.**

(a) Prior to initially prescribing a targeted controlled substance to a patient, a practitioner shall review the information in the controlled substances reporting system pertaining to the patient for the 12-month period preceding the initial prescription. For every subsequent three-month period that the targeted controlled substance remains a part of the patient's medical care, the practitioner shall review the information in the controlled substances reporting system pertaining to the patient for the 12-month period preceding the determination that the targeted controlled substance should remain a part of the patient's medical care. Each instance in which the practitioner reviews the information in the controlled substances reporting system pertaining to the patient shall be documented in the patient's medical record. In the event the practitioner is unable to review the information in the controlled substances reporting system pertaining to the patient because the system is not operational or there is some other temporary electrical or technological failure, this inability shall be documented in the patient's medical record. Once the electrical or technological failure has been resolved, the practitioner shall review the information in the controlled substances reporting system pertaining to the patient and the review shall be documented in the patient's medical record.

(b) A practitioner may, but is not required to, review the information in the controlled substances reporting system pertaining to a patient prior to prescribing a targeted controlled substance to the patient in any of the following circumstances:

(1) The controlled substance is to be administered to a patient in a health care setting, hospital, nursing home, outpatient dialysis facility, or residential care facility, as defined in G.S. 14-32.2.

(2) The controlled substance is prescribed for the treatment of cancer or another condition associated with cancer.

(3) The controlled substance is prescribed to a patient in hospice care or palliative care.

(c) The Department shall conduct periodic audits of the review of the controlled substances reporting system by prescribers. The Department shall determine a system for selecting a subset of prescriptions to examine during each auditing period. The Department shall report to the appropriate licensing board any prescriber found to be in violation of this section. A violation of this section may constitute cause for the licensing board to suspend or revoke a prescriber's license.

"**§ 90-113.74D. Dispenser use of controlled substances reporting system.**

(a) Prior to dispensing a targeted controlled substance, a dispenser shall review the information in the controlled substances reporting system pertaining to the patient for the

preceding 12-month period and document this review under any of the following circumstances:

(1) The dispenser has a reasonable belief that the ultimate user may be seeking a targeted controlled substance for any reason other than the treatment of the ultimate user's existing medical condition.

(2) The prescriber is located outside of the usual geographic area served by the dispenser.

(3) The ultimate user resides outside of the usual geographic area served by the dispenser.

(4) The ultimate user pays for the prescription with cash when the patient has prescription insurance on file with the dispenser.

(5) The ultimate user demonstrates potential misuse of a controlled substance by any one or more of the following:

a. Over-utilization of the controlled substance.

b. Requests for early refills.

c. Utilization of multiple prescribers.

d. An appearance of being overly sedated or intoxicated upon presenting a prescription.

e. A request by an unfamiliar ultimate user for an opioid drug by a specific name, street name, color, or identifying marks.

(b) If a dispenser has reason to believe a prescription for a targeted controlled substance is fraudulent or duplicative, the dispenser shall withhold delivery of the prescription until the dispenser is able to contact the prescriber and verify that the prescription is medically appropriate.

(c) A dispenser shall be immune from any civil or criminal liability for actions authorized by this section. Failure to review the system in accordance with subsection (a) of this section shall not constitute medical negligence.

"**§ 90-113.75A. Creation of Controlled Substances Reporting System Fund.**

(a) The Controlled Substances Reporting System Fund is created within the Department as a special revenue fund. The Department shall administer the Fund. The Department shall use the Fund only for operation of the controlled substances reporting system and to carry out the provisions of this Article.

(b) The Fund shall consist of the following:

(1) Any moneys appropriated to the Fund by the General Assembly.

(2) Any moneys received from State, federal, private, or other sources for deposit into the Fund.

(c) All interest that accrues to the Fund shall be credited to the Fund. Any balance remaining in the Fund at the end of any fiscal year shall remain in the Fund and shall not revert to the General Fund.

"**§ 90-113.75B. Annual report to General Assembly and licensing boards.**

Annually on February 1, beginning February 1, 2019, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services, the North Carolina Medical Board, the North Carolina Board of Podiatry Examiners, the North Carolina Board of Nursing, the North Carolina Dental Board, the North Carolina Veterinary Medical Board, and the North Carolina Board of Pharmacy on data reported to the controlled substances reporting system. The report shall include at least all of the following information about targeted controlled substances reported to the system during the preceding calendar year:

(1) The total number of prescriptions dispensed, broken down by Schedule.

(2) Demographics about the ultimate users to whom prescriptions were dispensed.

(3) Statistics regarding the number of pills dispensed per prescription.

(4) The number of ultimate users who were prescribed a controlled substance by two or more practitioners.

(5) The number of ultimate users to whom a prescription was dispensed in more than one county.

(6) The categories of practitioners prescribing controlled substances and the number of prescriptions authorized by each category of practitioner. For the purpose of this subdivision, medical doctors, surgeons, palliative care practitioners, oncologists and other practitioners specializing in oncology, pain management practitioners, practitioners who specialize in hematology, including the treatment of sickle cell disease, and practitioners who specialize in treating substance use disorder shall be treated as distinct categories of practitioners.

(7) Any other data deemed appropriate and requested by the Joint Legislative Oversight Committee on Health and Human Services, the North Carolina Medical Board, the North Carolina Board of Podiatry Examiners, the North Carolina Board of Nursing, the North Carolina Dental Board, the North Carolina Veterinary Medical Board, or the North Carolina Board of Pharmacy."

SECTION 13.(a) Section 12F.16(h) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.16.(h)** ~~DHHS shall apply for grant funding from the National Association of Boards of Pharmacy to establish the connection to PMP InterConnect. The Department shall request forty thousand thirty-five dollars ($40,035) to establish the initial interface for PMP InterConnect and thirty thousand dollars ($30,000) for two years of ongoing service, maintenance, and support for PMP InterConnect in order to create interstate connectivity for the drug monitoring program as required by subdivision (2) of subsection (f) of this section.~~The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall continue to work toward establishing interstate connectivity for the Controlled Substances Reporting System established under G.S. 90-113.73."

SECTION 13.(b) Section 12F.16(i)(3) of S.L. 2015-241 reads as rewritten:

"(3) ~~For the 2015-2016 fiscal year, the sum of forty thousand thirty-five dollars ($40,035) shall be used to establish the initial interface for PMP InterConnect, as required by subdivision (2) of subsection (f) of this section. This amount shall be adjusted or eliminated if DHHS is successful in obtaining grant awards or identifying other allowable receipts for this purpose. If receipts are used for this purpose, this nonrecurring appropriation shall revert to the General Fund.~~The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall continue to work toward establishing interstate connectivity for the Controlled Substances Reporting System established under G.S. 90-113.73."

SECTION 14. The Department of Health and Human Services shall conduct a study, in consultation with the Office of the Attorney General and the North Carolina Veterinary Medical Board, on how to implement the provisions of this act pertaining to electronic prescriptions and the submission of data to the Controlled Substances Reporting System as they relate to the practice of veterinary medicine. The Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services no later than February 1, 2018.

PART VI. EFFECTIVE DATE

SECTION 15.(a) Sections 1, 2, 3, 4, 5, 7, 8, 11, and 13 of this act become effective July 1, 2017.

SECTION 15.(b) Subsections (a), (a1), and (a2) of G.S. 90-106, as amended by Section 6 of this act, become effective January 1, 2020.

SECTION 15.(c) Subsections (a3) and (a4) of G.S. 90-106, as amended by Section 6 of this act, become effective January 1, 2018.

SECTION 15.(d) Section 10 of this act and G.S. 90-113.75A and G.S. 90-113.75B, as enacted by Section 12 of this act, become effective September 1, 2017.

SECTION 15.(e) The remainder of this act is effective when it becomes law and applies to acts committed 30 days after the date the State Chief Information Officer notifies the Revisor of Statutes that (i) the upgrades to the Controlled Substances Reporting System (CSRS) database described in subdivisions (1) and (2) of subsection (a) of Section 12F.7 of S.L. 2016-94 have been completed and (ii) the upgraded CSRS database is fully operational within the Department of Information Technology and connected to the statewide health information exchange.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-75 **H.B. 256**

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, PRESIDENT PRO TEMPORE OF THE SENATE, AND THE MAJORITY AND MINORITY LEADERS OF THE HOUSE OF REPRESENTATIVES AND SENATE AND TO MAKE TECHNICAL CHANGES.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives and President Pro Tempore of the Senate; and

Whereas, G.S. 116-31 and G.S. 116-233, as amended by S.L. 2016-126, authorize the General Assembly to make appointments to the board of trustees of each of the constituent institutions of The University of North Carolina and the School of Science and Mathematics upon the recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate pursuant to G.S. 120-121; and

Whereas, G.S. 143B-168.12 authorizes the General Assembly to appoint members of the public to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Majority and Minority Leaders of the House of Representatives and the Senate; and

Whereas, the Speaker of the House of Representatives and President Pro Tempore of the Senate have made recommendations; and

Whereas, the Majority and Minority Leaders of the House of Representatives and the Senate have made recommendations; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SPEAKER'S RECOMMENDATIONS TO BOARDS AND COMMISSIONS

SECTION 1.1. Effective July 1, 2017, Dr. Chester Phillips of Wake County and Marc S. Cutler of Wake County are appointed to the Acupuncture Licensing Board for terms expiring June 30, 2020.

SECTION 1.2. Effective July 1, 2017, Fletcher "Gene" McIntyre of Stanly County and Linda Daves of Randolph County are appointed to the North Carolina Center for the Advancement of Teaching Board of Trustees for terms expiring on June 30, 2021.

SECTION 1.3. Effective October 1, 2017, Edward C. Robinson of Durham County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2020.

SECTION 1.4. Effective July 1, 2017, Jeffrey J. Smith of Yadkin County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on July 1, 2020.

SECTION 1.5. James W. Crabtree of Guilford County is appointed to the Alarm Systems Licensing Board for a term expiring on June 30, 2018, to fill the unexpired term of John Thompson.

SECTION 1.6. Effective July 1, 2017, Charles McGill of Wake County and Timothy Tallent of Cabarrus County are appointed to the North Carolina Appraisal Board for terms expiring on June 30, 2020.

SECTION 1.7. Effective August 1, 2017, Leonard Scott Barringer of Cabarrus County, Dr. Jeffrey P. Carley of Cleveland County, and Carrie A. Rubertino Shearer of Durham County are appointed to the North Carolina Board of Athletic Trainer Examiners for terms expiring on July 31, 2020.

SECTION 1.8. Effective July 1, 2017, Dana Stonestreet of Buncombe County is appointed to the North Carolina State Banking Commission for a term expiring on June 30, 2021.

SECTION 1.9. Dr. Ryan P. Lamb of Orange County is appointed to the North Carolina Brain Injury Advisory Council for a term expiring on September 30, 2019, to fill the unexpired term of Dr. Erwin Manalo.

SECTION 1.10.(a) Effective upon when this act becomes law, Deryl "Raynor" Smith, Jr., of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2019.

SECTION 1.10.(b) Effective July 1, 2017, Blair Bordeaux of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2020.

SECTION 1.11. Effective March 1, 2017, John E. Reid of Mecklenburg County is appointed to the North Carolina Capital Facilities Finance Agency Board of Directors for a term expiring on March 1, 2021.

SECTION 1.12. Effective July 1, 2017, William W. "Bill" Gaffney, Jr., of Mecklenburg County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2021.

SECTION 1.13. Effective July 1, 2017, Judi K. Grainger of Wake County and Hamilton "Tony" Withers of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2021.

SECTION 1.14. Effective July 1, 2017, Lindalyn Kakadelis of Mecklenburg County, Joseph A. Maimone of Rutherford County, and Lynn Kroeger of Union County are appointed to the North Carolina Charter Schools Advisory Board for terms expiring on June 30, 2021.

SECTION 1.15.(a) John Zachary "Zac" Everhart of Craven County is appointed to the North Carolina Child Care Commission for a term expiring on June 30, 2018, to fill the unexpired term of Kristin Weaver.

SECTION 1.15.(b) Effective July 1, 2017, Glenda Weinert of Buncombe County and Kimberly J. McClure of Forsyth County are appointed to the North Carolina Child Care Commission for terms expiring on June 30, 2019.

SECTION 1.16. Effective July 1, 2017, Dr. Richard K. Davis, Jr., of Catawba County is appointed to the State Board of Chiropractic Examiners for a term expiring on June 30, 2019.

SECTION 1.17. Effective July 1, 2017, Renee D. Kumor of Henderson County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2020.

SECTION 1.18. Robert M. High of New Hanover County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018, to fill the unexpired term of John Snipes II.

SECTION 1.19. Effective July 1, 2017, R. Steven Johnson of Wake County, Randy Byrd of Wake County, Angela L. Williams of Guilford County, and David L. Dail of Caswell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2019.

SECTION 1.20. Effective July 1, 2017, Joel R. Shores of Cleveland County is appointed to the Criminal Justice Information Network Governing Board for a term expiring on June 30, 2021.

SECTION 1.21.(a) If House Bill 357 of the 2017 Regular Session or substantially similar legislation becomes law, then effective July 1, 2017, Christina C. Wilson of Wake County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2020.

SECTION 1.21.(b) If House Bill 357 of the 2017 Regular Session or substantially similar legislation does not become law, then effective July 1, 2017, Shelia Garner Link of Carteret County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2020.

SECTION 1.22.(a) Saira Estrada of Iredell County is appointed to the Domestic Violence Commission for a term expiring on August 31, 2017, to fill the unexpired term of Mary Lopez Carter.

SECTION 1.22.(b) Effective September 1, 2017, Saira Estrada of Iredell County, the Honorable Robert M. Wilkins of Randolph County, and Erica S. Gallion of Harnett County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2019.

SECTION 1.23. Effective upon when this act becomes law, Craig Hagood of Wake County is appointed to the North Carolina Education and Workforce Innovation Commission for a term expiring on June 30, 2019.

SECTION 1.24. Dianne M. Layden of Perquimans County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019, to fill the unexpired term of Dr. Thomas A. Brant.

SECTION 1.25. Effective July 1, 2017, Robert Mitchell Gillespie of McDowell County and Steve P. Keen of Wayne County are appointed to the Environmental Management Commission for terms expiring on June 30, 2021.

SECTION 1.26. Effective October 1, 2017, Dr. Stacey R. Watkins-Griffith of Rutherford County is appointed to the North Carolina State Board of Fee-Based Practicing Pastoral Counselors for a term expiring on September 30, 2020.

SECTION 1.27. Effective January 1, 2018, Michael C. Stone of Lee County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2020.

SECTION 1.28. Effective July 1, 2017, William T. Lamm, II, of Wilson County and Steve R. Mayo of Wayne County are appointed to the Board of Directors of the North Carolina Global TransPark Authority for a term expiring on June 30, 2021.

SECTION 1.29. Effective March 1, 2017, Robert C. "Bert" Kemp of Pitt County and James Calvin Cunningham III of Davidson County are appointed to the Governor's Crime Commission for terms expiring on February 28, 2019.

SECTION 1.30. Effective July 1, 2017, Harold "Butch" Upton of Cleveland County is appointed to the North Carolina Home Inspector Licensure Board for a term expiring on July 1, 2021.

SECTION 1.31. Effective July 1, 2017, Tom Smith of Wake County, James Carlton Kearney, Sr., of Vance County, Paul S. Jaber of Nash County, and James W. Oglesby of Buncombe County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring on June 30, 2019.

SECTION 1.32. Effective July 1, 2017, April D. Page of Wake County is appointed to the State Human Resources Commission for a term expiring on June 30, 2021.

SECTION 1.33. Effective January 1, 2018, Anita Bachmann of Guilford County, Brian L. McGinnis of Gaston County, and Lisa P. Shock of Orange County are appointed to the Board of Directors of the North Carolina Institute of Medicine for terms expiring on January 1, 2022.

SECTION 1.34. Effective July 1, 2017, Jaime M. Staley of Caldwell County, Pamela P. Smith of Mecklenburg County, and Emily C. Pope of Sampson County are

appointed to the North Carolina Interpreter and Transliterator Licensing Board for terms expiring on June 30, 2020.

SECTION 1.35. Effective January 1, 2018, Representative John Szoka of Cumberland County is appointed to the Interstate Commission on Educational Opportunity for Military Children State Council for a term expiring on December 31, 2021.

SECTION 1.36. Effective October 1, 2017, Steven Hill of Wake County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2020.

SECTION 1.37. Effective July 1, 2017, Donald Keith Branch of Johnston County, Ashley M. Honeycutt of Wake County, Representative Frank Iler of Brunswick County, Representative Larry Yarborough of Granville County, Representative Becky Carney of Mecklenburg County, Wanda Moore of New Hanover County, Ryan S. Swanson of Wake County, and Joseph "Joey" Propst of Wake County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task for terms expiring on June 30, 2019.

SECTION 1.38. Effective July 1, 2017, Michael Philbeck of Cleveland County is appointed to the Local Government Commission for a term expiring on June 30, 2021.

SECTION 1.39. Effective January 1, 2018, Donald S. Bright of Cumberland County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2020.

SECTION 1.40. Effective September 1, 2017, William R. "Randy" Jones of Johnston County is appointed to the North Carolina State Lottery Commission for a term expiring on August 31, 2022.

SECTION 1.41. Effective July 1, 2017, the Honorable Richard T. Schulze of Perquimans County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2019.

SECTION 1.42. Effective July 1, 2017, Rachael Goolsby of New Hanover County is appointed to the North Carolina Board of Massage and Bodywork Therapy for a term expiring on June 30, 2018, to fill the unexpired term of Melissa Ann Smith.

SECTION 1.43. Effective July 1, 2017, Reverend Sidney Dunston of Franklin County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2020.

SECTION 1.44.(a) If Senate Bill 148 of the 2017 Regular Session or substantially similar legislation becomes law, then effective July 1, 2017, Mary Jo Cresimore of Wake County and R. Gene Davis of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for terms expiring on June 30, 2021.

SECTION 1.44.(b) If Senate Bill 148 of the 2017 Regular Session or substantially similar legislation does not become law, then the terms set out in subsection (a) of this section shall expire on July 1, 2019.

SECTION 1.45. Effective July 1, 2017, David R. Swinney of Pasquotank County is appointed to the North Carolina On-site Wastewater Contractors and Inspectors Certification Board for a term expiring on July 1, 2020.

SECTION 1.46.(a) John "Austin" Barnhill of Wake County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2020, to fill the unexpired term of William Stone.

SECTION 1.46.(b) Effective October 1, 2017, Harry M. Shaw of New Hanover County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2021.

SECTION 1.47. Effective July 1, 2017, Edward W. Wood of Chowan County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2020.

SECTION 1.48. Effective January 1, 2018, Dr. Paul Popish of Orange County, David L. Edge of Robeson County, and Reverend Stanley A. Lewis of Halifax County are

appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for terms expiring on December 31, 2020.

SECTION 1.49. Effective July 1, 2017, Kimberly Hale of Pitt County and Representative Jonathan Jordan of Ashe County are appointed to the Permanency Innovation Initiative Oversight Committee for terms expiring on June 30, 2020.

SECTION 1.50. Effective July 1, 2017, Tom W. Adams of Brunswick County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2019.

SECTION 1.51. Richard A. Cornette of Wilkes County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019, to fill unexpired term of Jeremy Johnson.

SECTION 1.52. Effective July 1, 2017, Vincent P. "Bud" Cesena of Lincoln County is appointed to the Private Protective Services Board for a term expiring on June 30, 2020.

SECTION 1.53. If House Bill 327 of the 2017 Regular Session or substantially similar legislation becomes law, then effective January 1, 2018, Scott Aaron of Durham County is appointed to the North Carolina Board of Proprietary Schools for a term expiring on December 31, 2021.

SECTION 1.54. Michael M. Ruffin of Cabarrus County is appointed to the Public Officers and Employees Liability Insurance Commission for a term expiring on June 30, 2019, to fill the unexpired term of John Michael Causey.

SECTION 1.55. Effective July 1, 2017, James Nance of Stanly County is appointed to the North Carolina Railroad Company Board of Directors for a term expiring on June 30, 2021.

SECTION 1.56. Effective July 1, 2017, Thomas K. Lawing, Jr., of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on June 30, 2020.

SECTION 1.57. Effective July 1, 2017, Rhonda W. Walton of Pitt County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2020.

SECTION 1.58. If Senate Bill 257 of the 2017 Regular Session becomes law, then effective July 1, 2017, Earl W. Willis, Jr., of Chowan County is appointed to the Roanoke Island Historical Commission for a term expiring on June 30, 2019.

SECTION 1.59. Effective July 1, 2017, Anna Baird Choi of Wake County, Garth K. Dunklin of Mecklenburg County, and Andrew P. Atkins of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2019.

SECTION 1.60. Effective July 1, 2017, Lee Grantham of Robeson County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2020.

SECTION 1.61. Effective July 1, 2017, Enoch Mueller of Caldwell County is appointed to the North Carolina Board of Science, Technology, and Innovation for a term expiring on June 30, 2019.

SECTION 1.62. Effective July 1, 2017, Clark C. Wipfield of Wake County is appointed to the North Carolina Board for Licensing of Soil Scientists for a term expiring on June 30, 2020.

SECTION 1.63. Effective July 1, 2017, Peter W. Chauncey of Durham County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2019.

SECTION 1.64. Effective July 1, 2017, Michael "Greg" Patterson of Wake County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2019.

SECTION 1.65. Effective July 1, 2017, Stephen J. Lawler of Pitt County and Melissa Ross Matton of Wake County are appointed to the Umstead Act Unfair Competition Panel (UNC Umstead Review Panel) for terms expiring on June 30, 2021.

SECTION 1.66. Effective July 1, 2017, Culley C. Carson IV of Wake County is appointed to the Board of Trustees of the University of North Carolina Center Public Television for a term expiring on June 30, 2019.

SECTION 1.67. Effective upon when this act becomes law, Robin P. Lazaro of Johnston County is appointed to the North Carolina Veterinary Medical Board for a term expiring on June 30, 2021.

SECTION 1.68. Effective July 1, 2017, Representative Nelson Dollar of Wake County and Representative William Brawley of Mecklenburg County are appointed to the Virginia-North Carolina Interstate High-Speed Rail Compact Commission for terms expiring on June 30, 2020.

SECTION 1.69. Effective July 1, 2017, Maria S. Hunnicutt of Rutherford County is appointed to the State Water Infrastructure Authority for a term expiring on July 1, 2019.

SECTION 1.70. Effective July 1, 2017, Vernon Ray Clifton Jr. of Bladen County, John A. Stone of Moore County, John T. Coley, IV, of Wake County, and Tommy Fonville of Wake County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2019.

PART II. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS TO BOARDS AND COMMISSIONS

SECTION 2.1. Effective July 1, 2017, Crystal Combs Cody of Lincoln County, Daniel N. Kiger of Surry County, and Robert W. Lee of Anson County are appointed to the North Carolina Criminal Justice Information Network Governing Board for terms expiring on June 30, 2021.

SECTION 2.2. Effective July 1, 2017, Leigh T. Brown of Cabarrus County, Michael P. Ayotte of Burke County, Paul Lawson Kennedy of Brunswick County, and Melvin Charles Mullen of Nash County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring on June 30, 2019.

SECTION 2.3. Effective July 1, 2017, John M. Pike of Wayne County is appointed to the North Carolina Railroad Board of Directors for a term expiring on June 30, 2021.

SECTION 2.4. Effective July 1, 2017, Charles S. Carter of Wake County is appointed to the North Carolina Environmental Management Commission for a term expiring on June 30, 2021.

SECTION 2.5. Effective July 1, 2017, Danny Barwick Smith of Lenoir County is appointed to the North Carolina Global TransPark Authority Board of Directors for a term expiring on June 30, 2021.

SECTION 2.6. Effective July 1, 2017, Edward C. Munn of Gaston County is appointed to the Local Government Commission for a term expiring on June 30, 2021.

SECTION 2.7. Effective January 1, 2018, Charles J. Elledge of Wilkes County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2021.

SECTION 2.8. Effective January 1, 2017, Dr. Penney Burlingame Deal of Onslow County, Leonard A. Ellis of Mitchell County, and Keith S. Holtsclaw of Mitchell County are appointed to the North Carolina Institute of Medicine Board of Directors for terms expiring on December 31, 2021.

SECTION 2.9. Effective January 1, 2018, Lisa B. McCanna of Cabarrus County and Danielle Niedfeldt of Orange County are appointed to the License to Give Trust Fund Commission for terms expiring on December 31, 2019.

SECTION 2.10. Effective July 1, 2017, Senator Tamara Barringer of Wake County and Susan R. Whitehead of Wake County are appointed to the Permanency Innovation Initiative Oversight Committee for terms expiring on June 30, 2020.

SECTION 2.11. Effective July 1, 2017, Dr. Michael M. Marushack of New Hanover County is appointed to the North Carolina Board of Athletic Trainer Examiners for a term expiring on June 30, 2020.

SECTION 2.12. Effective July 1, 2017, John A. Graham of Johnston County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2021.

SECTION 2.13.(a) Effective upon when this act becomes law, Dr. Troy L. Kickler of Wake County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on June 30, 2018, to fill the unexpired term of Johnny D. Martin.

SECTION 2.13.(b) Effective July 1, 2017, Ms. Robin S. Hackney of New Hanover County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on June 30, 2020.

SECTION 2.14. Effective July 2, 2017, Walter H. James of Rockingham County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2020.

SECTION 2.15. Effective October 1, 2017, Thomas M. Clare of Wake County is appointed to the North Carolina Dispute Resolution Commission for a term expiring on September 30, 2020.

SECTION 2.16. Effective September 1, 2017, Michael Lazzara of Onslow County, Roy J. Helm of Mecklenburg County, Thomas E. Smith of Wake County, Sallie P. Surface of Hertford County, and Rita Thuot of Gaston County are appointed to the North Carolina Housing Partnership for terms expiring on August 31, 2020.

SECTION 2.17. Effective July 1, 2017, William A. Yow of Guilford County and Todd C. Muench of Orange County are appointed to the Well Contractors Certification Commission for terms expiring on June 30, 2020.

SECTION 2.18. Effective July 1, 2017, Jeff D. Etheridge of Columbus County and Theodore Westmoreland of Cleveland County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2020.

SECTION 2.19. Effective July 1, 2017, Walter D. Giese of Onslow County and Patrick Johnson of Wake County are appointed to the North Carolina Board for Licensing of Soil Scientists for terms expiring on June 30, 2021.

SECTION 2.20. Effective July 1, 2017, Phyllis P. Gibbs of Guilford County, Alan Hawkes of Guilford County, and Sherry T. Reeves of Pamlico County are appointed to the North Carolina Charter Schools Advisory Board for terms expiring on June 30, 2020.

SECTION 2.21. Effective July 1, 2017, Paula T. Benson of Wilson County and Eric R. Hall of Wake County are appointed to the North Carolina School of Science and Mathematics Board of Trustees for terms expiring on June 30, 2021.

SECTION 2.22. Effective October 1, 2017, Dr. Pierre Crawford of Wilson County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2020.

SECTION 2.23. Effective July 1, 2017, Roger M. Woods of Mecklenburg County is appointed to the North Carolina State Building Commission for a term expiring on June 30, 2020.

SECTION 2.24.(a) Effective July 1, 2017, Edward Cobbler of Guilford County is appointed to the Private Protective Services Board for a term expiring on June 30, 2020.

SECTION 2.24.(b) Effective July 1, 2017, Nada C. Lawrimore of Wilkes County is appointed to the Private Protective Services Board for a term expiring on June 30, 2021.

SECTION 2.25. Effective July 1, 2017, Rhonda W. Walton of Pitt County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2020.

SECTION 2.26. Effective July 1, 2017, Larry Proctor of Guilford County and Ralph C. Brown, Jr., of Iredell County are appointed to the Alarm Systems Licensing Board for terms expiring on June 30, 2020.

SECTION 2.27. Effective August 1, 2017, Lucina S. Chandler of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on July 31, 2020.

SECTION 2.28.(a) If House Bill 357 of the 2017 Regular Session or substantially similar legislation becomes law, then effective July 1, 2017, John P. Alger of Mecklenburg County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2020.

SECTION 2.28.(b) If House Bill 357 of the 2017 Regular Session or substantially similar legislation does not become law, then effective July 1, 2017, Kimberly Isles of Durham County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2020.

SECTION 2.29. Effective July 1, 2017, Nancy S. Harrell of Wake County and Kimberly L. Turk of Durham County are appointed to the North Carolina Board of Massage and Bodywork Therapy for terms expiring on June 30, 2020.

SECTION 2.30. Effective July 1, 2017, Marybeth Burns of Henderson County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2020.

SECTION 2.31. Effective July 1, 2017, Kenneth D. Stafford of Alamance County is appointed to the North Code Officials Qualification Board for a term expiring on June 30, 2021.

SECTION 2.32. Effective July 1, 2017, Leila R. Goodwin of Wake County is appointed to the State Water Infrastructure Authority for a term expiring on June 30, 2018.

SECTION 2.33. Effective July 1, 2017, Richard A. Epley of Burke County, Teresa M. Jardon of Catawba County, Ronald L. Parrish of Alamance County, and Michael D. Slagle of Mitchell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2019.

SECTION 2.34. Effective September 1, 2017, Cathy M. Cloninger of Gaston County, Ms. Rekha J. Parikh of Wake County, Nathaniel C. Parker of Wake County, and Pamela T. Thompson of Alamance County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2019.

SECTION 2.35. Effective July 1, 2017, Senator Chad Barefoot of Wake County, Senator Kathy G. Harrington of Gaston County, Senator Ronald J. Rabin of Cumberland County, Helen W. Brann of Person County, Shonda K. Corbett of Wake County, Chris C. Dobbins of Gaston County, Dr. David Y. Huang of Orange County, and Heather P. Breedlove of Wake County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2019.

SECTION 2.36. If Senate Bill 257 of the 2017 Regular Session becomes law, then effective July 1, 2017, Edward J. Danko of Dare County is appointed to the Roanoke Island Historical Commission for a term expiring on June 30, 2020.

SECTION 2.37.(a) Effective July 1, 2017, Margaret Currin of Wake County, John R. Hemphill of Wake County, and Jeffrey T. Hyde of Guilford County are appointed to the Rules Review Commission for terms expiring on August 31, 2018.

SECTION 2.37.(b) Effective July 1, 2017, Robert A. Bryan of Wake County and Jeffrey A. Poley of Wake County are appointed to the Rules Review Commission for terms expiring on August 31, 2019.

SECTION 2.38. Effective July 1, 2017, Dr. Samuel H. Houston of Wake County is appointed to the North Carolina Board of Science, Technology, and Innovation for a term expiring on June 30, 2019.

SECTION 2.39. Effective July 1, 2017, Dr. Aaron McKethan of Durham County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2019.

SECTION 2.40. Effective July 1, 2017, Thomas Berry of Guilford County, Mark Craig of Guilford County, Garry Spence of Mecklenburg County, and Landon Zimmer of New Hanover County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2019.

SECTION 2.41. Effective July 1, 2017, Melanie C. Gayle of Moore County and William C. Walton of Pitt County are appointed to the North Carolina Child Care Commission for a term expiring on June 30, 2019.

SECTION 2.42. Effective July 1, 2017, Vickie Walker of Mecklenburg County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2019.

SECTION 2.43. Effective July 1, 2017, Chad R. Brown of Gaston County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2020.

SECTION 2.44. Effective July 1, 2017, Lauren Pruett of Forsyth County is appointed to the North Carolina Interpreter and Transliterator Licensing Board for a term expiring on June 30, 2020.

SECTION 2.45. Effective October 1, 2017, Kevin R. Howell of Transylvania County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2020.

SECTION 2.46. Effective October 1, 2017, Travis F. Stephenson of Beaufort County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 2.47. Effective July 1, 2017, Patrick P. Joyce of Carteret County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2019.

SECTION 2.48.(a) If Senate Bill 148 of the 2017 Regular Session or substantially similar legislation becomes law, then effective October 1, 2017, Peggy Wilks of Wake County and Shreita T. Powers of Forsyth County are appointed to the North Carolina Museum of Art Board of Trustees for terms expiring on September 30, 2021.

SECTION 2.48.(b) If Senate Bill 148 of the 2017 Regular Session or substantially similar legislation does not become law, then the terms set out in subsection (b) of this section shall expire on September 30, 2019.

SECTION 2.49. Effective July 1, 2017, W. Lentz Brewer of New Hanover County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2019.

SECTION 2.50. Effective July 1, 2017, Daniel Locklear of Robeson County is appointed to the North Carolina State Commission of Indian Affairs for a term expiring on September 30, 2019.

SECTION 2.51. Effective July 1, 2017, James P. Tobin of Dare County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2020.

SECTION 2.52. Effective January 1, 2018, Craig Olive of Johnston County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2020.

SECTION 2.53. Effective January 1, 2018, Amy T. Ward of Nash County is appointed to the 911 Board for a term expiring on December 31, 2020, to fill the unexpired term of Joshua Brown.

SECTION 2.54. Effective September 1, 2017, Jennifer K. Morris of New Hanover County is appointed to the North Carolina Board of Electrolysis Examiners for a term expiring on August 31, 2020.

SECTION 2.55. Effective July 1, 2017, Charles D. Barrett of Davie County is appointed to the State Human Resources Commission for a term expiring on June 30, 2021.

SECTION 2.56. If House Bill 327 of the 2017 Regular Session or substantially similar legislation becomes law, then effective January 1, 2018, Robyn E. Klose of Wake County is appointed to the State Board of Proprietary Schools for a term expiring on December 31, 2021.

SECTION 2.57. Effective July 1, 2017, Angela Hight of Nash County is appointed to the Crime Victims Compensation Commission for a term expiring on June 30, 2021.

SECTION 2.58. Effective January 1, 2018, Colonel Grady H. Hawkins of Henderson County is appointed to the Judicial Standards Commission for a term expiring on December 31, 2023.

SECTION 2.59. Effective September 1, 2017, Jody Tyson of Greene County is appointed to the North Carolina State Lottery Commission for a term expiring on August 31, 2022.

SECTION 2.60. Effective upon when this act becomes law, John A. Ross of Henderson County is appointed to the North Carolina Irrigation Contactors' Licensing Board for a term expiring on September 30, 2019.

SECTION 2.61. Effective July 1, 2017, Ed Jones of Wake County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2020.

SECTION 2.62. Effective December 1, 2017, D. Anthony Blackman of Wake County is appointed to the Economic Investment Committee for a term expiring on November 30, 2019.

SECTION 2.63. Effective October 1, 2017, Peter C. Milner of Wake County and Dr. Jonathan H. Freeman of Forsyth County are appointed to the North Carolina State Board of Fee-Based Practicing Pastoral Counselors for terms expiring on September 30, 2020.

SECTION 2.64. Effective upon when this act becomes law, Terry D. Maybin of Henderson County is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for a term expiring December 31, 2019, to fill the unexpired term of Loraine Benthin.

SECTION 2.65. Effective upon when this act becomes law, Senator Chad Barefoot of Wake County is appointed to the Education Commission of the States for a term expiring on December 31, 2017, to fill the unexpired term of former Senator Daniel Soucek.

SECTION 2.66. Effective upon when this act becomes law, Benjamin J. Curtis of Rockingham County and Ernie L. Coleman of Beaufort County are appointed to the Governor's Crime Commission for terms expiring on February 28, 2020.

SECTION 2.67. Effective upon when this act becomes law, Ashley M. Dixon of Wake County is appointed to the North Carolina Board of Nursing for a term expiring on December 31, 2020.

SECTION 2.68. Effective upon when this act becomes law, Perry R. Safran of Wake County is appointed to the North Carolina Turnpike Authority Board for a term expiring on January 13, 2021.

SECTION 2.69. Effective upon when this act becomes law, Dr. Ronald J. Komich of Guilford County is appointed to the North Carolina Veterinary Medical Board for a term expiring on June 30, 2021.

SECTION 2.70. Effective July 1, 2017, the Honorable Andrew Brock of Davie County is appointed to the Board of Review for a term expiring on June 30, 2021.

PART III. SPEAKER'S RECOMMENDATIONS/BOARDS OF TRUSTEES OF THE CONSTITUENT INSTITUTIONS OF UNC

SECTION 3.1. Effective July 1, 2017, Donald C. Beaver of Catawba County is appointed to Appalachian State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.2. Effective July 1, 2017, Robert Jason Poole, II, of Cumberland County is appointed to the East Carolina University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.3. Effective July 1, 2017, Phyllis N. Bosomworth of Pasquotank County is appointed to the Elizabeth City State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.4. Effective July 1, 2017, John G. McNeil of Cumberland County is appointed to the Fayetteville State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.5. Effective July 1, 2017, the Honorable Paul L. Jones of Guilford County is appointed to the North Carolina Agricultural and Technical State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.6. Effective July 1, 2017, James S. Walker of Mecklenburg County is appointed to the North Carolina Central University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.7. Effective July 1, 2017, James A. Harrell, III, of Wake County is appointed to the North Carolina State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.8. Effective July 1, 2017, J.W. Davis of Buncombe County is appointed to the University of North Carolina at Asheville Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.9. Effective July 1, 2017, Kelly Matthews Hopkins of Mecklenburg County is appointed to the University of North Carolina at Chapel Hill Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.10. Effective July 1, 2017, Teross Young of Iredell County is appointed to the University of North Carolina at Charlotte Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.11. Effective July 1, 2017, Vanessa Carroll of Guilford County is appointed to the University of North Carolina at Greensboro Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.12. Effective July 1, 2017, B.J. "Jack" Lowry of Wilson County, Tennessee, is appointed to the University of North Carolina at Pembroke Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.13. Effective July 1, 2017, Dennis Burgard of Onslow County is appointed to the University of North Carolina at Wilmington Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.14. Effective July 1, 2017, Joyce C. Dugan of Jackson County is appointed to the Western Carolina University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.15. Effective July 1, 2017, Dr. Ricky Sides of Forsyth County is appointed to the Winston-Salem State University Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.16. Elizabeth B. Madden of Forsyth County is appointed to the University of North Carolina School of the Arts Board of Trustees for a term expiring on June 30, 2021.

SECTION 3.17. Effective July 1, 2017, Dr. Ellen C. Collett of Burke County, Robert M. Freeman of Cabarrus County, and Stephen E. Griffin of Durham County are appointed to the North Carolina School of Science and Mathematics Board of Trustees for terms expiring on June 30, 2021.

PART IV. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS/BOARDS OF TRUSTEES OF THE CONSTITUENT INSTITUTIONS OF UNC

SECTION 4.1. Effective July 1, 2017, Scott Lampe of Mecklenburg County is appointed to the Appalachian State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.2. Effective July 1, 2017, Fielding Miller of Wake County is appointed to the East Carolina University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.3. Effective July 1, 2017, Tracy L. Swain of Camden County is appointed to the Elizabeth City State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.4. Effective July 1, 2017, Mrs. Sherida McMullan of Wake County is appointed to the Fayetteville State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.5. Effective July 1, 2017, Calvin Brodie of Franklin County is appointed to the North Carolina A & T State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.6. Effective July 1, 2017, Karyn L. Stith-Wilkerson of Durham County is appointed to the North Carolina Central University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.7. Effective July 1, 2017, David R. Nimocks III of Cumberland County is appointed to the North Carolina State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.8. Effective July 1, 2017, James S. Peterson of Buncombe County is appointed to the University of North Carolina at Asheville Board of Trustees for a term ending on June 30, 2021.

SECTION 4.9. Effective July 1, 2017, Richard Y. Stevens of Wake County is appointed to the University of North Carolina at Chapel Hill Board of Trustees for a term ending on June 30, 2021.

SECTION 4.10. Effective July 1, 2017, Dennis Bunker of Mecklenburg County is appointed to the University of North Carolina at Charlotte Board of Trustees for a term ending on June 30, 2021.

SECTION 4.11. Effective July 1, 2017, Frances H. Bullock of Guilford County is appointed to the University of North Carolina at Greensboro Board of Trustees for a term ending on June 30, 2021.

SECTION 4.12. Effective July 1, 2017, James A. Thomas of Los Angeles County, California, is appointed to the University of North Carolina at Pembroke Board of Trustees for a term ending on June 30, 2021.

SECTION 4.13. Effective July 1, 2017, Robert Rippy of New Hanover County is appointed to the University of North Carolina at Wilmington Board of Trustees for a term ending on June 30, 2021.

SECTION 4.14. Effective July 1, 2017, Peter S. Brunstetter, Jr., of Forsyth County is appointed to the University of North Carolina School of the Arts Board of Trustees for a term ending on June 30, 2021.

SECTION 4.15. Effective July 1, 2017, John R. Lupoli, Jr., of Macon County is appointed to the Western Carolina University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.16. Effective July 1, 2017, Kenneth Raymond of Forsyth County is appointed to the Winston-Salem State University Board of Trustees for a term ending on June 30, 2021.

SECTION 4.17. Effective July 1, 2017, Thomas F. Looney of Wake County is appointed to the North Carolina School of Science and Mathematics Board of Trustees for a term ending on June 30, 2021.

PART V. MAJORITY AND MINORITY LEADERS RECOMMENDATIONS

SECTION 5.1. Effective January 1, 2018, Dr. Rebecca Ayers of Wake County is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Majority Leader of the House of Representatives, for a term expiring on December 31, 2020.

SECTION 5.2. Effective January 1, 2018, Sue Russell of Orange County is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Minority Leader of the House of Representatives, for a term expiring on December 31, 2020.

SECTION 5.3. Effective January 1, 2018, Monika Johnson Hostler of Wake County is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Minority Leader of the Senate, for a term expiring on December 31, 2019.

PART VI. CORRECTIONS

SECTION 6.1. Section 1.13 of S.L. 2015-254 reads as rewritten:

"**SECTION 1.13.** Lawrence F. Baldwin of Carteret County is appointed to the Coastal Resources Commission for a term expiring on ~~June 30, 2018.~~June 30, 2019."

SECTION 6.2. Section 2.2 of S.L. 2016-70 reads as rewritten:

"**SECTION 2.2.** Effective October 1, 2016, Marvin N. Arrington of Pitt County is appointed to the African-American Heritage Commission for a term expiring on ~~September 30, 2016.~~September 30, 2019."

SECTION 6.3. Section 2.22 of S.L. 2016-70 reads as rewritten:

"**SECTION 2.22.** Effective January 1, 2017, ~~James~~ Paul M. "Mike" Williams of Henderson County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2019."

SECTION 6.4. Section 2.25(b) of S.L. 2016-70 reads as rewritten:

"**SECTION 2.25.(b)** If House Bill 1030, 2016 Regular Session of the 2015 General Assembly becomes law, then effective October 1, 2016, James A. ~~Harrill, III,~~Harrell, III, of Wake County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018."

SECTION 6.5. Section 2.39 of S.L. 2016-70 reads as rewritten:

"**SECTION 2.39.** Effective January 14, 2017, T. Scott Aman of Halifax County is appointed to the North Carolina Turnpike Authority Board for a term expiring on ~~January 14, 2023.~~January 14, 2021."

SECTION 6.6. Pursuant to G.S. 120-122, Sheriff Samuel S. Page was appointed to the North Carolina Industrial Hemp Commission for a term expiring on June 30, 2020. In accordance with G.S. 106-568.52(b), the term of office for this appointment shall instead expire on June 30, 2018.

PART VII. EFFECTIVE DATE

SECTION 7. Unless otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-76 **S.B. 105**

AN ACT (1) TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FAIRMONT, (2) TO TEMPORARILY EXTEND THE TERRITORIAL JURISDICTION OF THE TOWN OF TROUTMAN, AND (3) TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF GARNER.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The following described property is added to the corporate limits of the Town of Fairmont:

Lying and being about 5 3/4 miles northwest of the center of Fairmont, NC, adjacent to and on the southeast side of Interstate 95 and on the northeast and southwest side of SR 1003, Chicken Road, and adjoining the lands of Elliotine Williams Floyd (1994/394) and James P. Thompson (1742/482) on the northwest, James P. Thompson (1742/482 and 1205/839) on the north and east, Florella Thompson Heirs (6-U/447) and Julius T. Singletary (12-Z/174) on the east, Charles E. Jackson, Jr. (1876/259) on the southeast and the Run of Old Field Swamp on the southwest and being more particularly described as follows: BEGINNING at a railroad

spike found in the center of SR 1003, Chicken Road, at its intersection with a ditch (if extended) and Joe's Branch, the same being the south corner of the Winston P. Fox, Trustee, 193.93 acre tract shown in Map Book 35, Page 140, of which this is a part, also a corner of the fifth tract of the Luther and Kenneth Barnes tracts, shown in Deed Book 914, Page 736, also said railroad spike being a corner with Charles E. Jackson, Jr. (1876/259) and runs from said railroad spike and with the various courses of the center of the Run of Joe's Branch, a calculated tie line being South 45 degrees 37 minutes 36 seconds West 1293.36 feet more or less to the intersection of the Run of Joe's Branch with the Run of Old Field Swamp; thence with the various courses of the center of the Run of Old Field Swamp, a calculated course and distance of North 41 degrees 26 minutes 30 seconds West 5166.64 feet more or less to a point where the center of the Run of Old Field Swamp intersects the southeast right-of-way line at Interstate 95; thence with the southeast right-of-way line of Interstate 95, the following (4) calls, North 63 degrees 37 minutes 10 seconds East 219.07 feet to an existing concrete right-of-way monument, North 74 degrees 39 minutes 47 seconds East 502.47 feet to an existing concrete right-of-way monument, North 78 degrees 19 minutes 36 seconds East 486.33 feet to an existing concrete right-of-way monument and South 53 degrees 16 minutes 26 seconds East 338.42 feet to an existing concrete right-of-way monument; thence North 40 degrees 34 minutes 30 seconds East 50.38 feet to a mag nail set in the center of the pavement of SR 1003, Chicken Road; thence North 39 degrees 46 degrees 58 minutes 49.81 feet to an existing concrete right-of-way monument; thence with the right-of-way of Interstate 95 and SR 1003, Chicken Road, North 46 degrees 44 minutes 06 seconds West 373.26 feet to an existing concrete right-of-way monument in the southeast right-of-way line of Interstate 95; thence with the southeast right-of-way line of Interstate 95, North 35 degrees 54 minutes 41 seconds East 468.61 feet to an existing concrete right-of-way monument, a corner with Elliotine Williams Floyd (1994/394); thence with said Floyd's line and a ditch South 47 degrees 57 minutes 03 seconds East 1226.55 feet to an iron pipe found; thence with said Floyd's line and to and with the James P. Thompson tract (1742/482), North 47 degrees 50 minutes 00 seconds East 1831.50 feet to an existing iron pipe, a corner with said Thompson; thence continuing with said Thompson's line South 37 degrees 55 minutes 00 seconds East 462.00 feet to an existing iron rod in a ditch; thence continuing with said Thompson tract and a ditch, South 13 degrees 55 minutes 20 seconds East 312.84 feet to an existing iron pipe in said ditch; thence continuing with said Thompson line South 69 degrees 17 minutes 54 seconds East 1014.06 feet to an existing nail, a corner of said James P. Thompson in (1742/482) and James P. Thompson in (1235/839); thence with said Thompson's line South 10 degrees 23 minutes 04 seconds East 1415.29 feet to an existing iron rod, a corner with said Thompson and Florella Thompson Heirs (6-U/447); thence with the Thompson Heirs line South 10 degrees 23 minutes 06 seconds East 202.26 feet to an existing iron rod, a corner with said Thompson and Julius T. Singletary (122/174); thence with Singletary's line South 10 degrees 23 minutes 08 seconds East 1461.75 feet to an existing iron pipe in a ditch, a corner with said Singletary and Charles E. Jackson, Jr. (1876/259); thence with said ditch South 87 degrees 00 minutes 00 seconds West 186.12 feet to an existing iron pipe in said ditch; thence continuing with said ditch South 82 degrees 14 minutes 23 seconds West 1107.38 feet to the beginning containing 324.0 acres more or less, with 207.36 being the Winston P. Fox, Trustee, Map Book 35, Page 140 and 116.64 acres being the Luther and Kenneth Barnes tracts, Deed Book 914, Page 736, Robeson County Registry. Bearings referenced to NC Grid, NAD 83 from Map Book 35, Page 140.

SECTION 1.(b) This section becomes effective June 30, 2017. Property in the territory described by Section 1(a) of this act as of January 1, 2017, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

SECTION 2.(a) A municipality shall be treated as a city of 25,000 or more in population with respect to territorial jurisdiction granted pursuant to G.S. 160A-360 if all of the following apply to the land over which the jurisdiction will be exercised:

(1) The land meets the standards of a noncontiguous area that may be annexed pursuant to G.S. 160A-58.1(b).

(2) Within 12 months of exercising territorial jurisdiction over the land, the municipality annexes the land pursuant to G.S. 160A-58.1.

(3) The board of county commissioners has passed a resolution identifying the land over which the municipality will exercise territorial jurisdiction by metes and bounds or courses and distances.

SECTION 2.(b) This section only applies to the Town of Troutman.

SECTION 2.(c) This section is effective when it becomes law.

SECTION 3.(a) The following described property, referenced by the Wake County Tax Office Parcel Identification Number, is removed from the corporate limits of the Town of Garner: 0791980587.

SECTION 3.(b) This section becomes effective June 30, 2017. Property in the territory described in Section 3(a) of this act as of January 1, 2017, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

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

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-77 **S.B. 217**

AN ACT TO PROHIBIT THE DISCHARGE OF A FIREARM OR BOW AND ARROW FROM THE RIGHT-OF-WAY IN RICHMOND COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. It is unlawful to discharge a firearm or bow and arrow, or to attempt to discharge a firearm or bow and arrow, from, on, across, or over the roadway or right-of-way of any public road. For purposes of this section, the term "public road" shall not include any unpaved roads within the Wildlife Resources Commission's Sandhills Game Land.

SECTION 2. Violation of the provisions of this act is punishable as a Class 3 misdemeanor.

SECTION 3. This act is enforceable by law enforcement officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by other peace officers with general subject matter jurisdiction.

SECTION 4. This act applies only to Richmond County.

SECTION 5. This act becomes effective October 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-78 **S.B. 253**

AN ACT TO CHANGE THE ELECTION METHOD OF THE FOLLOWING COUNTY BOARDS OF EDUCATION FROM NONPARTISAN TO PARTISAN: BEAUFORT, CARTERET, CLEVELAND, DARE, HYDE, MADISON, ONSLOW, PENDER, AND YANCEY.

The General Assembly of North Carolina enacts:

PART I. BEAUFORT COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 1.1. Section 5(b) of Chapter 55 of the 1993 Session Laws, as amended by Chapter 713 of the 1993 Session Laws, reads as rewritten:

"(b) ~~The~~ Beginning in 2018, the members of the Permanent Beaufort County Board of Education shall be elected for a term of four years ~~in nonpartisan plurality elections held at the time of the general election for county offices. The filing period for candidates shall be the same as specified in G.S. 163-294.2(c) for nonpartisan plurality elections.~~ on a partisan basis at the time of the general election in each even-numbered year as terms expire. The primary and

election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. Duly elected members of the Permanent Board shall take office the first Monday of December immediately following their election and the terms of their predecessors shall expire at the same time. Members shall take the oath of office prescribed in Article VI, Section 7 of the Constitution. Members shall serve until a successor has been elected and qualified."

SECTION 1.2. Section 5(i) of Chapter 55 of the 1993 Session Laws, as amended by S.L. 2009-30, reads as rewritten:

"(i) ~~Vacancies~~ Beginning in 2018, vacancies on the Permanent Beaufort County Board of Education for seats elected on a partisan basis shall be filled ~~by appointment by the remaining members of the Permanent Board.~~ in accordance with G.S. 115C-37.1. Any person appointed must be at the time of the appointment and must remain a resident of the district for which ~~he/she~~ he or she is appointed. Appointments to fill vacancies on the Permanent Board for seats elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f)."

SECTION 1.3. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Beaufort County Board of Education. The members of the Beaufort County Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy for a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART II. CARTERET COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 2.1. Section 1 of Chapter 774 of the 1991 Session Laws is repealed.

SECTION 2.2. Section 5(d) of S.L. 1997-389 reads as rewritten:

"(d) Members of the Carteret County Board of Education shall reside in and represent the districts, ~~but~~but, beginning in 2018, all members ~~are~~shall be elected by the voters of the county at large in ~~nonpartisan plurality elections and~~ a partisan election at the time of the ~~primary~~general election in each even-numbered year as terms expire. Except as provided by this act, elections shall be conducted in accordance with Chapters 115C and 163 of the General Statutes. Candidates for election to the Carteret County Board of Education shall be nominated at the same time and manner as other county officers. Members shall take office on ~~July 1~~the first Monday in December of the year of ~~election, all as previously provided by law.~~election and the terms of their predecessors shall expire at that same time.

Vacancies on the Carteret County Board of Education for positions elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f). Vacancies on the Board of Education for positions elected on a partisan basis beginning in 2018 shall be filled in accordance with G.S. 115C-37.1."

SECTION 2.3. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Carteret County Board of Education. The members of the Carteret County Board of Education elected in 2014 or 2016, or any member appointed by the remaining members of the Board to fill a vacancy of a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART III. CLEVELAND COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 3.1. Notwithstanding the Plan for the Merger of the Cleveland County, Kings Mountain District, and Shelby City Schools and S.L. 2004-41, as amended by S.L. 2007-49, beginning with the 2017 elections, members of the Cleveland County Board of Education shall be elected in elections conducted on a partisan basis, as provided in G.S. 163-291. Vacancies for members elected in 2017 and thereafter shall be filled as provided in G.S. 115C-37.1.

SECTION 3.2. This part does not affect the terms of office of any person elected in 2013 or 2015 to the Cleveland County Board of Education. The members of the Cleveland County Board of Education elected in 2013 or 2015, or any member appointed by the

remaining members of the Board to fill a vacancy of a member elected in 2013 or 2015, shall serve until a successor has been elected and qualified.

PART IV. DARE COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 4.1. Section 3 of Chapter 654 of the 1993 Session Laws reads as rewritten:

"Sec. 3. ~~All~~ Beginning in 2018, elections for the members of the Dare County Board of Education shall be ~~nonpartisan, with the results determined by a plurality with no run-offs.~~ held on a partisan basis at the time of the general election for four-year terms in each even-numbered year as terms expire. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. All voters in the county shall be eligible to vote for all seven seats on the board."

SECTION 4.2. Section 11 of Chapter 654 of the 1993 Session Laws reads as rewritten:

"Sec. 11. In ~~2002~~ 2018 and every four years thereafter, ~~four~~ three members shall be elected to the board as follows: one member each from Districts 1, 2, and 3."

SECTION 4.3. Section 12 of Chapter 654 of the 1993 Session Laws reads as rewritten:

"Sec. 12. ~~Elections for the Board of Education in 1996 shall be held in May at the same time as party primaries for other county offices, and board members shall take office in December following the election as provided in general State law. In 1998~~ In 2018 and subsequent years, ~~elections shall also be held in May at the same time as party primaries for other county offices, but board~~ members of the Dare County Board of Education elected on a partisan basis at that time of the general election shall take office ~~at the first regular board meeting in July~~ on the first Monday in December following the ~~election. The terms of office of persons elected for terms to expire in 1998 and thereafter shall expire on the date of the first regular board meeting in July~~ election and the terms of their predecessors shall expire at the same time. Members shall serve until a successor has been elected and qualified. Beginning in 2018, vacancies on the Dare County Board of Education for seats elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1. Appointments to fill vacancies for seats elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f)."

SECTION 4.4. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Dare County Board of Education. The members of the Dare County Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy for a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART VI. HYDE COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 6.1. Section 2 of S.L. 2007-272 is repealed.

SECTION 6.2. Section 2 of Chapter 206 of the 1977 Session Laws reads as rewritten:

"**Sec. 2.** The Board of Education of Hyde County shall consist of five members who shall be elected on a ~~nonpartisan~~ partisan basis at the time of the ~~primary~~ general election ~~for county officers.~~ in each even-numbered year as terms expire. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. Beginning with the election to be held in ~~1978,~~ 2018, three members shall be elected for terms of four years and one of the members elected in ~~1978,~~ 2018, and every four years thereafter, shall be a resident of Ocracoke. In ~~1980,~~ 2020, as the terms of the present members expire, two members shall be elected for terms of four years. Thereafter, as the terms of each member expire, successors shall be elected for terms of four years.

~~Except as provided herein, Article 5 of Chapter 115 of the General Statutes shall be applicable to the Hyde County Board of Education.~~

Beginning in 2018, members elected shall take office and qualify on the first Monday in December of the year of their election, and the terms of their predecessors shall expire at that same time. Members shall serve until a successor has been elected and qualified.

In the case of a vacancy of a member elected in 2014 or 2016 to the Hyde County Board of Education, the vacancy shall be filled as provided in G.S. 115C-37(f). Beginning with members elected in 2018, vacancies shall be filled as provided in G.S. 115C-37.1."

SECTION 6.3. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Hyde County Board of Education. The members of the Hyde County Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy of a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART VII. MADISON COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 7.1. Section 3 of Chapter 249 of the 1991 Session Laws reads as rewritten:

"Sec. 3. The ~~chairman~~ chair of the Board of Education of Madison County shall be elected in ~~1994~~ 2018 and quadrennially thereafter for a four-year term at large by all the qualified voters of Madison County. In the case of a vacancy of a member elected in 2014 or 2016 to the Madison County Board of Education, the vacancy shall be filled as provided in G.S. 115C-37(f). In the case of a vacancy in the office of ~~chairman,~~ chair elected in 2014, the remaining members of the Board shall appoint a person as ~~chairman~~ chair who resides in the same district that the ~~chairman~~ chair resided in at the time of his or her election. If the members do not make an appointment within 30 days of the occurrence of the vacancy, the responsibility of making the appointment shall be that of the Senior Resident Superior Court Judge for Madison County. Beginning with members elected in 2018, vacancies shall be filled as provided in G.S. 115C-37.1. In the event of a vacancy in an election district, to be eligible for appointment to fill a vacancy, the person must reside in the election district where the vacancy exists. In the case of a vacancy in the office of chair, to be eligible for appointment to fill a vacancy, the person must reside in the same district that the chair resided in at the time of his or her election."

SECTION 7.2. Section 4 of Chapter 249 of the 1991 Session Laws reads as rewritten:

"Sec. 4. ~~Notwithstanding the provisions of G.S. 115C-37, the~~ Beginning in 2018, the Madison County Board of Education shall be elected on a ~~nonpartisan~~ partisan basis at the time of the ~~primary election in 1994 and quadrennially thereafter. The names of the candidates shall be printed on the ballot without reference to any party affiliations. The nonpartisan election and runoff election method shall be used with the results determined as provided in G.S. 163-293, except that the runoff shall be held on the date provided by G.S. 163-111(e).~~ general election for four-year terms in each even-numbered year as terms expire. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. Except as provided by this act, the election shall be conducted in accordance with the applicable provisions of Chapters 115C and 163 of the General Statutes."

SECTION 7.3. Section 5 of Chapter 249 of the 1991 Session Laws, as amended by Chapter 38 of the 1995 Session Laws, reads as rewritten:

"Sec. 5. ~~The~~ Beginning in 2018, the terms of office of the members and chairman of the Madison County Board of Education commence on the first Monday in ~~July~~ December of the year of their ~~election, except if that date is the Fourth of July, then the terms commence on the second Monday in July.~~election."

SECTION 7.4. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Madison County Board of Education. The members of the Madison County

Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy of a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART VIII. ONSLOW COUNTY BOARD OF EDUCATION CHANGE ELECTION METHOD TO PARTISAN

SECTION 8.1. Section 1(a) of Chapter 583 of the 1993 Session Laws reads as rewritten:

"Section 1.(a) Beginning in ~~1996~~ 2018, the members of the Onslow County Board of Education shall be elected on a ~~nonpartisan~~ partisan basis at the time of the ~~primary election for county officers. The~~ general election in each even-numbered year as terms expire. Except as provided by this act, elections shall be conducted in accordance with Chapters 115C and 163 of the General Statutes. ~~The results of the election shall be determined by the plurality method under G.S. 163-292.~~ Candidates for election to the Onslow County Board of Education shall be nominated at the same time and manner as other county officers. Vacancies on the Board of Education for positions elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f). Vacancies on the Board of Education for positions elected on a partisan basis ~~in 1992 or 1994~~ beginning in 2018 shall be filled in accordance with G.S. 115C-37.1. This section does not affect the terms of office of any person elected in ~~1992 or 1994~~ 2014 or 2016 to the Onslow County Board of Education. Beginning in ~~2000,~~ 2018, members elected shall take office and qualify on ~~July 1~~ the first Monday in December of the year of their election, and the terms of their predecessors shall expire at that same time."

SECTION 8.2. The members of the Onslow County Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy for the remainder of an unexpired term for a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART IX. PENDER COUNTY BOARD OF EDUCATION CHANGE ELECTION METHOD TO PARTISAN

SECTION 9.1. Section 2 of Chapter 976 of the 1973 Session Laws reads as rewritten:

"**Sec. 2.** Beginning in ~~1976,~~ 2018, members of the Board of Education shall be elected on a ~~non-partisan~~ partisan basis at the time of the ~~primary election. The names of the candidates shall be printed on the ballots without reference to any party affiliation and any~~ general election in each even-numbered year as terms expire. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. Any qualified voter residing in the County shall be entitled to vote."

SECTION 9.2. Section 5 of Chapter 976 of the 1973 Session Laws reads as rewritten:

"**Sec. 5.** Members of the Board of Education representing Districts 3 and 5 shall be elected 6at the time of the ~~primary~~ general elections in ~~1976~~ 2020 for a term of four years. Members of the Board of Education representing Districts 1, 2 and 4 shall be elected at the ~~primary~~ general election in ~~1978~~ 2018 for a term of four years. Thereafter, as their terms expire, all members shall be elected for terms of four years. Beginning in 2018, members elected shall take office and qualify the first Monday of December immediately following their election and the terms of their predecessors shall expire at the same time. Members shall serve until a successor has been elected and qualified."

SECTION 9.3. Section 6 of Chapter 976 of the 1973 Session Laws reads as rewritten:

"**Sec. 6.** ~~Except as herein provided, the provisions of North Carolina General Statutes Section 115-19 shall govern the election of the Board of Education of Pender County.~~Vacancies on the Board of Education for positions elected on a nonpartisan basis in 2014 or 2016 shall be filled in accordance with G.S. 115C-37(f). Beginning in 2018, vacancies on the Board of Education for seats elected on a partisan basis shall be filled in accordance with

G.S. 115C-37.1. Any person appointed must be at the time of the appointment and must remain a resident of the district for which he or she is appointed."

SECTION 9.4. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Board of Education of Pender County. The members of the Board of Education elected in 2014 or 2016, or any member appointed to fill a vacancy for a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

SECTION 9.5. Chapter 546 of the 1949 Session Laws, as amended by Chapter 796 of the 1955 Session Laws and Chapter 328 of the 1965 Session Laws, is repealed.

PART X. YANCEY COUNTY BOARD OF EDUCATION CHANGE TO PARTISAN ELECTIONS

SECTION 10.1. Section 1 of Chapter 203 of the 1973 Session Laws, as amended by Section 1 of Chapter 135 of the 1985 Session Laws, reads as rewritten:

"**Section 1.** ~~The~~ Beginning in 2018, the Yancey County Board of Education shall consist of five members who shall be elected by the voters of Yancey County, for staggered terms of four years, in a ~~nonpartisan~~ partisan election ~~as herein provided.~~at the time of the general election in each even-numbered year as terms expire. The primary and election shall be held and conducted in accordance with the general laws governing primaries and elections for county officers, except as otherwise provided herein. Beginning in 2018, members elected shall take office and qualify on the first Monday in December of the year of their election, and the terms of their predecessors shall expire at that same time. Members shall serve until a successor has been elected and qualified.

~~Beginning with the primary election for county offices to be held in 1974, there shall be a nonpartisan election to elect successors to the present members of the school board whose terms expire in 1974, and every two years thereafter, as the terms of the members expire.~~

~~The nonpartisan election and runoff election method shall be used with the results determined as provided in G.S. 163-293, except that the runoff shall be held on the date provided by G.S. 163-111(e).~~

In the case of a vacancy of a member elected in 2014 or 2016 to the Yancey County Board of Education, the vacancy shall be filled as provided in G.S. 115C-37(f). Beginning with members elected in 2018, vacancies shall be filled as provided in G.S. 115C-37.1."

SECTION 10.2. This part does not affect the terms of office of any person elected in 2014 or 2016 to the Yancey County Board of Education. The members of the Yancey County Board of Education elected in 2014 and 2016, or any member appointed to fill a vacancy of a member elected in 2014 or 2016, shall serve until a successor has been elected and qualified.

PART XII. CONFORMING STATUTORY CHANGES

SECTION 12.(a) Effective on the first Monday in December of 2017, G.S. 115C-37.1(d) reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Brunswick, Cherokee, Clay, Cleveland, Davie, Graham, Guilford, Harnett, Iredell, Lee, New Hanover, Rutherford, Stanly, Vance, and Washington."

SECTION 12.(b) Effective on the first Monday in December of 2018, G.S. 115C-37.1(d), as amended by Section 12(b) of this part, reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Beaufort, Brunswick, Carteret, Cherokee, Clay, Cleveland, Dare, Davie, Graham, Guilford, Harnett, Hyde, Iredell, Lee, Madison, New Hanover, Onslow, Pender, Rutherford, Stanly, Vance, ~~and Washington.~~Washington, and Yancey."

PART XIII. EFFECTIVE DATE

SECTION 13. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-79 **S.B. 265**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE CITY OF CREEDMOOR.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Creedmoor is revised and consolidated to read as follows:

"THE CHARTER OF THE CITY OF CREEDMOOR

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES

"Section 1.1. Incorporation. The City of Creedmoor, North Carolina, in Granville County, and the inhabitants thereof, shall continue to be a municipal body politic and corporate, under the name of the "City of Creedmoor," hereinafter at times referred to as the "City."

"Section 1.2. Powers. The City shall have and may exercise all of the powers, duties, rights, privileges, and immunities conferred upon the City of Creedmoor specifically by this Charter or upon municipal corporations by general law. The term "general law" is employed herein as defined in G.S. 160A-1.

"Section 1.3. Corporate Limits. The corporate limits shall be those existing at the time of ratification of this Charter, as set forth on the official map of the City and as they may be altered from time to time in accordance with law. An official map of the City, showing the current municipal boundaries, shall be maintained permanently in the Office of the City Clerk and shall be available for public inspection. Upon alteration of the corporate limits pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the Office of the Secretary of State, the Granville County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY

"Section 2.1. City Governing Body. The Board of Commissioners, hereinafter referred to as the "Board," and the Mayor shall be the governing body of the City.

"Section 2.2. Composition; Terms of Office. The Board of Commissioners shall be composed of five members, to be elected by all the qualified voters of the City voting at large in the manner provided in Article III of this Charter. The members shall serve four-year staggered terms as provided in Section 3.3 of this Charter or until their successors are elected and qualified.

"Section 2.3. Mayor; Term of Office; Duties. The Mayor shall be elected by all the qualified voters of the City voting at large in the manner provided in Article III of this Charter for a term of two years or until a successor is elected and qualified. The Mayor shall be the official head of the City government and shall preside at meetings of the Board, shall have the right to vote only when there is an equal division on any question or matter before the Board, and shall exercise the powers and duties conferred by law or as directed by the Board.

"Section 2.4. Mayor Pro Tempore. In accordance with general law, the Board shall elect from among its members a Mayor Pro Tempore to perform the duties of the Mayor during the Mayor's absence or disability.

"Section 2.5. Meetings. In accordance with general law, the Board shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Section 2.6. Quorum; Voting. Official actions of the Board and all votes shall be taken in accordance with the applicable provisions of general law. The quorum provisions of G.S. 160A-74 shall apply.

"Section 2.7. Vacancies. Vacancies that occur in any elective office of the City shall be filled in accordance with the applicable provisions of general law.

"ARTICLE III. ELECTIONS

"Section 3.1. Regular Municipal Elections. Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292.

"Section 3.2. Election of Mayor. A Mayor shall be elected in the regular municipal election in 2017 and every two years thereafter.

"Section 3.3. Election of Commissioners. The Commissioners serving on the date of ratification of this Charter shall serve until the expiration of their terms or until their successors are elected and qualified. In the regular municipal election in 2017, and quadrennially thereafter, two Commissioners shall be elected to serve four-year terms in those positions whose terms are then expiring. In the regular municipal election in 2019, and quadrennially thereafter, three Commissioners shall be elected to serve four-year terms in those positions whose terms are then expiring.

"Section 3.4. Special Elections and Referenda. Special elections and referenda may be held only as provided by general law or applicable local acts enacted by the General Assembly.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION

"Section 4.1. Form of Government. The City shall operate under the council-manager form of government in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes.

"Section 4.2. City Manager; Appointment; Powers and Duties. The Board shall appoint a City Manager who shall be responsible for the administration of all departments of the City government. The City Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and shall have the additional powers and duties conferred by the Board as authorized by general or local law.

"Section 4.3. City Attorney. The Board shall appoint a City Attorney to represent the City, advise City officials, and perform other duties required by law or directed by the Board.

"Section 4.4. City Clerk. The City Manager shall appoint a City Clerk, subject to confirmation by a majority vote of the Board. The City Manager shall direct and supervise the City Clerk and shall have authority to take disciplinary action regarding the City Clerk, including removal, in accordance with general personnel rules, regulations, policies, or ordinances adopted by the Board. The City Clerk shall keep a journal of the proceedings of the Board, maintain official records and documents, give notice of meetings, and perform other duties required by general or local law or directed by the City Manager.

"Section 4.5. Finance Director. The City Manager shall appoint a Finance Director to perform the duties prescribed in G.S. 159-25 and to perform other duties required by law or assigned by the City Manager.

"Section 4.6. Tax Collector. The Board shall appoint a Tax Collector as provided in G.S. 105-349 to collect all taxes owed to the City and to perform the duties specified in G.S. 105-350 and any other duties prescribed by general or local law.

"Section 4.7. Other Administrative Officers and Employees. The Board may authorize other positions to be filled by appointment by the City Manager and may organize the City government as deemed appropriate, subject to the requirements of general or local law.

"ARTICLE V. ORDINANCES

"Section 5.1. Adoption and Effective Date. The adoption, amendment, repeal, pleading, or proving of ordinances shall be in accordance with general law unless otherwise provided for by this Charter. All ordinances and resolutions shall take effect upon adoption unless otherwise provided for by general or local law or this Charter.

"Section 5.2. Effect of Ordinances on City Property. All applicable ordinances of the City shall have full force and effect upon and within all property and facilities owned by the City, whether located within or outside the corporate limits."

SECTION 2. The purpose of this act is to revise the Charter of the City of Creedmoor and to consolidate certain acts concerning the property, affairs, and government of the City. It is intended to continue without interruption those provisions of prior acts that are

expressly consolidated into this act, so that all rights and liabilities which have accrued are preserved and may be enforced.

SECTION 3. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 4. Section 1 of Chapter 826 of the 1969 Session Laws having served the purpose for which it was enacted or having been consolidated into this act, is expressly repealed.

SECTION 5. Notwithstanding any other provision of this act, the following acts (including any amendments thereto) are not repealed, and the provisions of these acts remain effective as to the City of Creedmoor as if this act had not been enacted:

Chapter 610 of the 1987 Session Laws.

S.L. 2012-55.

SECTION 6. The Mayor and Commissioners serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified. Thereafter, those offices shall be filled as provided in Articles II and III of the Charter of the City of Creedmoor, as enacted in Section 1 of this act.

SECTION 7. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 8. All existing ordinances, resolutions, and other provisions of the City of Creedmoor not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 9. No action or proceeding pending on the effective date of this act by or against the City or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 10. If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end, the provisions of this act are declared to be severable.

SECTION 11. Whenever a reference is made in this act to a particular provision of the General Statutes, and that provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute, or to the General Statute that most clearly corresponds to the statutory provision which is superseded or recodified.

SECTION 12. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-80 **S.B. 266**

AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE CITY OF DURHAM BECAUSE THE PROPERTY IS COMPLETELY SURROUNDED BY THE CITY'S CORPORATE LIMITS OR IS PARTIALLY ANNEXED TO THE CITY'S CORPORATE LIMITS AND ANNEXATION WILL ALLOW THE MORE EFFICIENT PROVISION OF EMERGENCY SERVICES TO THE PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property, referenced by the Durham County Tax Office Parcel Identification Number, and any adjacent rights-of-way is added to the corporate limits of the City of Durham:

132472	132475	132476	132477	132478	132479	132480
132481	132482	132483	132484	140154	141414	141415
141460	141461	141462	141463	141468	141470	141472

141486	141487	141488	141701	149595	149664	150240
150241	150298	150693	150731	150732	150792	150794
152743	152744	152746	152747	152750	152751	152758
152759	152760	152761	152762	152763	152766	152767
152768	152769	152770	152771	152772	152773	152774
152775	152778	152779	152780	152781	152782	152783
152784	152785	152786	152787	152788	152789	152790
152791	152792	152793	152794	152795	152796	152797
152798	152803	152804	152805	152807	154016	154018
157350	157514	157517	157763	157764	157766	157768
157770	157772	157774	157776	157779	157780	157782
157783	157787	157789	157790	157795	157798	157834
157835	157836	157838	157839	157841	157871	157872
157898	157900	157901	157969	158026	158089	158091
158093	158094	158097	159192	159193	159194	159195
159196	159199	159200	159201	159202	159203	159204
159205	159206	159209	159210	159223	159224	159225
159226	159232	159233	159247	159248	159249	159250
159251	159252	159253	159254	159255	159256	159257
159258	159259	159265	159267	159268	161198	161199
161200	161201	161202	161203	161204	161205	161206
161207	161208	161209	161210	161241	161242	161245
161690	161691	161693	161694	161695	162699	162700
163906	164912	164925	164927	165180	165181	165182
165184	165188	165216	165217	165218	165219	165220
165222	165223	165224	165225	165226	165227	165228
165229	165230	165231	165233	165234	166185	166188
166189	166191	172365	172366	172381	172383	172384
172385	172386	172387	172395	172396	172397	172398
172399	172400	172401	172402	172403	172404	172405
172406	172407	172408	172409	172410	172412	172413
172414	172415	172416	172417	172418	172419	172420
172421	172422	172423	172424	172425	172426	172427
172428	172429	172430	172431	172432	172433	172434
172435	172436	172437	172438	172439	172440	172441
172442	172443	172444	172445	172446	172447	172448
172449	172450	172451	172452	172453	172454	172455
172456	172457	172458	172459	172460	172461	172462
172463	172464	172465	172466	172467	172468	172469
172470	172471	172472	172473	172474	172475	172476
172477	172478	172479	172480	172481	172482	172487
172488	172489	172490	172491	172492	172493	172494
172495	172496	172497	172498	172499	172500	172501
172502	172503	172504	173134	173138	173139	173140
173355	173357	173359	173361	173363	173365	173367
173369	173371	173373	173375	173378	173381	173386
173394	173404	173756	177609	177677	177679	177681
177682	177684	177686	177688	177689	177691	177693
177694	177695	177696	177697	177698	177699	177700
177701	177702	177703	177704	177705	177706	177707
177708	177709	177710	177711	177712	177713	178129
178130	178131	178132	178133	179545	179547	181037
181038	183413	183415	192363	193257	193258	193259

193261	193262	193263	193274	201479	201633	202916
202917	208032	208033	208034	208343	208521	211428
213378	213509	213557	213558	213560	213589	213601
216566	216567	216568	216583.			

SECTION 2. The following described property, referenced by the Wake County Tax Office Parcel Identification Number, and any adjacent rights-of-way is added to the corporate limits of the City of Durham:

0769303887	0769302518
0769302802	0769309734

SECTION 3. This act becomes effective June 30, 2017. Property in the territory described in Sections 1 and 2 of this act as of January 1, 2017, is subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-81 **H.B. 198**

AN ACT TO AMEND THE CHARTER OF THE CITY OF FAYETTEVILLE TO AUTHORIZE THE CITY TO ESTABLISH A SMALL BUSINESS ENTERPRISE PROGRAM TO PROMOTE THE DEVELOPMENT OF SMALL BUSINESSES IN THE CITY AND TO ENHANCE THE OPPORTUNITIES FOR SMALL BUSINESSES TO PARTICIPATE IN CITY CONTRACTS AND TO AUTHORIZE CALDWELL COUNTY TO REQUIRE THE PAYMENT OF DELINQUENT PROPERTY TAXES BEFORE RECORDING DEEDS CONVEYING PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter VIII of the Charter of the City of Fayetteville, being Chapter 557 of the 1979 Session Laws, as amended, is amended by adding a new Article to read as follows:

"Article 10. Small Business Enterprise Program.

"§ 8.40. Small Business Enterprise Program. (a) The City may establish a race- and gender-neutral small business enterprise program to promote the development of small businesses in the Fayetteville Metropolitan Statistical Area and to enhance opportunities for small businesses to participate in City contracts. The City may define the term "small business enterprise" as appropriate and consistent with the City's contracting practices. The City may establish bid and proposal specifications that include subcontracting goals and good-faith effort requirements to enhance participation by small business enterprises in City contracts. Notwithstanding the provisions of G.S. 143-129 and G.S. 143-131(b), the City may consider a bidder's efforts to comply with small business enterprise program requirements in its award of City contracts and, if a bidder is determined to have failed to comply with the requirements, the City may, within its discretion, refuse to award a contract to the bidder.

(b) The small business enterprise program authorized by this section is intended to supplement and not replace the requirements of G.S. 143-128.2, 143-131(b), or 143-135.5. Any goals or efforts established to achieve veteran, minority, and women's business participation consistent with the requirements of G.S. 143-128.2, 143-131(b), or 143-135.5 shall take precedence over goals for small business enterprise participation established under the program authorized by this section. A small business enterprise program established pursuant to this section shall be deemed consistent with the public policy of the State of North Carolina to promote and utilize small and underutilized business enterprises as set forth in G.S. 143-128.2, 143-128.3, and 143-135.5."

SECTION 2. G.S. 161-31 reads as rewritten:

"**§ 161-31. Tax certification.**

(a) Tax Certification. – The board of commissioners of a county may, by resolution, require the register of deeds not to accept any deed transferring real property for registration

unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.

(a1) Exception to Tax Certification. – If a board of county commissioners adopts a resolution pursuant to subsection (a) of this section, notwithstanding the resolution, the register of deeds shall accept without certification a deed submitted for registration under the supervision of a closing attorney and containing this statement on the deed: "This instrument prepared by: _____, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds."

(b) Applicability. – This section applies only to Alamance, Alexander, Anson, Beaufort, Bertie, Bladen, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Cherokee, Chowan, Clay, Cleveland, Columbus, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gaston, Gates, Graham, Granville, Greene, Halifax, Harnett, Haywood, Henderson, Hertford, Hoke, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Lincoln, Macon, Madison, Martin, McDowell, Montgomery, Nash, Northampton, Onslow, Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Stokes, Surry, Swain, Transylvania, Tyrrell, Vance, Warren, Washington, Wayne, Wilson, Yadkin, and Yancey Counties."

SECTION 3. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and, to this end, the provisions of this act are severable.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-82 **H.B. 393**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE CITY OF MEBANE AND TO REPEAL PRIOR CHARTER ACTS AND TO AUTHORIZE THE ALAMANCE-BURLINGTON BOARD OF EDUCATION TO DISPOSE OF CERTAIN REAL PROPERTY BY PRIVATE SALE OR EXCHANGE.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Mebane is revised and consolidated to read as follows:

"CHARTER OF THE CITY OF MEBANE

"ARTICLE I. INCORPORATION AND GENERAL POWERS

"Section 1.1. Incorporation and General Powers. The City of Mebane shall continue to be a body politic and corporate under the name and style of the "City of Mebane" and shall continue to be vested with all property and rights which now belong to the City; shall have perpetual succession; may have a common seal and alter and renew the same at pleasure; may sue and be sued; may contract; may acquire and hold all such property, real and personal, as may be devised, bequeathed, sold, or in any manner conveyed or dedicated to it or otherwise acquired by it and may, from time to time, hold or invest, sell, or dispose of the same; and shall have and may exercise in conformity with the provisions of this Charter all municipal powers, functions, rights, privileges, and immunities of every name and nature.

"Section 1.2. Enumerated Powers Not Exclusive. The enumeration of particular powers by this Charter shall not be held or deemed to be exclusive but, in addition to the powers enumerated herein or implied hereby, or those appropriate to the exercise of such powers, the City of Mebane shall have and may exercise all powers which are granted to cities by the general laws of North Carolina and all powers which, under the Constitution of North Carolina, it would be competent for this Charter specifically to enumerate.

"Section 1.3. Corporate Boundaries. The corporate boundaries of the City shall be those existing at the time of ratification of this Charter, as set forth on the official map of the City and as they may be altered from time to time in accordance with law. An official map of the City, showing the current municipal boundaries, shall be maintained permanently in the Office of the City Clerk and shall be available for public inspection. Upon alteration of the corporate boundaries pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the Office of the Secretary of State, the County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY

"Section 2.1. City Governing Body. The City Council, hereinafter referred to as the "Council," and the Mayor shall be the governing body of the City.

"Section 2.2. Composition; Terms of Office. The City Council shall be composed of five members who shall be elected by all the qualified voters of the City voting at large in the manner provided for in Article III of this Charter. The members shall serve four-year staggered terms as provided in Section 3.3 of this Charter or until their successors are elected and qualified.

"Section 2.3. Mayor; Duties. The Mayor of the City shall be elected at large by and from the qualified voters of the City in the manner provided in Article III of this Charter for a term of four years or until a successor is elected and qualified. The Mayor shall be the official head of the City government and shall preside at all meetings of the Council, shall have the right to vote only when there is an equal division on any question or matter before the Council, and shall exercise the powers and duties conferred by law or as directed by the Council.

"Section 2.4. Mayor Pro Tempore. At the organizational meeting following each municipal election, the Council shall elect from among its members a Mayor Pro Tempore who shall perform the duties of the Mayor in the Mayor's absence or disability. The Mayor Pro Tempore shall serve for a term of two years.

"Section 2.5. Organization of the Council. The Council shall meet at the next regularly scheduled meeting following its election for the purpose of executing the oath of office and electing a Mayor Pro Tempore as provided for in Section 2.4 of this Charter. The meeting shall be presided over by the City Clerk, who shall certify to the incumbent Mayor the results of the election and shall cause the same to be entered in the minutes of the Council. After receiving the oath of office, the newly elected Mayor shall preside over the organizational meeting. The organization of the Council shall take place notwithstanding the absence, death, refusal to serve, failure to qualify, or nonelection of one or more members, but a quorum of the members must be present. Any member entitled to make the oath provided for in this section who is not present at the time fixed therefor may make the oath at any time thereafter.

"Section 2.6. Meetings. In accordance with general law, the Council shall have authority to determine the time and place of Council meetings within or outside Alamance County; to make provisions as it may deem wise relative to regular, special, emergency, adjourned, and continued meetings; to adopt rules of procedure; and generally to regulate the time, place, manner, and method of the exercise of its powers.

"Section 2.7. Quorum and General Procedures. A majority of the members of the Council shall constitute a quorum. In accordance with general law, meetings of the Council shall be public and the Mayor shall, if present, preside. In the absence of the Mayor, the Mayor Pro Tempore shall preside, and in the absence of both, a Chair Pro Tempore shall be chosen. The City Clerk shall be the ex officio clerk of the City Council and shall keep records of its proceedings, but in case of the Clerk's temporary absence or a vacancy in the office, the City Council may elect by ballot a temporary clerk, who shall be sworn to the faithful discharge of the duties of the office and may act as Clerk of the City Council until a City Clerk is chosen and qualified. On request of one member, the vote shall be by yeas and nays and shall be entered upon the records.

"Section 2.8. Voting. At least three affirmative votes shall be necessary for the passage of any order, ordinance, resolution, or vote. Notwithstanding the provisions of G.S. 160A-75, an ordinance may be finally passed on first reading with the assent of a majority of the Council.

"Section 2.9. Vacancies. Vacancies that occur in any elective office of the City shall be filled in accordance with the provisions of G.S. 160A-63.

"Section 2.10. Compensation. In accordance with G.S. 160A-64, the Council may fix its own compensation and the compensation of the Mayor and any other elected officers of the City.

"ARTICLE III. ELECTIONS

"Section 3.1. Regular Municipal Elections. Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292. Absentee voting shall be permitted in municipal elections as provided in G.S. 163-302.

"Section 3.2. Election of Mayor. A Mayor shall be elected in the regular municipal election in 2019 and every four years thereafter.

"Section 3.3. Election of Council. The Council members serving on the date of ratification of this Charter shall serve until the expiration of their terms or until their successors are elected and qualified. In the regular municipal election in 2017 and quadrennially thereafter, three Council members shall be elected to serve four-year terms in those positions whose terms are then expiring. In the regular municipal election in 2019 and quadrennially thereafter, two Council members shall be elected to serve four-year terms in those positions whose terms are then expiring.

"Section 3.4. Special Elections and Referenda. Special elections and referenda may be held only as provided by general law or applicable local acts enacted by the General Assembly.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION

"Section 4.1. Form of Government. The City shall operate under the council-manager form of government as provided in Part 2 of Article 7 of Chapter 160A of the General Statutes.

"Section 4.2. City Manager. The Council shall appoint a City Manager, who shall be the administrative head of City government and shall be responsible for the administration of all departments of City government. The City Manager shall be appointed with regard to executive and administrative abilities only and does not have to be a resident of the City when appointed. The City Manager shall hold office at the pleasure of the Council and shall receive the compensation established by the Council from time to time. The City Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and shall have the additional powers and duties conferred by the Board as authorized by general or local law.

"Section 4.3. City Attorney. The Council shall appoint a City Attorney to represent the City, advise City officials, and perform other duties required by law or directed by the Board.

"Section 4.4. City Clerk. The Council shall appoint a City Clerk, who shall keep a journal of the proceedings of the Board, maintain official records and documents, give notice of meetings, and perform other duties required by general or local law or directed by the Council.

"Section 4.5. Finance Director. The Council shall appoint a Finance Director to perform the duties prescribed in G.S. 159-25 and to perform other duties required by law or assigned by the Council.

"Section 4.6. Tax Collector. The Council shall appoint a Tax Collector as provided in G.S. 105-349 to collect all taxes owed to the City and to perform the duties specified in G.S. 105-350 and any other duties prescribed by general or local law.

"Section 4.7. Other Administrative Officers and Employees. The Council may authorize other positions to be filled by appointment and may organize the City government as it deems appropriate, subject to the requirements of general or local law.

"Section 4.8. Position Classification; Employee Salary. The Council shall approve position classifications and pay plans for all employees.

"ARTICLE V. FINANCE AND TAXATION

"Section 5.1. In General. The fiscal affairs of the City shall be governed by the provisions of Chapter 159 of the General Statutes.

"ARTICLE VI. STREET AND SIDEWALK IMPROVEMENTS

"Section 6.1. Street Improvements; Assessment of Cost. In addition to any authority which is now or may hereafter be granted by general law to the City for making street improvements, the Council is hereby authorized to make street improvements and to assess the cost thereof against abutting property owners in accordance with the provisions of this Article. For purpose of this Article, the term "street improvement" includes grading, regrading, surfacing, resurfacing, widening, paving, repaving, the acquisition of right-of-way, and the construction or reconstruction of curb, gutters, and street drainage facilities.

"Section 6.2. Street Improvements; When Petition Unnecessary. The Council may order street improvements and assess the cost thereof exclusive of the cost incurred at street intersections against the abutting property owners at an equal rate per front foot, without the necessity of a petition, upon the finding by the Council of any of the following:

(1) That the street or part thereof is unsafe for vehicular traffic and that it is in the public interest to make the improvement.

(2) That it is in the public interest to connect two streets, or portions of a street, already improved.

(3) That it is in the public interest to widen a street, or part thereof, which is already improved, provided that assessments for widening any street or portions of a street without petition shall be limited to the cost of widening and otherwise improving the street in accordance with the street classification and improvement standards established by the City's thoroughfare or major street plan for the particular street or part thereof to be widened and improved under the authority granted by this Article.

"Section 6.3. Sidewalks; When Assessment Unnecessary; Assessment of Cost. In addition to any authority which is now or may hereafter be granted by general law to the City for making sidewalk improvements, the Council is hereby authorized, without the necessity of a petition, to make or to order to be made sidewalk improvements or repairs according to standards and specifications of the City and to assess the total cost thereof against abutting property owners, according to one or more of the assessment bases set forth in Article 10 of Chapter 160A of the General Statutes. If a sidewalk is constructed on only one side of a street in a residential zone, the cost thereof may be assessed against property abutting on both sides of the street, unless there already exists a sidewalk on the other side of the street, the total cost of which has been assessed against the abutting property.

"Section 6.4. Assessment Procedure. In ordering street and sidewalk improvements without a petition and assessing the cost thereof under authority of this Article, the Council shall comply with the procedure provided by Article 10 of Chapter 160A of the General Statutes, except those provisions relating to the petition of property owners and the sufficiency thereof.

"Section 6.5. Effect of Assessment. The effect of the act of levying assessments under the authority of this Article shall for all purposes be the same as if the assessments were levied under authority of Article 10 of Chapter 160A of the General Statutes.

"Section 6.6. Sidewalk Maintenance in Extraterritorial Jurisdiction. The City may maintain sidewalks located in the City's extraterritorial planning jurisdiction under G.S. 160A-360.

"ARTICLE VII. WATER AND SEWER IMPROVEMENTS

"Section 7.1. Laterals Included in Cost. In ordering water or sewer line extensions, or both, the assessment of the cost thereof under the authority given by general law, the Council is hereby authorized to include in the extensions water and sewer line laterals and to include the cost of the laterals in the total cost to be assessed upon abutting properties.

"Section 7.2. Classification and Exemption. Where water or sewer lines are constructed across or through lots or tracts of land or when water or sewer lines, or both, are installed along both sides of corner lots and are financed in whole or in part by assessment, the Council may

by uniform rule classify the lines for assessment as in its judgment will represent the benefits derived. As provided by G.S. 160A-219, the schedules of exemptions may be classified as to land uses (residential, business, commercial, industrial, office and institutional, agricultural, or other classifications) and shall be uniform for each classification used. However, no schedule of exemptions may provide for exemption of more than seventy-five percent (75%) of the frontage of any side of a corner lot or 150 feet, whichever is greater.

"Section 7.3. Assessments and Connection Fees. The Council may establish and collect connection fees and assessments for water and sewer extensions both within and outside the corporate limits. The fees and assessments shall fund necessary improvements and maintain services to inhabitants that are sufficient to address expansion and needs of the water and sewer system. Assessments may be made on any of the bases authorized in G.S. 160A-218.

"Section 7.4. Optional Cost-Sharing. Without regard to the limitations provided in Article 10 of Chapter 160A of the General Statutes or in any other provision of law, the Council acting for the City may assume such proportion of the total cost of local improvements, including street improvements, sidewalk improvements, curb and gutter improvements, or water and sewer improvements, or any one or more of them, as the Council may, from time to time, deem appropriate.

"Section 7.5. Payment of Assessments. Any special assessment of the City for any purpose amounting to less than one hundred dollars ($100.00) shall be paid in cash not later than the next due date of City taxes rather than in annual installments and shall bear interest as taxes. Installment payments on special assessments shall uniformly fall due on the date that taxes are due and payable.

"ARTICLE VIII. REGULATORY POWERS

"Section 8.1. Land-Use Regulation. The City possesses all of the land-use regulation powers conferred on cities generally by general law.

"Section 8.2. Underground Utilities. In addition to the powers now or hereafter granted to cities by law, the City's subdivision ordinance may require that all utility or other pipes, wiring conduits, cables, and fixtures within subdivisions be installed underground, whether or not the same are installed in public rights-of-way pursuant to plans or regulations approved by the North Carolina Utilities Commission.

"Section 8.3. Annexations. Extensions of the City's corporate boundaries and filings of ordinances and maps of the extensions shall be governed by general or local law or the provisions of this Charter. The provisions of G.S. 160A-58.1(b)(5) shall not apply to the City.

"ARTICLE IX. CLAIMS AGAINST THE CITY

"Section 9.1. Presentation of Claims; Suit Upon Claims. (a) All claims or demands against the City arising in tort or in contract shall be presented to the Council in writing, signed by the claimant or the claimant's attorney or agent, within 90 days after the claim or demand is due or the cause of action accrues, and no suit or action shall be brought thereon within 30 days or after the expiration of 12 months from the time said claim or demand is so presented. Unless the claim or demand is so presented within 90 days after the cause of action accrues and unless suit is brought within 12 months thereafter, any action thereon is barred.

(b) No action shall be instituted against the City on account of damages to or compensation for real property taken or used by the City for any public purpose, or for the ejectment of the City therefrom, or to remove a cloud upon the title thereof unless, within two years after the alleged use, the owner, the owner's executor, administrator, guardian, or next friend shall have given notice in writing to the Council of the claim, stating in the notice the date that the alleged use commenced, a description of property alleged to have been used, and the amount of damage or compensation claimed.

"Section 9.2. Settlement of Claims by City Manager. The Council may, by ordinance, authorize the City Manager to settle claims against the City."

SECTION 2. The purpose of this act is to revise the Charter of the City of Mebane and to consolidate certain acts concerning the property, affairs, and government of the City. It is intended to continue without interruption those provisions of prior acts that are expressly

consolidated into this act, so that all rights and liabilities which have accrued are preserved and may be enforced.

SECTION 3. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 4. Section 1 of Chapter 514 of the 1973 Session Laws and S.L. 2006-10, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed.

SECTION 5. The Mayor and Council members serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified. Thereafter, those offices shall be filled as provided in Articles II and III of the Charter of the City of Mebane, as enacted in Section 1 of this act.

SECTION 6. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 7. All existing ordinances, resolutions, and other provisions of the City of Mebane not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 8. No action or proceeding pending on the effective date of this act by or against the City of Mebane or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 9. If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and, to this end, the provisions of this act are declared to be severable.

SECTION 10. Whenever a reference is made in this act to a particular provision of the General Statutes, and that provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute or to the General Statute that most clearly corresponds to the statutory provision which is superseded or recodified.

SECTION 11.(a) The Alamance-Burlington Board of Education may, subject to the requirements set forth in subsection (b) of this section, convey, sell, or transfer any or all of its right, title, and interest in the property described in subsection (c) of this section pursuant to an agreement entered into through private negotiation and sale, which agreement may provide for an exchange for other property, or payment of monetary consideration, or both. Notwithstanding G.S. 115C-518(a), G.S.115C-521, Article 12 of Chapter 160A of the General Statutes, Article 8 of Chapter 143 of the General Statutes, or any other statute or law of the State, and, without limiting the foregoing, the agreement may provide that the Alamance-Burlington Board of Education will exchange the property described in subsection (c) of this section for a new school to be constructed by the other party to the agreement on property acceptable to the Alamance-Burlington Board of Education. Any such agreement entered into by the Alamance-Burlington Board of Education shall be approved as provided in subsection (b) of this section and shall provide for the payment or transfer of a full and fair consideration to the Alamance-Burlington Board of Education.

SECTION 11.(b) The agreement permitted pursuant to subsection (a) of this section shall be entered into pursuant to a single resolution authorizing the execution and performance of the agreement adopted by the Alamance-Burlington Board of Education at a regular meeting of the Board of Education upon 10 days' public notice. Notice shall be given by publication describing the property to be conveyed by the Board of Education, stating the consideration to be paid or transferred to the Board of Education pursuant to the agreement, including the value of any properties to be conveyed to the Board of Education pursuant to the agreement, and announcing the Board of Education's intent to authorize the agreement at its next regular meeting.

SECTION 11.(c) That parcel or tract of land having an address of 510 E. Haggard Avenue in the Town of Elon, Alamance County, containing approximately 18.35 acres which bears Alamance County Parcel Identification number 115440 and GPIN 8855275305 and on which is located the elementary school known as "Elon Elementary" and which property includes, but is not limited to, the properties described in the deeds recorded in Book 233, Page 301, Alamance County Registry; Book 239, Page 79, Alamance County Registry; Book 239, Page 78, Alamance County Registry; and Book 234, Page 297, Alamance County Registry.

SECTION 12. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-83 **S.B. 285**

AN ACT DIRECTING THE CITY OF ASHEVILLE TO CREATE ELECTORAL DISTRICTS AND, IF ELECTORAL DISTRICTS ARE NOT TIMELY CREATED, PROVIDING FOR THE CREATION OF THOSE DISTRICTS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Creation of Electoral Districts. – By November 1, 2017, the City of Asheville shall amend its charter to create six single-member electoral districts governing the nomination and election of City Council members. Electoral districts established pursuant to this section shall be for use in the 2019 municipal elections. The City shall create districts that comply with State and federal law and (i) are reasonably compact and geographically diverse, (ii) are contiguous, and (iii) have a population deviation of no more than plus or minus five percent (5%). A candidate who seeks office shall represent the district in which the candidate resides. Only the qualified voters in the district shall nominate and elect candidates residing in the district. The mayor shall be nominated and elected from the City at large in accordance with G.S. 160A-101(8)a. Upon creating electoral districts, the City shall file a copy of its charter amendments in accordance with G.S. 160A-111 and submit a report of the completed plans to the Joint Legislative Elections Oversight Committee, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives by November 15, 2017.

SECTION 1.(b) In assigning territory to each single-member electoral district, the City Council shall adopt the final map reported to the City by the independent districting commission appointed by the City Council in accordance with Section 1(c) of this act. The map of the six single-member districts shall be submitted to the Legislative Library, Joint Legislative Elections Oversight Committee, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives on or before November 15, 2017.

SECTION 1.(c) Independent Districting Commission. – There is established an Independent Districting Commission for the City of Asheville, as follows:

(1) Membership. – No later than August 22, 2017, the City Council shall appoint seven residents of the City, who are eligible voters in the City municipal elections. No more than three appointees shall be of the same political party. All appointees shall have expressed an interest in, or have demonstrated an expertise in, districting.

(2) Officers; vacancies. – The City Council shall designate one member chair, and another vice-chair. Any vacancy shall be filled by the City Council, in accordance with subdivision (1) of this section.

(3) Meetings; records. – The Commission shall meet upon the call of the chair, in accordance with Article 33C of Chapter 143. A quorum of the Committee shall be four members. The City Council may assign professional staff to assist the Commission in its work. All documents produced by the Commission shall be stored and maintained by the City, and the City shall be the custodian for purposes of Chapter 132 of the General Statutes.

(4) Report; termination. – The Commission shall make any interim reports to the City Council as City Council requests, and shall make a final report of its map of six single-member electoral districts to the City Council no later than October 10, 2017. The Committee shall terminate upon the filing of its final report.

SECTION 1.(d) Electoral districts established pursuant to this section shall be used in the 2019 municipal elections.

SECTION 2.(a) In lieu of the process set forth in Sections 1(b) and 1(c) of this act, the City Council may assign territory to each single-member electoral district through a process established by the City Council, including establishing a working group, advisory board, or other appointed body to make recommendations to the City Council. However submitted to the City Council, the City of Asheville shall amend its charter to create six single-member electoral districts governing the nomination and election of City Council members on or before November 1, 2017.

SECTION 2.(b) Electoral districts established pursuant to this section shall be used in the 2019 municipal elections.

SECTION 3. All maps of the six single-member districts considered by the City Council, and the map adopted by the City Council, shall be submitted to the Legislative Library, Joint Legislative Elections Oversight Committee, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives on or before November 15, 2017.

SECTION 4. If the City of Asheville fails to create electoral districts as required by Section 1 or Section 2 of this act, the North Carolina General Assembly, in the 2018 Regular Session of the 2017 General Assembly, shall establish electoral districts for the City of Asheville.

SECTION 5. This act is effective when it becomes law and applies to elections held on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-84 **S.B. 261**

AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE CITY OF KANNAPOLIS.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the City of Kannapolis:

Tract I:

BEGINNING at a point on the south side of the 60-ft. right-of-way for Cannon Farm Road (SR 1197), said beginning point being the northwestern corner of Lot No. 4, Cannon Country Club Estates, and runs thence with the dividing line between Lots Nos. 3 and 4 S. 05-03-08 W. (passing a 1/2" existing iron rod at 496.09 feet) a total distance of 543.22 feet to a new iron post; thence N. 84-56-52 W. 113.93 feet to a new iron post in the boundary of the property of Atlantic American Properties, Inc., (Kannapolis Country Club); thence N. 00-06-07 E. 41.34 feet to a 1/2" existing iron rod; thence continuing with the property of Atlantic American Properties, Inc., N. 87-50-27 W. 26.67 feet to a 1/2" existing iron rod, a new corner in the property of Billy Max James (Deed Book 667, page 529); thence a new line through Lot No. 2 of Cannon Country Club Estates N. 03-37-37 E. 433.50 feet to a 1/2" existing iron rod on the south side of the right-of-way for Cannon Farm Road; thence with said right-of-way N. 70-44-00 E. 170.00 feet to the point of BEGINNING.

Tract II:

BEGINNING at a new iron pin in the southern right-of-way line of Cannon Farm Road (SR 1197), a common corner with Robert L. London and Leonard R. Beaver (588-692); thence along the western line of Robert L. London and Leonard R. Beaver S. 06-13-02 W.

668.59 ft. to an established iron pin, the southwestern corner of Leonard R. Beaver; thence S. 82-59-46 W. 131.08 ft. to an established iron pin, the southeastern corner of Lot No. 3; thence along the eastern line of Lot No. 3 N. 05-03-08 E. 633.23 ft. to a new iron pin in the southern margin of Cannon Farm Road (SR 1197); thence along the southern margin of Cannon Farm Road N. 70-44-00 E. 110.93 ft. to a computed point; thence N. 72-28-41 E. 44.07 ft. to the point and place of BEGINNING and containing 2.012 acres, more or less, and being that property as shown upon a survey by Mel G. Thompson, R.L.S., bearing the date of August 7, 1987, to which reference is hereby made.

SECTION 2. This act has no effect upon the validity of any liens of the City of Kannapolis for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the City of Kannapolis.

SECTION 3. This act becomes effective June 30, 2017. Property in the territory described in Section 1 of this act as of January 1, 2017, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-85 **S.B. 289**

AN ACT REMOVING CERTAIN DESCRIBED TERRITORY FROM THE CORPORATE LIMITS OF THE TOWN OF SUNSET BEACH AND THE CITY OF KINSTON AND TO REQUIRE THAT VOLUNTARY ANNEXATION IS NOT CONTINGENT ON RECEIVING CITY SERVICES IN THE CITY OF KINSTON.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The following described property is removed from the corporate limits of the Town of Sunset Beach:

BEING ALL THAT CERTAIN lot or parcel of land lying and being located in Shallotte Township, Brunswick County, North Carolina, and being more particularly described as follows:

BEGINNING at a 1/2" rebar set in the eastern right-of-way of NC Highway 904 (60-foot right-of-way), said rebar having NC grid coordinates (NAD 83/86) of N = 56,756.6469' and E = 2,154,937.6319'; thence from said point and place of BEGINNING North 87º15'02" East, a distance of 127.37 feet to a 1/2" rebar set; thence North 79º27'13" East, a distance of 94.01 feet to a 1/2" rebar set; thence along a curve to the left having a radius of 189.50 feet, an arc length of 42.57 feet, and a chord bearing and distance of North 73º01'03" East, a distance of 42.48 feet to a 1/2" rebar set; thence North 66º34'53" East, a distance of 924.41 feet to a 1/2" rebar set; thence South 08º40'20" East, a distance of 542.20 feet to a point in the center of Calabash Creek; thence with the run of Calabash Creek the following seven calls: (1) South 66º23'43" West, a distance of 50.49 feet to a point; (2) South 63º 31'28" West, a distance of 34.25 feet to a point; (3) South 63º41'31" West, a distance of 62.72 feet to a point; (4) South 50º34'20" West, a distance of 74.29 feet to a point; (5) South 59º44'42" West, a distance of 55.60 feet to a point; (6) South 62º31'45" West, a distance of 97.58 feet to a point; and (7) South 65º42'52" West, a distance of 60.39 feet to a point; thence leaving said Calabash Creek North 09º17'38" West, a distance of 530.44 feet to a 1/2" rebar set; thence South 66º34'53" West, a distance of 484.18 feet to a 1/2" rebar set; thence along a curve to the right having a radius of 239.50 feet, an arc length of 53.81 feet, and a chord bearing and distance of South 73º01'03" West, a distance of 53.69 feet to a 1/2" rebar set; thence South 79º27'13" West, a distance of 133.32 feet to a 1/2" rebar set; thence South 72º51'33" West, a distance of 88.22 feet to a 1/2" rebar set in the eastern right-of-way of NC Highway 904; thence with the eastern right-of-way of NC Highway 904 the following two calls: (1) North 09º57'05" West, a distance of 41.07 feet to a 1/2" rebar set; and (2) North 10º02'08" West, a distance of 36.34 feet to a 1/2" rebar set, being the point and place of BEGINNING, containing 6.22 acres, more or less, as

shown on a survey entitled "ALTA/ACSM Land Title Survey For: Sunset Creek Commons" prepared by Norris & Ward Land Surveyors, P.A., dated June 17, 2015.

SECTION 1.(b) This section becomes effective June 30, 2017. Property in the territory described in this section as of January 1, 2017, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

SECTION 2.(a) The following described property, referenced by the Lenoir County Tax Office Parcel Identification Number, is removed from the corporate limits of City of Kinston:

2783, 37414, 37415, 37416, 37417, 37418, 37419, 37420, 2233, 2510, 3928, 1499, 2246, 2239, 1522, 3824, 1621, 1633, 3246, 3920, 1535, 2242, 2243, 2473, 3405, 29150, 2771, 29151, 2152, 35514, 2256, 35220, 35219, 2247, 2188, 2062, 2244, 2245, 2638, 2843, 2705, 1811, 3287, 3318, 2023, 2240, 2960, 2431, 3352, 1786, 2474, 2933, 3893, 32017, 2045, 3912.

SECTION 2.(b) The City of Kinston shall not amend, enforce, or otherwise seek to force any party to abide by the terms and conditions of the sewer service agreement recorded in Book 802, Page 905, of the Lenoir County Register of Deeds.

SECTION 2.(c) This section becomes effective June 30, 2017. Property in the territory described in this section as of January 1, 2017, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

SECTION 3.(a) G.S. 160A-31(a) reads as rewritten:

"(a) The governing board of any municipality may annex by ordinance any area contiguous to its boundaries upon presentation to the governing board of a petition signed by the owners of all the real property located within such area. The petition shall be signed by each owner of real property in the area and shall contain the address of each such ~~owner.~~ owner and a statement that the owner's petition for annexation is not based upon any representation by the municipality that a public enterprise service available outside the corporate limits of that municipality would be withheld from the owner's property without the petition for annexation."

SECTION 3.(b) G.S. 160A-58.1(c) reads as rewritten:

"(c) The petition shall contain the names, addresses, and signatures of all owners of real property within the proposed satellite corporate limits (except owners not required to sign by subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall have attached thereto a map showing the area proposed for annexation with relation to the primary corporate limits of the annexing city. The petition shall also contain a statement from the owner that the owner's petition for annexation is not based upon any representation by the municipality that a public enterprise service available outside the corporate limits of that municipality would be withheld from the owner's property without the petition for annexation. When there is any substantial question as to whether the area may be closer to another city than to the annexing city, the map shall also show the area proposed for annexation with relation to the primary corporate limits of the other city. The city council may prescribe the form of the petition."

SECTION 3.(c) This section applies only to the City of Kinston.

SECTION 3.(d) This section is effective when it becomes law.

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

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-86 **H.B. 397**

AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF CAROLINA SHORES AND AUTHORIZING NEW HANOVER COUNTY TO PARTICIPATE IN THE ACQUISITION, CONSTRUCTION, OWNERSHIP, AND OPERATION OF A DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The following described property is removed from the corporate limits of the Town of Carolina Shores:

For that certain parcel of land lying and being in Shallotte Township, Brunswick County, North Carolina, identified on a plat created by Thomas & Hutton entitled "DE-ANNEXATION EXHIBIT OF THE CHERYL G. BENNETT & L.E. BENNETT PARCEL TOTALING 0.04 AC.±," dated 3/1/17, bounded on the North, South, East, and West by lands of Cheryl G. Bennett, and being more particularly described as follows: BEGINNING at a point in the Cheryl G. Bennett property line, said point have a NC Grid Coordinate value of N: 64,877.50, E: 2,132,373.59, and runs thence with the existing Cheryl G. Bennett property line, S 01' 38' 59" W – 64.96' to a point; thence continuing with the Bennett property line, S 18' 28'50" W – 51.56' to a point; thence with a proposed property line to be identified as the new Town Limit Line, N 71' 20' 40" W – 19.95' to a point, a new property corner having a NC Grid Coordinate value of N: 64,770.05, E: 2,132,336.48; thence with a proposed property line to be identified as the new Town Limit Line, N 19' 03' 19" E – 113.68' to the BEGINNING, containing 0.04 Acres±.

SECTION 1.(b) This section becomes effective June 30, 2017. Property in the territory described in this section as of January 1, 2017, is no longer subject to municipal taxes for taxes imposed for taxable years beginning on or after July 1, 2017.

SECTION 2.(a) The County of New Hanover may exercise any authority under G.S. 160A-458.3 to undertake one downtown development project, subject to the following conditions:

(1) The property was owned by the County on January 1, 2017, in the central business district of the City of Wilmington, described as follows: That block bordered by Grace Street, 3rd Street, Chestnut Street, and 2nd Street.

(2) The project shall not be subject to Article 8 of Chapter 143 of the General Statutes if funds other than county funds constitute at least twenty-five percent (25%) of the total cost of the construction and renovation of the public and private facilities included in the project.

SECTION 2.(b) This section applies only to New Hanover County.

SECTION 2.(c) This section is effective when it becomes law.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-87 **S.B. 155**

AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOLIC BEVERAGE CONTROL COMMISSION LAWS.

The General Assembly of North Carolina enacts:

DISTILLERY PERMIT AMENDMENTS

SECTION 1.(a) G.S. 18B-1105 reads as rewritten:

"**§ 18B-1105. Authorization of distillery permit.**

(a) Authorized Acts. – The holder of a distillery permit may do any of the following:

(1) Manufacture, purchase, import, possess and transport ingredients and equipment used in the distillation of spirituous liquor.

(2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to exporters and local boards within the State, and, subject to the laws of other jurisdictions, at wholesale or retail to private or public agencies or establishments of other states or nations.

(3) Transport into or out of the distillery the maximum amount of liquor allowed under federal law, if the transportation is related to the distilling process.

(4) Sell spirituous liquor distilled at the distillery in closed containers to visitors who tour the distillery for consumption off the premises. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and are subject to the time and day restrictions in G.S. 18B-802. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle a sticker that bears the words "North Carolina Distillery Tour Commemorative Spirit" in addition to any other labeling requirements set by law. Consumers purchasing spirituous liquor under this subdivision are limited to purchasing, and the selling distillery is limited to selling to each consumer, no more than ~~one bottle~~five bottles of spirituous liquor per 12 month period. The distillery shall use a commonly adopted standard point of sale system to maintain searchable electronic records captured at the point of sale, to include the purchaser's name, drivers license number, and date of birth for at least 12 months from the date of purchase. The Commission shall adopt rules regulating the retail sale of spirituous liquor under this subdivision.

(5) Conduct consumer tastings in accordance with G.S. 18B-1114.7.

(b) Distilleries for Fuel Alcohol. – Any person in possession of a Federal Operating Permit pursuant to Title 27, Code of Federal Regulations, Part 19 (April 1, 2010 Edition), shall obtain a fuel alcohol permit before manufacturing any alcohol. The permit shall entitle the permittee to perform only those acts allowed by the Federal Operating Permit, and all conditions of the Federal Operating Permit shall apply to the State permit."

SECTION 1.(b) G.S. 18B-804 is amended by adding a new subsection to read:

"**§ 18B-804. Alcoholic beverage pricing.**

(a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in ABC stores and permitted distilleries shall be uniform throughout the State, unless otherwise provided by the ABC law.

(b) Sale Price of Spirituous Liquor. – The sale of spirituous liquor, including antique spirituous liquor, sold at the uniform State price shall consist of the following components:

(1) The distiller's or the antique spirituous liquor seller's price.

(2) The freight and bailment charges of the State warehouse as determined by the Commission.

(3) A markup for local boards as determined by the Commission.

(4) The tax levied under G.S. 105-113.80(c), which shall be levied on the sum of subdivisions (1), (2), and (3).

(5) An additional markup for local boards equal to three and one-half percent (3 1/2%) of the sum of subdivisions (1), (2), and (3).

(6) A bottle charge of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters.

(6a) The bailment surcharge.

(6b) An additional bottle charge for local boards of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters.

(7) A rounding adjustment, the formula of which may be determined by the Commission, so that the sale price will be divisible by five.

(8) If the spirituous liquor is sold to a mixed beverage permittee for resale in mixed beverages, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities.

(9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities.

(b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery permit sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), the retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of this section. However, the holder of the distillery permit shall not be required to remit the components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection (b) of this section.

(c) Sale Price of Fortified Wine. – The sale price of fortified wine shall include the tax levied by G.S. 105-113.80(b), as well as State and local sales taxes.

(d) Repealed by Session Laws 1985, c. 59, s. 2."

SECTION 1.(c) G.S. 18B-800 reads as rewritten:

"**§ 18B-800. Sale of alcoholic beverages in ABC stores.**

(a) Spirituous Liquor. – Except as provided in ~~Article 10~~ Articles 10 and 11 of this Chapter, spirituous liquor may be sold only in ABC stores operated by local boards.

…."

SECTION 1.(d) The Alcoholic Beverage Control Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 1.(e) This section becomes effective July 1, 2017.

CREATE SPIRITUOUS LIQUOR SPECIAL EVENT PERMIT TO ALLOW DISTILLERIES TO GIVE FREE TASTINGS

SECTION 2.(a) G.S. 18B-301 reads as rewritten:

"**§ 18B-301. Possession and consumption of fortified wine and spirituous liquor.**

…

(e) Incident to Sale. – It shall be lawful to possess fortified wine and spirituous liquor at any place, such as an ABC store, where possession is a necessary incident to lawful sale. Consumption at such a place shall be unlawful unless the establishment has a permit authorizing consumption on the premises as well as sale.

(f) Unlawful Possession or Use. – As illustration, but not limitation, of the general prohibition stated in G.S. 18B-102(a), it shall be unlawful for:

(1) Any person to consume fortified wine, spirituous liquor, or mixed beverages or to offer such beverages to another ~~person:~~person at any of the following places:

a. On the premises of an ABC ~~store, or~~store.

b. Upon any property used or occupied by a local ~~board, or~~board.

c. On any public road, street, highway, or ~~sidewalk.~~sidewalk, unless a consumer tasting authorized by G.S. 18B-1114.7 is being conducted.

…."

SECTION 2.(b) G.S. 18B-902(d) is amended by adding new subdivisions to read:

"(d) Fees. – An application for an ABC permit shall be accompanied by payment of the following application fee:

(1) On-premises malt beverage permit – $400.00.
(2) Off-premises malt beverage permit – $400.00.
(3) On-premises unfortified wine permit – $400.00.
(4) Off-premises unfortified wine permit – $400.00.
(5) On-premises fortified wine permit – $400.00.
(6) Off-premises fortified wine permit – $400.00.
(7) Brown-bagging permit – $400.00, unless the application is for a restaurant seating less than 50, in which case the fee shall be $200.00.
(8) Special occasion permit – $400.00.
(9) Limited special occasion permit – $50.00.
(10) Mixed beverages permit – $1,000.
(11) Culinary permit – $200.00.
(12) Unfortified winery permit – $300.00.

(13) Fortified winery permit – $300.00.
(14) Limited winery permit – $300.00.
(15) Brewery permit – $300.00.
(16) Distillery permit – $300.00.
(17) Fuel alcohol permit – $100.00.
(18) Wine importer permit – $300.00.
(19) Wine wholesaler permit – $300.00.
(20) Malt beverage importer permit – $300.00.
(21) Malt beverage wholesaler permit – $300.00.
(22) Bottler permit – $300.00.
(23) Salesman permit – $100.00.
(24) Vendor representative permit – $50.00.
(25) Nonresident malt beverage vendor permit – $100.00.
(26) Nonresident wine vendor permit – $100.00.
(27) Any special one-time permit under G.S. 18B-1002 – $50.00.
(28) Winery special event permit – $200.00.
(29) Mixed beverages catering permit – $200.00.
(30) Guest room cabinet permit – $1,000.
(31) Liquor importer/bottler permit – $500.00.
(32) Cider and vinegar manufacturer permit – $200.00.
(33) Brew on premises permit – $400.00.
(34) Wine producer permit – $300.00.
(35) Wine tasting permit – $100.00.
(36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and applicable to wine shipper permit applications submitted on or after that date.
(37) Wine shop permit – $100.00.
(38) Winemaking on premises permit – $400.00.
(39) Wine shipper packager permit – $100.00.
(40) Malt beverage special event permit – $200.00.
(41) Malt beverage tasting permit – $100.00.
(42) Spirituous liquor tasting permit – $100.00.
(43) Antique spirituous liquor permit – $100.00.
(44) Spirituous liquor special event permit – $200.00.
(45) Special auction permit – $750.00."

SECTION 2.(c) Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1114.7. Authorization of spirituous liquor special event permit.**

(a) Authorization. – The holder of a supplier representative permit, brokerage representative permit, or distillery permit issued under G.S. 18B-1105 may obtain a spirituous liquor special event permit allowing the permittee to give free tastings of its spirituous liquors at trade shows, conventions, shopping malls, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission.

(b) Limitations. – Any consumer tasting is subject to the following limitations:

(1) The permit holder or the permit holder's authorized agent shall conduct the consumer tasting and the permit holder shall be solely responsible for any violations of this Chapter occurring in connection with the consumer tasting.

(2) The spirituous liquor shall be poured only by either (i) the permit holder conducting the consumer tasting or (ii) an employee or authorized agent of the permit holder conducting the consumer tasting who is at least 21 years of age.

(3) Each consumer shall be limited to one 0.25 ounce tasting sample of any product made available for sampling at the consumer tasting, and the total amount of the tasting samples offered to and consumed by each consumer shall not exceed 1.0 ounce of spirituous liquor in any calendar day.

(4) The permit holder shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer who is visibly intoxicated.

(5) The permit holder shall not offer tasting samples to, or allow consumption of tasting samples by, any consumer under the legal age for consuming spirituous liquor. The person pouring the spirituous liquor shall be responsible for verifying the age of the consumer being served by checking the identification of the consumer.

(6) The permit holder shall not charge a consumer for any tasting sample.

(7) A venue allowing tastings shall designate a tasting area within the venue that enables the permit holder to ensure that the consumer tasting is being conducted in compliance with this section. Consumers shall only be allowed to consume tasting samples within the designated tasting area.

(8) A consumer tasting shall not be allowed unless the venue is located in a jurisdiction that has approved the sale of mixed beverages.

(9) The permit holder may provide point-of-sale advertising materials and advertising specialties to consumers at the consumer tasting.

(10) The permit holder shall maintain for a period of at least one year a record of each consumer tasting conducted. The record shall include the date of the consumer tasting, the time of the consumer tasting, an identification of the venue at which the consumer tasting was held, an identification of the spirituous liquor that was provided for tasting at the consumer tasting, and the name of any person who poured spirituous liquor at the consumer tasting. The permit holder shall allow the ABC Commission to inspect those records at any time."

ALLOW SALE OF SPECIFIED ALCOHOLIC BEVERAGES AT AUCTION BY LICENSED AUCTIONEERS

SECTION 3.(a) G.S. 18B-603(f) reads as rewritten:

"**§ 18B-603. Effect of alcoholic beverage elections on issuance of permits.**

…

(f) Permits Not Dependent on Elections. – The Commission may issue the following kinds of permits without approval at an election:

(1) Special occasion ~~permits;~~permits.

(2) Limited special occasion ~~permits;~~permits.

(3) Brown-bagging permits for private clubs and congressionally chartered veterans ~~organizations;~~organizations.

(4) Culinary permits, except as restricted by ~~subdivision (d)(5);~~subdivision (d)(5).

(5) Special one-time permits issued under ~~G.S. 18B-1002;~~G.S. 18B-1002.

(6) All permits listed in ~~G.S. 18B-1100;~~G.S. 18B-1100.

(7) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism ABC ~~establishments;~~establishments.

(8) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for tourism ~~resorts;~~resorts.

(9) The permits authorized by G.S. 18B-1001(1), (3), (5), and (10) for historic ABC establishments.

(10) Special auction permits issued under G.S. 18B-1002.1."

SECTION 3.(b) G.S. 18B-1002(a)(4) reads as rewritten:

"(a) Kinds of Permits. – In addition to the other permits authorized by this Chapter, the Commission may issue permits for the following activities:

…

(4) A permit may be issued to a collector of ~~wine or~~wine, decorative decanters of spirituous ~~liquor~~ liquor, or antique spirituous liquor authorizing that person to bring into the State, transport, or possess as a collector, a greater amount of those alcoholic beverages than is otherwise authorized by this Chapter, or to sell those alcoholic beverages in a manner prescribed by the Commission."

SECTION 3.(c) Article 10 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1002.1. Special auction permit.**

(a) Permit Authorized. – A permit may be issued upon application to an auction firm or auctioneer licensed by the North Carolina Auctioneers Commission pursuant to Chapter 85B of the General Statutes to allow the licensed auction firm or auctioneer to sell at auction items described in G.S. 18B-1002(a)(4). An auction held under this section may receive competing bids that are in person or by telephone, fax, or online.

(b) Conditions of Permit. – A permit issued under this section is valid only for the auction specified in the permit. Any sales under this permit are subject to the purchase restrictions in G.S. 18B-303.

(c) Administrative Procedure. – Denial or revocation of a permit under this section does not entitle the applicant or permittee to a hearing under Chapter 150B of the General Statutes."

SECTION 3.(d) This section becomes effective October 1, 2017.

ALLOW THE SALE OF ALCOHOLIC BEVERAGES BEFORE NOON ON SUNDAYS, SUBJECT TO LOCAL GOVERNMENT APPROVAL

SECTION 4.(a) G.S. 18B-1004(c) reads as rewritten:

"**§ 18B-1004. Hours for sale and consumption.**

…

(c) Sunday Hours. – ~~It~~ Except as authorized pursuant to G.S. 18B-112(b1), 153A-145.7, or 160A-205.3, it shall be unlawful to sell or consume alcoholic beverages on any licensed premises from the time at which sale or consumption must cease on Sunday morning until 12:00 Noon on that day."

SECTION 4.(b) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-145.7. Hours of certain alcohol sales.**

In accordance with G.S. 18B-1004(c), a county may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001."

SECTION 4.(c) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-205.3. Hours of certain alcohol sales.**

In accordance with G.S. 18B-1004(c), a city may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under G.S. 18B-1001."

SECTION 4.(d) G.S. 18B-112 is amended by adding a new subsection to read:

"(b1) In accordance with G.S. 18B-1004(c), the Eastern Band of Cherokee Indians tribe may adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine, and mixed beverages beginning at 10:00 A.M. on Sunday pursuant to the licensed premises' permit issued under the authority of G.S. 18B-112(d)."

AUTHORIZE SALE OF CROWLERS BY RETAIL PERMITTEES

SECTION 5.(a) G.S. 18B-1001 reads as rewritten:

"**§ 18B-1001. Kinds of ABC permits; places eligible.**

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. ~~Restaurants;~~Restaurants.
b. ~~Hotels;~~Hotels.
c. Eating ~~establishments;~~establishments.
d. Food ~~businesses;~~businesses.
e. Retail ~~businesses;~~businesses.
f. Private ~~clubs;~~clubs.
g. Convention ~~centers;~~centers.
h. Community ~~theatres;~~theatres.
i. Breweries as authorized by G.S. 18B-1104(7) and (8).

(2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit authorizes (i) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. Restaurants.
b. Hotels.
c. Eating establishments.
d. Food businesses.
e. Retail businesses.
f. The holder of a brewing, distillation, and fermentation course authorization under G.S. 18B-1114.6. A school obtaining a permit under this subdivision is authorized to sell malt beverages manufactured during its brewing, distillation, and fermentation program at one noncampus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee.

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more

than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

a. ~~Restaurants;~~Restaurants.
b. ~~Hotels;~~Hotels.
c. ~~Eating establishments;~~Eating establishments.
d. ~~Private clubs;~~Private clubs.
e. ~~Convention centers;~~Convention centers.
f. ~~Cooking schools;~~Cooking schools.
g. ~~Community theatres;~~Community theatres.
h. ~~Wineries;~~Wineries.
i. Wine producers.

(4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, (ii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship unfortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another off-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The permit may also be issued to the holder of a viticulture/enology course

authorization under G.S. 18B-1114.4. A school obtaining a permit under this subdivision is authorized to sell wines manufactured during its viticulture/enology program at one non-campus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee. The permit may also be issued for a winery or a wine producer for sale of its own unfortified wine during hours when the winery or wine producer's premises is open to the public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A winery obtaining a permit under this subdivision is authorized to sell wine manufactured by the winery at one additional location in the county under the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that no other alcohol sales shall be authorized at the additional location. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision.

…

(16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt beverages, unfortified wine, and fortified wine in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages or unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas in a ~~cleaned, sanitized, resealable~~ cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled, and (iii) wine tastings on the premises conducted and supervised by the permittee in accordance with subdivision (15) of this section. It also authorizes the holder of the permit to ship malt beverages, unfortified wine, and fortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses whose primary purpose is selling malt beverages and wine for consumption off the premises and regularly and customarily educating consumers through tastings, classes, and seminars about the selection, serving, and storing of wine. The holder of the permit is authorized to sell unfortified wine for consumption on the premises, provided that the sale of wine for consumption on the premises does not exceed forty percent (40%) of the establishment's total sales for any 30-day period. The holder of a wine-tasting permit not engaged in the preparation or sale of food on the premises is not subject to Part 6 of Article 8 of Chapter 130A of the General Statutes.

…."

SECTION 5.(b) The Alcoholic Beverage Control (ABC) Commission shall adopt rules to implement the provisions of this section by no later than 120 days after this act becomes law. The ABC Commission may adopt temporary rules to comply with the deadline set in this subsection. Any temporary rules adopted in accordance with this subsection shall remain in effect until permanent rules that replace the temporary rules become effective.

AUTHORIZE OFF-SITE STORAGE LOCATION FOR BREWERIES, WINERIES, AND DISTILLERIES

SECTION 6. Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1120. Noncontiguous storage locations.**

A brewery, winery, or distillery may store any alcoholic beverages it manufactures pursuant to a permit issued under this Article at a noncontiguous storage location approved by the

Alcohol and Tobacco Tax and Trade Bureau. The permittee must notify the Commission of any storage location used pursuant to this section. Any storage location used pursuant to this section shall be considered part of the premises of the brewery, winery, or distillery manufacturing the alcoholic beverages."

AUTHORIZE SALE OF UNFORTIFIED WINE ON PREMISES BY RETAIL BUSINESSES

SECTION 7. G.S. 18B-1001(3), as amended by Section 5 of this act, reads as rewritten:

"(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

…

j. Retail businesses."

AUTHORIZE TASTINGS DURING BREWERY TOURS

SECTION 8. G.S. 18B-1104(6) reads as rewritten:

"**§ 18B-1104. Authorization of brewery permit.**

The holder of a brewery permit may:

…

(6) Give its products to ~~its employees and guests~~ customers, visitors, and employees for consumption on its premises. Nothing in this subdivision shall be construed as excluding customers and visitors at the brewery as part of a paid or complimentary tour of the brewery."

AUTHORIZE CERTAIN PERSONS TO SAMPLE ALCOHOLIC BEVERAGES FOR PURPOSES OF SENSORY ANALYSIS, QUALITY CONTROL, OR EDUCATION

SECTION 9. Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1121. Authority to sample for sensory analysis, quality control, or educational purposes.**

Except as otherwise prohibited under Article 3 of this Chapter, a commercial permittee licensed under this Article, or its agent or employee, may consume samples of alcoholic beverages it is licensed to sell, free of charge, on its premises for purposes of sensory analysis, quality control, or education."

AMEND HOMEBREWING LAWS

SECTION 10. G.S. 18B-306 reads as rewritten:

"**§ 18B-306. Making wines and malt beverages for private use.**

(a) Authority. – An individual may make, possess, and transport ~~native~~ wines and malt beverages for ~~his~~ the individual's own ~~use and for~~ use, the use of ~~his~~ the individual's family and ~~guests. Native wines shall be made principally from honey, grapes, or other fruit or grain grown in this State, or from wine kits containing honey, grapes, or other fruit or grain concentrates, and shall have only that alcoholic content produced by natural fermentation. Malt beverages may be made by use of malt beverage kits containing grain extracts or concentrates.~~guests, or the use at organized affairs, exhibitions, or competitions. For purposes of this section, the term "organized affairs, exhibitions, or competitions" includes homemaker's contests, tastings, and judgings.

(b) Selling Prohibited. – Wines and malt beverages made pursuant to this section may not be sold or offered for sale.

(c) Kits. – Wine kits and malt beverage kits may be sold in this State.

(d) Permit. – No ABC permit is required to make wines or malt beverages pursuant to this section."

CLARIFY LAW GOVERNING RELATIONSHIP BETWEEN BREWERIES AND AFFILIATED RETAILERS

SECTION 11. G.S. 18B-1116(a) reads as rewritten:

"(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or indirectly to:

(1) Require that an alcoholic beverage retailer purchase any alcoholic beverages from that person to the full or partial exclusion of any other alcoholic beverages offered for sale by other persons in this State; or

(2) Have any direct or indirect financial interest in the business of any alcoholic beverage retailer in this State or in the premises where the business of any alcoholic beverage retailer in this State is conducted; or

(3) Lend or give to any alcoholic beverage retailer in this State or his employee or to the owner of the premises where the business of any alcoholic beverage retailer in this State is conducted, any money, service, equipment, furniture, fixtures or any other thing of value.

A brewery qualifying under ~~G.S. 18B-1104(8) to act as a wholesaler or retailer of its own malt beverages~~ G.S. 18B-1104(7) or (8) is not subject to the provisions of this ~~subsection~~ section concerning financial interests in, and lending or giving things of value to, a wholesaler or retailer with respect to the brewery's transactions with the retail business on its ~~premises.~~premises or other retail locations allowed under G.S. 18B-1104(8). The brewery is subject to the provisions of this subsection, however, with respect to its transactions with all other wholesalers and retailers."

AUTHORIZE BREWERY TAPROOMS TO SELL OTHER ALCOHOLIC BEVERAGES UPON RECEIVING THE APPROPRIATE PERMIT

SECTION 12. G.S. 18B-1104(7) reads as rewritten:

"(7) In an area where the sale of any type of alcoholic beverage is authorized by law, and upon receiving the appropriate permit under G.S. 18B-1001, sell ~~the~~ at the brewery, and any additional retail location authorized under subdivision (8) of this section, any or all of the following:

a. The brewery's malt ~~beverages or malt~~ beverages that have been approved by the Commission for sale in North Carolina.

b. Malt beverages manufactured by the permittee in some other state that have been approved by the Commission for sale in North ~~Carolina only at the brewery upon receiving a permit under G.S. 18B-1001(1).~~Carolina.

c. Any other alcoholic beverages approved by the Commission for sale in North Carolina, if sale of the alcoholic beverage is otherwise authorized in that area."

AUTHORIZE BREWERIES WITH PRODUCTION FACILITIES IN OTHER STATES TO DISTRIBUTE TO WHOLESALERS

SECTION 13. G.S. 18B-1104(4) reads as rewritten:

"(4) Receive malt beverages manufactured by the permittee in some other state for transshipment to (i) dealers in other ~~states.~~states or (ii) wholesalers licensed under this Chapter as authorized by the ABC laws."

AUTHORIZE FARM BREWERIES

SECTION 14. G.S. 18B-1104 is amended by adding a new subdivision to read:

"(7a) In an area where the sale of malt beverages has not been authorized, a brewery that produces agricultural products, including barley, other grains, hops, or fruit, used by the brewery in the manufacture of malt beverages may sell the malt beverages owned by the brewery and approved by the Commission for sale in North Carolina at the brewery for on- or off-premise consumption upon (i) obtaining the appropriate permit under G.S. 18B-1001 and (ii) receiving approval from the governing body of the city where the brewery is located or, if the brewery is not located in a city, the governing body of the county where the brewery is located. Approval may be granted only pursuant to a resolution of the governing body adopted at a regular meeting. Before adopting a resolution approving the sale of malt beverages under this subdivision, a governing board shall hold a public hearing. A notice of the public hearing shall be given once a week for two successive calendar weeks in a newspaper having general circulation in the area. The notice of the public hearing shall be published the first time not less than 10 days nor more than 25 days before the date fixed for the hearing. In computing such period, the day of publication is not to be included but the day of the hearing shall be included."

AMEND LAW GOVERNING BREWERY SALES AT ADDITIONAL RETAIL LOCATIONS

SECTION 15. G.S. 18B-1104 reads as rewritten:

"**§ 18B-1104. Authorization of brewery permit.**

The holder of a brewery permit may:

…

(8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale only malt beverages manufactured by the brewery. The authorization of this subdivision applies to a brewery that sells, to consumers

at the brewery, to wholesalers, to retailers, and to exporters, fewer than 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it per year. A brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the ~~brewery~~ brewery, and malt beverages produced under subdivision (6a) of this section, at not more than three other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional retail location pursuant to this subdivision under a different trade name than that used at the brewery shall also offer for sale at that location a reasonable selection of competitive malt beverage products. A sale at any additional retail location under this subdivision shall not be considered a wholesale sale for the purposes of Article 13 of this Chapter.

A sale or gift under subdivision (5) or (6) shall not be considered a retail or wholesale sale under the ABC laws."

TAX COMPLIANCE AND REPORTS

SECTION 16.(a) G.S. 18B-1104, as amended by this act, reads as rewritten:

"**§ 18B-1104. Authorization of brewery permit.**

(a) Authorized Acts. – The holder of a brewery permit may:

…

(6a) Receive, in closed containers, and sell at the brewery, malt beverages produced inside or outside North Carolina under contract with a contract brewery. The contract brewery that manufactures the malt beverages shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. The contract malt beverages may be sold also at affiliated retail outlets of the brewery physically located on or adjacent to the brewery. Any malt beverages received from a contract brewery under this subdivision shall be made available for sale by the brewery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the malt beverages were being imported by the brewery. Contract brewing is authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to ~~G.S. 18B-1104(8)~~ subdivision (8) of this subsection where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

(7) In an area where the sale of any type of alcoholic beverage is authorized by law, and upon receiving the appropriate permit under G.S. 18B-1001, sell at the brewery, and any additional retail location authorized under subdivision (8) of this ~~section,~~subsection, any or all of the following:

a. The brewery's malt beverages that have been approved by the Commission for sale in North Carolina.

b. Malt beverages manufactured by the permittee in some other state that have been approved by the Commission for sale in North Carolina.

c. Any other alcoholic beverages approved by the Commission for sale in North Carolina, if sale of the alcoholic beverage is otherwise authorized in that area.

…

(8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale only malt beverages manufactured by the brewery. The

authorization of this subdivision applies to a brewery that sells, to consumers at the brewery, to wholesalers, to retailers, and to exporters, fewer than 25,000 ~~barrels, as defined in G.S. 81A-9,~~barrels of malt beverages produced by it per year. A brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the brewery, and malt beverages produced under subdivision (6a) of this ~~section,~~subsection, at not more than three other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional retail location pursuant to this subdivision under a different trade name than that used at the brewery shall also offer for sale at that location a reasonable selection of competitive malt beverage products. A sale at any additional retail location under this subdivision shall not be considered a wholesale sale for the purposes of Article 13 of this Chapter.

(b) Sales or Gifts. – A sale or gift under subdivision (5) or (6) of subsection (a) of this section shall not be considered a retail or wholesale sale under the ABC laws.

(c) Tax Compliance. – By October 1 of each year, the Commission shall confirm that the holder of a brewery permit is in compliance with G.S. 18B-900(a)(8). The provisions of G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the Commission may suspend a person's brewery permit until the Commission receives notice from the Department of Revenue that the person is in compliance.

(d) Sales Report Upon Commission Request. – Within 60 days of a request by the Commission, a holder of a brewery permit who obtains a malt beverage wholesaler permit pursuant to subdivision (8) of subsection (a) of this section shall provide a sales report to the Commission. The report shall list separately all of the following for the 12-month period preceding the date of the request:

(1) The number of barrels of malt beverages sold by the permit holder that were produced by the permit holder.

(2) The quantity and dollar amount of malt beverages sold by the permit holder under subdivision (7) of subsection (a) of this section.

(3) The quantity and dollar amount of malt beverages sold on-premises under subdivision (8) of subsection (a) of this section.

(4) The quantity and dollar amount of malt beverages sold off-premises under subdivision (8) of subsection (a) of this section.

(5) The quantity and dollar amount of malt beverages sold under G.S. 18B-1114.5.

(6) The quantity and dollar amount of malt beverages destroyed, spoiled, or otherwise rendered unsalable.

The Commission shall not request more than one sales report from a brewery within a 12-month period. The Commission shall keep all information provided pursuant to this subsection confidential except as required by law or requested by the Department of Revenue. The information shall not be a public record under Chapter 132 of the General Statutes.

(e) Definition. – For purposes of this section, the term "barrels" is as defined in G.S. 81A-9."

SECTION 16.(b) G.S. 18B-1105 is amended by adding a new subsection to read:

"(c) Tax Compliance. – By October 1 of each year, the Commission shall confirm the holder of a distillery permit is in compliance with G.S. 18B-900(a)(8). The provisions of G.S. 18B-900(f) apply to the confirmation required under this subsection, except that the Commission may suspend a person's distillery permit until the Commission receives notice from the Department of Revenue that the person is in compliance."

SECTION 16.(c) G.S. 18B-903(c1) reads as rewritten:

"(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall be construed to limit alternating brewery proprietorships in which the holder of a brewery

permit leases or otherwise makes available its facility to another holder of a brewery permit. In this arrangement, the tenant brewery shall maintain title to the malt beverages at all states of the brewing process and shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to ~~G.S. 18B-1104(8)~~ G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b)."

SECTION 16.(d) G.S. 18B-1001(1)i. reads as rewritten:

"i. Breweries as authorized by ~~G.S. 18B-1104(7) and (8).~~subdivisions (7) and (8) of G.S. 18B-1104(a)."

SECTION 16.(e) G.S. 18B-1114.5(a) reads as rewritten:

"(a) Authorization. – The holder of a brewery permit, a malt beverages importer permit, a brewing, distillation, and fermentation course authorization, or a nonresident malt beverage vendor permit may obtain a malt beverage special event permit allowing the permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission. Except for a brewery operating under the provisions of ~~G.S. 18B-1104(8),~~ G.S. 18B-1104(a)(8), all malt beverages sampled or sold pursuant to this section must be purchased from a licensed malt beverages wholesaler."

SECTION 16.(f) G.S. 18B-1116(a), as amended by this act, reads as rewritten:

"**§ 18B-1116. Exclusive outlets prohibited.**

(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or indirectly to:

…

A brewery qualifying under ~~G.S. 18B-1104(7) or (8)~~subdivision (7) or (8) of G.S. 18B-1104(a) is not subject to the provisions of this section concerning financial interests in, and lending or giving things of value to, a wholesaler or retailer with respect to the brewery's transactions with the retail business on its premises or other retail locations allowed under ~~G.S. 18B-1104(8).~~G.S. 18B-1104(a)(8). The brewery is subject to the provisions of this subsection, however, with respect to its transactions with all other wholesalers and retailers."

SECTION 16.(g) G.S. 18B-1305(a1) reads as rewritten:

"(a1) Termination by a Small Brewery. – A brewery's authorization to distribute its own malt beverage products pursuant to ~~G.S. 18B-1104(8)~~ G.S. 18B-1104(a)(8) shall revert back to the brewery, in the absence of good cause, following the fifth business day after confirmed receipt of written notice of such reversion by the brewery to the wholesaler. The brewery shall pay the wholesaler fair market value for the distribution rights for the affected brand. For purposes of this subsection, "fair market value" means the highest dollar amount at which a seller would be willing to sell and a buyer willing to buy at the time the self-distribution rights revert back to the brewery, after each party has been provided all information relevant to the transaction."

SIMPLIFY LOCAL LICENSING APPLICATIONS

SECTION 17. G.S. 105-113.70 reads as rewritten:

"**§ 105-113.70. Issuance, duration, transfer of license.**

(a) Issuance, Qualifications. – Each person who receives an ABC permit shall obtain the corresponding local license, if any, under this Article. All local licenses are issued by the city or county where the establishment for which the license is sought is located. ~~The information required to be provided and the qualifications for a local license are the same as the~~

~~information and qualifications required for the corresponding ABC permit. Upon proper application and payment of the prescribed tax, issuance of a local license is mandatory if the applicant holds the corresponding ABC permit.~~ No documentation shall be required of the applicant except as provided in this section. Issuance of a local license is mandatory if the applicant holds the corresponding ABC permit and provides all of the following: (i) a copy of the most recently completed State application form for an ABC permit exclusive of any attachments, (ii) the ABC permit for visual inspection, and (iii) payment of the prescribed tax. No local license may be issued under this Article until the applicant has received from the ABC Commission the applicable permit for that activity, and no county license may be issued for an establishment located in a city in that county until the applicant has received from the city the applicable license for that activity.

(b) Duration. – All licenses issued under this section are annual licenses for the period from May 1 to April 30.

(c) Transfer. – A license may not be transferred from one person to another or from one location to another.

(d) License Exclusive. – A local government may not require a license for activities related to the manufacture or sale of alcoholic beverages other than the licenses stated in this Article."

CLARIFY WINERY SPECIAL EVENT LOCATIONS

SECTION 18. G.S. 18B-1114.1 reads as rewritten:

"**§ 18B-1114.1. Authorization of winery special event permit.**

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a viticulture/enology course authorization, or a wine producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, farmers markets, and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine."

RULES

SECTION 19.(a) Except as otherwise provided, the Alcoholic Beverage Control (ABC) Commission shall adopt temporary rules to implement the provisions of this act. Temporary rules adopted in accordance with this section shall remain in effect until permanent rules that replace the temporary rules become effective.

SECTION 19.(b) Any rule or policy adopted by the ABC Commission that does not comply with the provisions of this act shall be null, void, and without effect.

EFFECT OF HEADINGS

SECTION 20. The headings to the sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

EFFECTIVE DATE

SECTION 21. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-88 **S.B. 169**

AN ACT TO EXPAND TEACHING EXCELLENCE BONUSES FOR CERTAIN TEACHERS WHO WOULD HAVE RECEIVED A BONUS.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly to give a bonus substitute to certain teachers who remain teaching at the same school and would have received a bonus pursuant to one or more subdivisions of Section 9.7(a) of S.L. 2016-94 or pursuant to Section 8.8 of S.L. 2016-94 but for the restriction in subdivision (3) of either section ("the restriction").

SECTION 2.(a) If the teacher remains teaching at the same school and would have received a bonus under subdivision (1) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the teacher shall receive a State bonus substitute equal to three thousand five hundred dollars ($3,500), unless the teacher refused to continue teaching third grade in the year the bonus was paid.

SECTION 2.(b) If the teacher remains teaching at the same school and would have received a bonus under subdivision (2) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the teacher shall receive a local bonus substitute equal to three thousand five hundred dollars ($3,500), unless the teacher refused to continue teaching third grade in the year the bonus was paid.

SECTION 2.(c) If the teacher remains teaching at the same school and would have received a bonus under subsection (a) of Section 8.8 of S.L. 2016-94 but for the restriction, the teacher shall receive a bonus substitute equal to the amount the teacher would have received under subdivisions (1) and (2) of that subsection notwithstanding the restriction, unless the teacher refused to continue teaching the advanced course in the year the bonus was paid.

SECTION 3.(a) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivision (1) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to three thousand five hundred dollars ($3,500).

SECTION 3.(b) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivision (2) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to three thousand five hundred dollars ($3,500).

SECTION 3.(c) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivisions (1) and (2) of Section 8.8(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to two thousand dollars ($2,000).

SECTION 4. Of the funds available to the Department of Public Instruction for the 2016-2017 fiscal year, the State Board of Education shall direct the Department to pay the bonus substitutes and reimbursements required by this act.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-89 **H.B. 98**

AN ACT TO CREATE THE CRIMINAL OFFENSE OF INJURING, DESTROYING, REMOVING, VANDALIZING, OR TAMPERING WITH ANY OF THE FOLLOWING: FIREFIGHTING MACHINERY, FIREFIGHTING EQUIPMENT, AN AMBULANCE, A RESCUE SQUAD EMERGENCY MEDICAL SERVICES VEHICLE, OR EMERGENCY MEDICAL SERVICES EQUIPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Article 23 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-160.3. Injuring, destroying, removing, vandalizing, or tampering with firefighting or emergency medical services machinery or equipment.**

A person is guilty of a Class 1 misdemeanor if the person intentionally injures, destroys, removes, vandalizes, or tampers with or otherwise intentionally interferes with the operation of any of the following:

(1) Any machinery, apparatus, or equipment used by a fire department or the North Carolina Forest Services for fighting fires, protecting property, or protecting human life.

(2) Any ambulance as defined in G.S. 131E-155 or rescue squad emergency medical services vehicle or any equipment or apparatus used for emergency medical services as defined in G.S. 131E-155."

SECTION 2. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-90 **S.B. 578**

AN ACT TO REQUIRE THE OFFICE OF THE SECRETARY OF STATE TO ANNUALLY COMPILE INFORMATION ABOUT THE NUMBER OF VETERAN-OWNED SMALL BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES AND TO PROVIDE THIS INFORMATION TO THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS.

Whereas, over 770,000 veterans reside across all of North Carolina's one hundred counties; and

Whereas, North Carolina proudly has one of the largest veteran populations in the country; and

Whereas, the number of veterans across our State underscores the importance and impact of the State's current military base populations to our State and how veterans and their families continue to reside in the State after the conclusion of their military service to further contribute to the State's workforce and economy; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 55-1-40 reads as rewritten:

"**§ 55-1-40. Chapter definitions.**

In this Chapter unless otherwise specifically provided:

~~(1)~~ ~~"Articles of incorporation" include amended and restated articles of incorporation and articles of merger.~~

(1a) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.

…

(20a) "Service-disabled veteran" means a veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(20b) "Service-disabled veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

…

(25a) "Veteran" means an individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(25b) "Veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more veterans own more than fifty percent (50%) of the business.

…."

SECTION 1.(b) G.S. 55-16-22 is amended by adding a new subsection to read:

"(a4) The Secretary of Revenue and the Secretary of State shall also provide appropriate space and instructions on the annual report form for a domestic corporation or foreign corporation to voluntarily indicate whether or not the corporation is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 1.(c) Part 2 of Article 16 of Chapter 55 of the General Statutes is amended by adding a new section to read:

"**§ 55-16-22.2. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.**

Using the information reported pursuant to G.S. 55-16-22(a4), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 2.(a) G.S. 57D-2-24 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a limited liability company to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 2.(b) Part 2 of Article 2 of Chapter 57D of the General Statutes is amended by adding a new section to read:

"**§ 57D-2-25. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.**

Using the information reported pursuant to G.S. 57D-2-24(a1), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 3.(a) G.S. 59-84.4 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a registered limited liability partnership or foreign limited liability partnership to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 3.(b) Article 3B of Chapter 59 of the General Statutes is amended by adding a new section to read:

"**§ 59-84.5. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.**

Using the information reported pursuant to G.S. 59-84.4(a1), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 4. G.S. 57D-1-03 reads as rewritten:

"**§ 57D-1-03. Definitions.**

In this Chapter unless otherwise specifically provided:

…

(32a) Service-disabled veteran. – A veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(33b) Service-disabled veteran-owned small business. – A business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

…

(35) Veteran. – An individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(36) Veteran-owned small business. – A business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more veterans own more than fifty percent (50%) of the business."

SECTION 5. G.S. 59-32 reads as rewritten:

"**§ 59-32. Definition of terms.**

As used in this Chapter, except as otherwise defined in Article 5 of this Chapter for purposes of that Article, unless the context otherwise requires:

…

(8) "Service-disabled veteran" means a veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(9) "Service-disabled veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

…

(10) "Veteran" means an individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(11) "Veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more veterans own more than fifty percent (50%) of the business."

SECTION 6. In the instructions of the annual report forms, the Office of the Secretary of State and the Department of Revenue may include an explanation that status as a veteran-owned small business or service-disabled veteran-owned small business is being requested to assist the State in documenting the importance and impact of the State's military population in our communities and on our State and local economies. The Office of the Secretary of State shall submit the first annual report required by G.S. 55-16-22.2, 57D-2-25, and 59-84.5 to the Department of Military and Veterans Affairs no later than March 1, 2019.

SECTION 7. This act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-91 **S.B. 448**

AN ACT TO AUTHORIZE LOCAL BOARDS OF EDUCATION TO EMPLOY HIGHER EDUCATION FACULTY MEMBERS TO SERVE AS ADJUNCT INSTRUCTORS FOR CORE ACADEMIC SUBJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 20 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-298.5. Adjunct K-12 instructors in core academic subjects.**

(a) Adjunct Hiring Criteria. – The State Board of Education shall develop minimum criteria of relevant education or employment experience for an individual who is currently employed at an institution of higher education as a faculty member to qualify that individual to contract as an adjunct instructor in specific core academic subjects in grades kindergarten through 12 and shall make such criteria available to local boards of education.

(b) Contracting With Adjunct Instructors. – Notwithstanding any provisions in this Article to the contrary and Part 3 of Article 22 of this Chapter, a local board of education may contract with an individual to serve as an adjunct instructor who meets the adjunct hiring criteria established by the State Board of Education for specific core academic subjects. The local board of education may contract with an adjunct instructor on an annual or semester basis, subject to the following requirements:

(1) An adjunct instructor may be employed for less than 20 hours per week or for less than six full consecutive months of employment. Adjunct instructors may be classified as temporary full-time or part-time employees. Based on the status as a temporary public school employee, an adjunct instructor shall not be eligible to earn paid leave, participate in the Teachers' and State Employees' Retirement System, or receive or purchase health benefits through the State Health Plan for Teachers and State Employees.

(2) An adjunct instructor shall be subject to a criminal history check to ensure that the person has not been convicted of any crime listed in G.S. 115C-332.

(3) An adjunct instructor shall not be required to hold or apply for licensure as a teacher.

(4) If an adjunct instructor is not licensed as a teacher, the adjunct instructor shall complete preservice training, which may be offered through an educator preparation program or by a local school administrative unit, in all of the following areas prior to beginning instruction:

a. The identification and education of children with disabilities.

b. Positive management of student behavior.

c. Effective communication for defusing and de-escalating disruptive or dangerous behavior.

d. Safe and appropriate use of seclusion and restraint."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-92 **H.B. 343**

AN ACT TO ENSURE THAT DOMESTIC VIOLENCE VICTIMS ARE PROTECTED BY CLARIFYING THAT A VALID PROTECTIVE ORDER REMAINS IN EFFECT AT THE TRIAL COURT LEVEL THROUGHOUT THE PENDENCY OF AN APPEAL BY THE AGGRIEVED PARTY UNLESS THE COURT FINDS THAT A STAY IS NECESSARY IN THE INTEREST OF JUSTICE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50B-4 is amended by adding a new subsection to read:

"**§ 50B-4. Enforcement of orders.**

(a) A party may file a motion for contempt for violation of any order entered pursuant to this Chapter. This party may file and proceed with that motion pro se, using forms provided by the clerk of superior court or a magistrate authorized under G.S. 50B-2(c1). Upon the filing pro se of a motion for contempt under this subsection, the clerk, or the authorized magistrate, if the facts show clearly that there is danger of acts of domestic violence against the aggrieved party or a minor child and the motion is made at a time when the clerk is not available, shall schedule and issue notice of a show cause hearing with the district court division of the General Court of Justice at the earliest possible date pursuant to G.S. 5A-23. The Clerk, or the magistrate in the case of notice issued by the magistrate pursuant to this subsection, shall effect service of the motion, notice, and other papers through the appropriate law enforcement agency where the defendant is to be served.

(b) Repealed by Session Laws 1999-23, s. 2, effective February 1, 2000.

(c) A valid protective order entered pursuant to this Chapter shall be enforced by all North Carolina law enforcement agencies without further order of the court.

(d) A valid protective order entered by the courts of another state or the courts of an Indian tribe shall be accorded full faith and credit by the courts of North Carolina whether or not the order has been registered and shall be enforced by the courts and the law enforcement agencies of North Carolina as if it were an order issued by a North Carolina court. In determining the validity of an out-of-state order for purposes of enforcement, a law enforcement officer may rely upon a copy of the protective order issued by another state or the courts of an Indian tribe that is provided to the officer and on the statement of a person protected by the order that the order remains in effect. Even though registration is not required, a copy of a protective order may be registered in North Carolina by filing with the clerk of superior court in any county a copy of the order and an affidavit by a person protected by the order that to the best of that person's knowledge the order is presently in effect as written. Notice of the registration shall not be given to the defendant. Upon registration of the order, the clerk shall promptly forward a copy to the sheriff of that county. Unless the issuing state has already entered the order, the sheriff shall provide for prompt entry of the order into the National Crime Information Center registry pursuant to G.S. 50B-3(d).

(e) Upon application or motion by a party to the court, the court shall determine whether an out-of-state order remains in full force and effect.

(f) The term "valid protective order," as used in subsections (c) and (d) of this section, shall include an emergency or ex parte order entered under this Chapter.

(g) Notwithstanding the provisions of G.S. 1-294, a valid protective order entered pursuant to this Chapter which has been appealed to the appellate division is enforceable in the trial court during the pendency of the appeal. Upon motion by the aggrieved party, the court of the appellate division in which the appeal is pending may stay an order of the trial court until the appeal is decided, if justice so requires."

SECTION 2. G.S. 50B-3 is amended by adding a new subsection to read:

"**§ 50B-3. Relief.**

…

(b2) Upon the written request of either party at a hearing after notice or service of process, the court may modify any protective order entered pursuant to this Chapter after a finding of good cause.

…."

SECTION 3. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-93 **H.B. 399**

AN ACT TO PROTECT PERSONS WHO ARE PHOTOGRAPHED, VIDEOTAPED, OR RECORDED WITHOUT THEIR CONSENT FROM HAVING HIS OR HER IMAGE DISCLOSED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-190.5A reads as rewritten:

"**§ 14-190.5A. Disclosure of private images.**

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

(1) Disclose. – Transfer, publish, distribute, or reproduce.

(2) Image. – A photograph, film, videotape, recording, ~~digital, or other reproduction.~~live transmission, digital or computer-generated visual depiction, or any other reproduction that is made by electronic, mechanical, or other means.

(3) Intimate parts. – Any of the following naked human parts: (i) male or female genitals, (ii) male or female pubic area, (iii) male or female anus, or (iv) the nipple of a female over the age of 12.

~~(4) Personal relationship. As defined in G.S. 50B-1(b).~~

~~(5) Reasonable expectation of privacy. When a depicted person has consented to the disclosure of an image within the context of a personal relationship and the depicted person reasonably believes that the disclosure will not go beyond that relationship.~~

(6) Sexual conduct. – Includes any of the following:

a. Vaginal, anal, or oral intercourse, whether actual or simulated, normal or perverted.

b. Masturbation, excretory functions, or lewd exhibition of uncovered genitals.

c. An act or condition that depicts torture, physical restraint by being fettered or bound, or flagellation of or by a nude person or a person clad in undergarments or in revealing or bizarre costume.

(b) Offense. – A person is guilty of disclosure of private images if all of the following apply:

(1) The person knowingly discloses an image of another person with the intent to do either of the following:

a. Coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

b. Cause others to coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

(2) The depicted person is identifiable from the disclosed image itself or information offered in connection with the image.

(3) The depicted person's intimate parts are exposed or the depicted person is engaged in sexual conduct in the disclosed image.

(4) The person discloses the image without the affirmative consent of the depicted person.

(5) The person ~~discloses~~obtained the image without consent of the depicted person or under circumstances such that the person knew or should have known that the depicted person ~~had a reasonable expectation of privacy.~~expected the images to remain private.

(c) Penalty. – A violation of this section shall be punishable as follows:

(1) For an offense by a person who is 18 years of age or older at the time of the offense, the violation is a Class H felony.

(2) For a first offense by a person who is under 18 years of age at the time of the offense, the violation is a Class 1 misdemeanor.

(3) For a second or subsequent offense by a person who is under the age of 18 at the time of the offense, the violation is a Class H felony.

(d) Exceptions. – This section does not apply to any of the following:

(1) Images involving voluntary exposure in public or commercial settings.

(2) Disclosures made in the public interest, including, but not limited to, the reporting of unlawful conduct or the lawful and common practices of law enforcement, criminal reporting, legal proceedings, medical treatment, or scientific or educational activities.

(3) Providers of an interactive computer service, as defined in 47 U.S.C. § 230(f), for images provided by another person.

…."

SECTION 2. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the issue of improper disclosure of an image of a person superimposed onto another image of exposed intimate parts or depicting sexual conduct. The study shall include whether any existing crimes or civil actions currently apply and whether G.S. 14-190.5A, as enacted, should be amended to include superimposed images. The Joint Legislative Oversight Committee on Justice and Public Safety shall report its findings and any recommendations to the General Assembly by April 1, 2018.

SECTION 3. Except as otherwise provided, this act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-94 **S.B. 600**

AN ACT TO ACKNOWLEDGE AND PROVIDE FOR DOMESTIC VIOLENCE HOMICIDE IN THE STATUTORY SCHEME FOR FIRST AND SECOND DEGREE HOMICIDE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-17 reads as rewritten:

"**§ 14-17. Murder in the first and second degree defined; punishment.**

(a) A murder which shall be perpetrated by means of a nuclear, biological, or chemical weapon of mass destruction as defined in G.S. 14-288.21, poison, lying in wait, imprisonment, starving, torture, or by any other kind of willful, deliberate, and premeditated killing, or which shall be committed in the perpetration or attempted perpetration of any arson, rape or a sex offense, robbery, kidnapping, burglary, or other felony committed or attempted with the use of a deadly weapon shall be deemed to be murder in the first degree, a Class A felony, and any person who commits such murder shall be punished with death or imprisonment in the State's prison for life without parole as the court shall determine pursuant to G.S. 15A-2000, except that any such person who was under 18 years of age at the time of the murder shall be punished in accordance with Part 2A of Article 81B of Chapter 15A of the General Statutes.

(a1) If a murder was perpetrated with malice as described in subdivision (1) of subsection (b) of this section, and committed against a spouse, former spouse, a person with whom the defendant lives or has lived as if married, a person with whom the defendant is or has been in a dating relationship as defined in G.S. 50B-1(b)(6), or a person with whom the defendant shares a child in common, there shall be a rebuttable presumption that the murder is a "willful, deliberate, and premeditated killing" under subsection (a) of this section and shall be deemed to be murder in the first degree, a Class A felony, if the perpetrator has previously been convicted of one of the following offenses involving the same victim:

(1) An act of domestic violence as defined in G.S. 50B-1(a).

(2) A violation of a domestic violence protective order under G.S. 50B-4.1(a), (f), (g), or (g1) or G.S. 14-269.8 when the same victim is the subject of the domestic violence protective order.

(3) Communicating a threat under G.S. 14-277.1.

(4) Stalking as defined in G.S. 14-277.3A.
(5) Cyberstalking as defined in G.S. 14-196.3.
(6) Domestic criminal trespass as defined in G.S. 14-134.3.

(b) A murder other than described in subsection (a) or (a1) of this section or in G.S. 14-23.2 shall be deemed second degree murder. Any person who commits second degree murder shall be punished as a Class B1 felon, except that a person who commits second degree murder shall be punished as a Class B2 felon in either of the following circumstances:

(1) The malice necessary to prove second degree murder is based on an inherently dangerous act or omission, done in such a reckless and wanton manner as to manifest a mind utterly without regard for human life and social duty and deliberately bent on mischief.
(2) The murder is one that was proximately caused by the unlawful distribution of opium or any synthetic or natural salt, compound, derivative, or preparation of opium, or cocaine or other substance described in G.S. 90-90(1)d., or methamphetamine, and the ingestion of such substance caused the death of the user.

(c) For the purposes of this section, it shall constitute murder where a child is born alive but dies as a result of injuries inflicted prior to the child being born alive. The degree of murder shall be determined as described in subsections (a) and (b) of this section."

SECTION 2. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-95 **H.B. 21**

AN ACT TO REQUIRE DRIVER INSTRUCTION ON LAW ENFORCEMENT PROCEDURES DURING TRAFFIC STOPS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-88.1(d) reads as rewritten:

"(d) The Division shall prepare a driver license handbook that explains the traffic laws of the State and shall periodically revise the handbook to reflect changes in these laws. The Division, in consultation with the State Highway Patrol, the North Carolina Sheriff's Association, and the North Carolina Association of Chiefs of Police, shall include in the driver license handbook a description of law enforcement procedures during traffic stops and the actions that a motorist should take during a traffic stop, including appropriate interactions with law enforcement officers. At the request of the Department of Public Instruction, the Division shall provide free copies of the handbook to that Department for use in the program of driver education offered at public high schools."

SECTION 2. G.S. 115C-215(b) reads as rewritten:

"(b) The driver education curriculum shall include the following:

(1) Instruction on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles, including the "international symbol of accessibility" and other symbols and devices as provided in Article 2A of Chapter 20 of the General Statutes.
(2) At least six hours of instruction on the offense of driving while impaired and related subjects.
(3) At least six hours of actual driving experience. To the extent practicable, this experience may include at least one hour of instruction on the techniques of defensive driving.
(4) At least one hour of motorcycle safety awareness training.
(5) Instruction on law enforcement procedures for traffic stops that is developed in consultation with the State Highway Patrol, the North Carolina Sheriff's

Association, and the North Carolina Association of Chiefs of Police. The instruction shall provide a description of the actions that a motorist should take during a traffic stop, including appropriate interactions with law enforcement officers."

SECTION 3. Section 1 of this act becomes effective January 1, 2018. The remainder of this act is effective when it becomes law and applies beginning with the 2017-2018 school year.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-96 **H.B. 27**

AN ACT TO CLARIFY WHEN THE REGISTRATION OF A VEHICLE RENEWED BY MEANS OF A NEW REGISTRATION PLATE EXPIRES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-66(g1) reads as rewritten:

"(g1) Expiration of Registration by Other Means. – The registration of a vehicle renewed by means of a new registration plate expires at midnight on the last day of the year in which the registration plate was issued. It is lawful, however, to operate the vehicle on a highway through midnight February 15 of ~~each~~ the following year."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-97 **H.B. 95**

AN ACT TO AUTHORIZE PERMITTED OVERSIZED OR OVERWEIGHT VEHICLES TO TRAVEL AFTER SUNSET WHEN TRANSPORTING AND DELIVERING CARGO, CONTAINERS, OR OTHER EQUIPMENT TO OR FROM INTERNATIONAL PORTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-119 is amended by adding a new subsection to read:

"(b3) For a special permit issued under this section for the transport and delivery of cargo, containers, or other equipment, the Department may allow travel after sunset if the Department determines it will be safe and expedite traffic flow. The Department shall not include a term or condition prohibiting travel after sunset for any permitted shipments going to or from international ports. Nothing in this subsection precludes the Department from restricting movements it determines to be unsafe."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-98 **H.B. 159**

AN ACT TO EXTEND THE AMOUNT OF TIME A CHARTER SCHOOL HAS TO ELECT TO BECOME A PARTICIPATING EMPLOYER IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-5.3 reads as rewritten:

"**§ 135-5.3. Optional participation for charter schools operated by private nonprofit corporations.**

...

(b3) A charter school seeking to become a participating employer in the Retirement System prior to the end of the ~~initial~~second year of operation shall be granted provisional entry into the Retirement System for one year. In the event the employee or employer contributions

required under G.S. 135-8(f) are not received by the date set by the Board of Trustees, the Board of Trustees may revoke the charter school's provisional entry into the Retirement System. The Board must notify a charter school in writing not less than 90 days prior to revoking a charter school's provisional entry into the Retirement System. One year after the charter school was granted provisional entry into the Retirement System, the charter school shall undergo an actuarial and financial review as required by the Board of Trustees.

(b4) A charter school seeking to become a participating employer in the Retirement System after the end of the initial year of operation but before the end of the second year of operation ~~shall~~may undergo an actuarial and financial review as required by the Board of Trustees prior to entry into the Retirement System. A charter school seeking to become a participating employer in the Retirement System after the end of the second year of operation shall undergo an actuarial and financial review as required by the Board of Trustees prior to entry into the Retirement System.

...."

SECTION 2. This act becomes effective August 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-99 **H.B. 190**

AN ACT TO REDUCE THE NUMBER OF YEARS THAT A DESTITUTE FIREFIGHTER SERVING HONORABLY WITH A CERTIFIED FIRE DEPARTMENT MUST SERVE IN ORDER TO RECEIVE FINANCIAL ASSISTANCE FROM A LOCAL FIREFIGHTERS' RELIEF FUND AND TO SIMPLIFY VARIOUS LOCAL BOARD REPORTING REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-84-35(a) reads as rewritten:

"**§ 58-84-35. Disbursement of funds by trustees.**

(a) The board of trustees shall have entire control of the funds derived from the provisions of this Article, and shall disburse the funds only for the following purposes:

...

(2a) To provide assistance, upon approval by the Executive Director of the North Carolina State Firefighters' Association, to a destitute member firefighter who has served or is serving honorably ~~for at least five years.~~with a certified fire department. The determination of destitute shall be based on the inability of the firefighters, through no fault of their own, to provide basic provisions to themselves or their families. Such basic provisions include, but are not limited to, assistance with housing, vehicle or commuting expenses, food, clothing, utilities, medical care, and funeral expenses.

...."

SECTION 2.(a) G.S. 58-84-40 reads as rewritten:

"**§ 58-84-40. Trustees to keep account and file certified reports.**

...

(b) In turn, the North Carolina State Firefighters' Association shall certify to the Department of Insurance by January 1 of each year on a form prescribed by the Department, the following:

(1) The local units that have complied with the requirements of subsection (a) of this section.

(2) A listing of the members of each of the local units.

(3) The fund balances for each of the local units' relief funds.

(4) Any departments that have exceeded the maximum balance provided under G.S. 58-84-33(a).

(5) Details on the disbursements from local relief funds, including how much was disbursed for each allowable purpose and how many members received disbursements for those purposes, on both a unit-by-unit basis and total basis.

(6) Information on any improper disbursements.

(7) A listing of current members of the local board of trustees appointed pursuant to G.S. 58-84-30, including the chairman and treasurer of the board.

...."

SECTION 2.(b) G.S. 58-84-41 reads as rewritten:

"**§ 58-84-41. Commissioner of Insurance to maintain database of reports; fire department identification numbers.**

(a) Working with the North Carolina State Firefighters' Association, the Commissioner of Insurance shall develop and maintain a database of the information reported under ~~G.S. 58-84-40(b).~~G.S. 58-84-40(b) and the certifications filed under G.S. 58-84-46.

(b) The Commissioner of Insurance shall issue to each fire department within the State a unique fire department identification number (FDID) that shall be used by the Commissioner and the North Carolina State Firefighters' Association to coordinate database records and reports."

SECTION 3. G.S. 58-84-46 reads as rewritten:

"**§ 58-84-46. Certification to Commissioner.**

On or before October 31 of each ~~year~~ year, the ~~clerk or finance officer of each city or county that has a local board of trustees under G.S. 58-84-30, or a~~ fire chief ~~if authorized by such a city or county to file the certificate,~~ of each city or county that has a local board of trustees under G.S. 58-84-30 shall file a certificate of eligibility with the ~~Commissioner.~~North Carolina State Firefighters' Association on a form prescribed by the Association. ~~The certificate shall contain information prescribed by administrative rule adopted by the Commissioner.~~ If the certificate is not filed with the ~~Commissioner~~ Association on or before January 31 in the ensuing year:

(1) ~~The city or county that failed to file the certificate~~ The Local Firefighters' Relief Fund for that fire department shall forfeit the payment next due to be paid to ~~its~~ the Fund's board of ~~trustees.~~ trustees, if the fire chief fails to file the certificate required by this section.

(2) The Association shall inform the Commissioner of the local Firefighters' Relief Funds that have not filed the certificate required by this section, and the Commissioner shall pay over that amount otherwise due to those local Funds to the treasurer of the North Carolina State Firefighters' Association.

(3) That amount shall constitute a part of the Statewide Firefighters' Relief Fund."

SECTION 4. This act becomes effective July 1, 2017, and applies to distributions to local firefighters' relief funds on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-100 **H.B. 212**

AN ACT TO REAUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE FOR THE ZETA PHI BETA SORORITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-79.4(b)(255), as it existed immediately before its repeal under Section 1(b) of S.L. 2014-96, is reenacted.

SECTION 2. The fee amount and distribution set for "Zeta Phi Beta" special registration plates in G.S. 20-79.7(a1) and (b) immediately before their repeal under Section 1(b) of S.L. 2014-96 are reenacted.

SECTION 3. G.S. 20-81.12(b30), as it existed immediately before its repeal under Section 1(b) of S.L. 2014-96, is reenacted.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-101 **H.B. 224**

AN ACT TO REQUIRE THE COURT TO ATTEMPT TO IDENTIFY OUTSTANDING WARRANTS BEFORE ENTERING AN ORDER IN A CRIMINAL CASE ONLY IN CASES IN WHICH THE DEFENDANT IS IN CUSTODY, AS RECOMMENDED BY THE NORTH CAROLINA COURTS COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-301.1(p) reads as rewritten:

"**§ 15A-301.1. Electronic Repository.**

...

(p) Prior to the entry of any order of the court in a criminal case, the court shall attempt to identify all outstanding warrants against that ~~individual~~individual, if in custody, and notify the appropriate law enforcement agencies of the location of the individual."

SECTION 2. This act becomes effective December 1, 2017, and applies to orders entered on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-102 **H.B. 229**

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE OTHER TECHNICAL, CONFORMING, AND CLARIFYING CHANGES.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1. G.S. 1-117 reads as rewritten:

"**§ 1-117. Cross-index of lis pendens.**

Every notice of pending litigation filed under this Article shall be cross-indexed by the clerk of the superior court in a record, called the "Record of Lis Pendens," to be kept by ~~him pursuant to G.S. 2-42(6).~~the clerk under G.S. 7A-109."

SECTION 2. G.S. 7B-302(a) reads as rewritten:

"(a) When a report of abuse, neglect, or dependency is received, the director of the department of social services shall make a prompt and thorough assessment, using either a family assessment response or an investigative assessment response, in order to ascertain the facts of the case, the extent of the abuse or neglect, and the risk of harm to the juvenile, in order to determine whether protective services should be provided or the complaint filed as a petition. When the report alleges abuse, the director shall immediately, but no later than 24 hours after receipt of the report, initiate the assessment. When the report alleges neglect or dependency, the director shall initiate the assessment within 72 hours following receipt of the report. When the report alleges abandonment of a ~~[juvenile]~~ juvenile or unlawful transfer of custody under G.S. 14-321.2, the director shall immediately initiate an assessment. When the report alleges abandonment, the director shall also take appropriate steps to assume temporary custody of the juvenile, and take appropriate steps to secure an order for nonsecure custody of the juvenile. The assessment and evaluation shall include a visit to the place where the juvenile resides,

except when the report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes. When a report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes, a visit to the place where the juvenile resides is not required. When the report alleges abandonment, the assessment shall include a request from the director to law enforcement officials to investigate through the North Carolina Center for Missing Persons and other national and State resources whether the juvenile is a missing child."

SECTION 3. G.S. 14-118.6(b1) reads as rewritten:

"(b1) When a lien or encumbrance is presented to a clerk of superior court for filing and the clerk of court has a reasonable suspicion that the lien or encumbrance is false as described in subsection (a) of this section, the clerk of court may refuse to file the lien or encumbrance. Neither the clerk of court nor the clerk's staff shall be liable for filing or the refusal to file a lien or encumbrance under this subsection. The clerk of superior court shall not file, index, or docket the document against the property of a public officer or public employee until that document is approved by any judge of the judicial district having subject matter jurisdiction for filing by the clerk of superior ~~court by any judge of the judicial district having subject matter jurisdiction.~~ court. If the judge determines that the filing is not false, the clerk shall index the claim of lien. A lien or encumbrance filed upon order of the court under this subsection shall have a priority interest as of the date and time of indexing by the clerk of superior court. If the court finds that there is no statutory or contractual basis for the proposed filing, the court shall enter an order that the proposed filing is null and void as a matter of law, and that it shall not be filed or indexed. The clerk of superior court shall serve the order and return the original denied filing to the person or entity that presented it. The person or entity shall have 30 days from the entry of the order to appeal the order. If the order is not appealed within the applicable time period, the clerk may destroy the filing."

SECTION 4. G.S. 14-159.3(a1) reads as rewritten:

"(a1) A landowner who gives a person written consent to operate an all-terrain vehicle on ~~his or her~~ the landowner's property owes the person the same duty of care that ~~he or she~~ the landowner owes a trespasser."

SECTION 5. G.S. 14-208.6 reads as rewritten:

"**§ 14-208.6. Definitions.**

The following definitions apply in this Article:

…

(5) "Sexually violent offense" means a violation of former G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger and where the defendant is at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a person who is 15 years of age or younger and where the defendant is at least six years older), G.S. 14-27.31 (sexual activity by a substitute parent or custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a minor who is less than 18 years of age or (ii) the offense is committed against any person with the intent that they be held in sexual servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious indecent exposure),

G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a prostitute who is a minor or a mentally disabled person), G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses.

…."

SECTION 5.1.(a) G.S. 14-309.7 reads as rewritten:

"**§ 14-309.7. Licensing procedure.**

(a) An exempt organization may not operate a bingo game at a location without a license. Application for a bingo license shall be made to the State Bureau of Investigation on a form prescribed by the ~~Department [Bureau].~~Bureau. The ~~Department [Bureau]~~ Bureau shall charge an annual application fee of two hundred dollars ($200.00) to defray the cost of issuing bingo licenses and handling bingo audit reports. The fees collected shall be deposited in the General Fund of the State. This license shall expire one year after the granting of the license. This license may be renewed yearly, if the applicant pays the application fee and files an audit with the ~~Department [Bureau]~~ Bureau pursuant to G.S. 14-309.11. A copy of the application and license shall be furnished to the local law-enforcement agency in the county or municipality in which the licensee intends to operate before bingo is conducted by the licensee.

…

(e) An exempt organization that wants to conduct only an annual or semiannual bingo game may apply to the State Bureau of Investigation for a limited occasion permit. The State Bureau of Investigation may require such information as is reasonable and necessary to determine that the bingo game is conducted in accordance with the provisions of this Part but may not require more information than previously specified in this section for application of a regular license. The application shall be made to the ~~Department [Bureau]~~ Bureau on prescribed forms at least 30 days prior to the scheduled date of the bingo game. In lieu of the reporting requirements of G.S. 14-309.11(b) the exempt organization shall file with the licensing agency and local law-enforcement a report on prescribed forms no later than 30 days following the conduct of the bingo game for which the permit was obtained. Such report may require such information as is reasonable and necessary to determine that the bingo game was conducted in accordance with the provisions of this Part but may not require more information than specified in G.S. 14-309.11(b). Any licensed exempt organization may donate or loan its equipment or use of its premises to an exempt organization which has secured a limited occasion permit provided such arrangement is disclosed in the limited occasion permit application and is approved by the State Bureau of Investigation. Except as stated above, all provisions of this Part shall apply to any exempt organization operating a bingo game under this provision."

SECTION 5.1.(b) Section 4 of S.L. 2016-27 reads as rewritten:

"**SECTION 4.** ~~G.S. 14-309(5)c.,~~ G.S. 14-309.14(5)c., as enacted by Section 1 of this act, becomes effective October 1, 2016, and applies to applications submitted on or after October 1, 2016, and offenses committed on or after that date. The remainder of Section 1 of this act becomes effective December 1, 2016, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law."

SECTION 5.2.(a) G.S. 20-4.01(32b) reads as rewritten:

"(32b) Recreational Vehicle. – A vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use that either has its own motive power or is mounted on, or towed by, another vehicle. The basic entities are camping trailer, fifth-wheel travel trailer, motor home, travel trailer, and truck camper. ~~[The basic entities are defined as follows:]~~The basic entities are defined as follows:

a. Motor home. – As defined in G.S. 20-4.01(27)d2.

b. Travel trailer. – A vehicular unit mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of a size or weight that does not require a special highway movement permit when towed by a motorized vehicle.

c. Fifth-wheel trailer. – A vehicular unit mounted on wheels designed to provide temporary living quarters for recreational, camping, or travel use, of a size and weight that does not require a special highway movement permit and designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle.

d. Camping trailer. – A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls that fold for towing by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use.

e. Truck camper. – A portable unit that is constructed to provide temporary living quarters for recreational, camping, or travel use, consisting of a roof, floor, and sides and is designed to be loaded onto and unloaded from the bed of a pickup truck."

SECTION 5.2.(b) The Revisor of Statutes is authorized to reletter the definitions in G.S. 20-4.01(27) and G.S. 20-4.01(32b) to place them in alphabetical order. The Revisor of Statutes may conform any citations that change as a result of the relettering.

SECTION 6. G.S. 20-45 reads as rewritten:

"**§ 20-45. Seizure of documents and plates.**

(a) The Division is ~~hereby~~ authorized to take possession of any certificate of title, registration card, permit, license, or registration plate issued by it upon expiration, revocation, cancellation, or suspension thereof, or which is fictitious, or which has been unlawfully or erroneously issued, or which has been unlawfully used.

(b) The Division may give notice to the owner, licensee or lessee of its authority to take possession of any certificate of title, registration card, permit, license, or registration plate issued by it and require that person to surrender it to the Commissioner or ~~his~~ the Commissioner's officers or agents. Any person who fails to surrender the certificate of title, registration card, permit, license, or registration plate or any duplicate thereof, upon personal service of notice or within 10 days after receipt of notice by mail as provided in G.S. 20-48, shall be guilty of a Class 2 misdemeanor.

(c) Any sworn law enforcement officer with jurisdiction, including a member of the State Highway Patrol, is authorized to seize the certificate of title, registration card, permit, license, or registration plate, if the officer has electronic or other notification from the Division that the item has been revoked or cancelled, or otherwise has probable cause to believe that the item has been revoked or cancelled under any law or statute, including ~~G.S. 20-309(e).~~ G.S. 20-311. If a criminal proceeding relating to a certificate of title, registration card, permit, or license is pending, the law enforcement officer in possession of that item shall retain the item pending the entry of a final judgment by a court with jurisdiction. If there is no criminal proceeding pending, the law enforcement officer shall deliver the item to the Division.

(d) Any law enforcement officer who seizes a registration plate pursuant to this section shall report the seizure to the Division within 48 hours of the seizure and shall return the

registration plate, but not a fictitious registration plate, to the Division within 10 business days of the seizure."

SECTION 7. The catch line of G.S. 20-171.24 reads as rewritten:

"**§ 20-171.24. Motorized all-terrain vehicle use by municipal and county employees ~~of listed municipalities and counties~~ permitted on certain highways.**"

SECTION 7.1. G.S. 20-179 reads as rewritten:

"**§ 20-179. Sentencing hearing after conviction for impaired driving; determination of grossly aggravating and aggravating and mitigating factors; punishments.**

(a) Sentencing Hearing Required. – After a conviction under G.S. 20-138.1, G.S. 20-138.2, a second or subsequent conviction under G.S. 20-138.2A, or a second or subsequent conviction under G.S. 20-138.2B, or when any of those offenses are remanded back to district court after an appeal to superior court, the judge shall hold a sentencing hearing to determine whether there are aggravating or mitigating factors that affect the sentence to be imposed. The following apply:

(1) The court shall consider evidence of aggravating or mitigating factors present in the offense that make an aggravated or mitigated sentence appropriate. The State bears the burden of proving beyond a reasonable doubt that an aggravating factor exists, and the offender bears the burden of proving by a preponderance of the evidence that a mitigating factor exists.

(2) Before the hearing the prosecutor shall make all feasible efforts to secure the defendant's full record of traffic convictions, and shall present to the judge that record for consideration in the hearing. Upon request of the defendant, the prosecutor shall furnish the defendant or ~~his~~ the defendant's attorney a copy of the defendant's record of traffic convictions at a reasonable time prior to the introduction of the record into evidence. In addition, the prosecutor shall present all other appropriate grossly aggravating and aggravating factors of which ~~he~~ the prosecutor is aware, and the defendant or ~~his~~ the defendant's attorney may present all appropriate mitigating factors. In every instance in which a valid chemical analysis is made of the defendant, the prosecutor shall present evidence of the resulting alcohol concentration.

…

(a2) Jury Trial on Aggravating Factors in Superior ~~Court.~~Court. –

(1) Defendant admits aggravating factor only. – If the defendant admits that an aggravating factor exists, but pleads not guilty to the underlying charge, a jury shall be impaneled to dispose of the charge only. In that case, evidence that relates solely to the establishment of an aggravating factor shall not be admitted in the trial.

(2) Defendant pleads guilty to the charge only. – If the defendant pleads guilty to the charge, but contests the existence of one or more aggravating factors, a jury shall be impaneled to determine if the aggravating factor or factors exist.

…

(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing, based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior court, must first determine whether there are any grossly aggravating factors in the case. Whether a prior conviction exists under subdivision (1) of this subsection, or whether a conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case remanded back to district court from superior court, the judge shall determine whether the defendant has been convicted of any offense that was not considered at the initial sentencing hearing and impose the appropriate sentence under this section. The judge must impose the Aggravated Level One punishment under subsection (f3) of this section if it is determined that three or more grossly aggravating factors apply. The judge must impose the Level One

punishment under subsection (g) of this section if it is determined that the grossly aggravating factor in subdivision (4) of this subsection applies or two of the other grossly aggravating factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this subsection applies, then the judge must impose the Level Two punishment under subsection (h) of this section if it is determined that only one of the other grossly aggravating factors applies. The grossly aggravating factors are:

(1) A prior conviction for an offense involving impaired driving if:

a. The conviction occurred within seven years before the date of the offense for which the defendant is being sentenced; or

b. The conviction occurs after the date of the offense for which the defendant is presently being sentenced, but prior to or contemporaneously with the present sentencing; or

c. The conviction occurred in district court; the case was appealed to superior court; the appeal has been withdrawn, or the case has been remanded back to district court; and a new sentencing hearing has not been held pursuant to G.S. 20-38.7.

Each prior conviction is a separate grossly aggravating factor.

(2) Driving by the defendant at the time of the offense while ~~his~~ the defendant's driver's license was revoked pursuant to G.S. 20-28(a1).

(3) Serious injury to another person caused by the defendant's impaired driving at the time of the offense.

(4) Driving by the defendant while (i) a child under the age of 18 years, (ii) a person with the mental development of a child under the age of 18 years, or (iii) a person with a physical disability preventing unaided exit from the vehicle was in the vehicle at the time of the offense.

In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge may consider the aggravating and mitigating factors in subsections (d) and (e) of this section in determining the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must weigh all aggravating and mitigating factors and impose punishment as required by subsection ~~(f).~~(f) of this section.

…

(d) Aggravating Factors to Be Weighed. – The judge, or the jury in superior court, shall determine before sentencing under subsection (f) of this section whether any of the aggravating factors listed below apply to the defendant. The judge shall weigh the seriousness of each aggravating factor in the light of the particular circumstances of the case. The factors are:

(1) Gross impairment of the defendant's faculties while driving or an alcohol concentration of 0.15 or more within a relevant time after the driving. For purposes of this subdivision, the results of a chemical analysis presented at trial or sentencing shall be sufficient to prove the person's alcohol concentration, shall be conclusive, and shall not be subject to modification by any party, with or without approval by the court.

(2) Especially reckless or dangerous driving.

(3) Negligent driving that led to a reportable accident.

(4) Driving by the defendant while ~~his~~ the defendant's driver's license was revoked.

(5) Two or more prior convictions of a motor vehicle offense not involving impaired driving for which at least three points are assigned under G.S. 20-16 or for which the convicted person's license is subject to revocation, if the convictions occurred within five years of the date of the offense for which the defendant is being sentenced, or one or more prior convictions of an offense involving impaired driving that occurred more than seven years before the date of the offense for which the defendant is being sentenced.

(6) Conviction under G.S. 20-141.5 of speeding by the defendant while fleeing or attempting to elude apprehension.

(7) Conviction under G.S. 20-141 of speeding by the defendant by at least 30 miles per hour over the legal limit.

(8) Passing a stopped school bus in violation of G.S. 20-217.

(9) Any other factor that aggravates the seriousness of the offense.

Except for the factor in subdivision (5) of this subsection the conduct constituting the aggravating factor shall occur during the same transaction or occurrence as the impaired driving offense.

(e) Mitigating Factors to Be Weighed. – The judge shall also determine before sentencing under subsection (f) of this section whether any of the mitigating factors listed below apply to the defendant. The judge shall weigh the degree of mitigation of each factor in light of the particular circumstances of the case. The factors are:

(1) Slight impairment of the defendant's faculties resulting solely from alcohol, and an alcohol concentration that did not exceed 0.09 at any relevant time after the driving.

(2) Slight impairment of the defendant's faculties, resulting solely from alcohol, with no chemical analysis having been available to the defendant.

(3) Driving at the time of the offense that was safe and lawful except for the impairment of the defendant's faculties.

(4) A safe driving record, with the defendant's having no conviction for any motor vehicle offense for which at least four points are assigned under G.S. 20-16 or for which the person's license is subject to revocation within five years of the date of the offense for which the defendant is being sentenced.

(5) Impairment of the defendant's faculties caused primarily by a lawfully prescribed drug for an existing medical condition, and the amount of the drug taken was within the prescribed dosage.

(6) The defendant's voluntary submission to a mental health facility for assessment after ~~he was~~ being charged with the impaired driving offense for which ~~he~~ the defendant is being sentenced, and, if recommended by the facility, ~~his~~ voluntary participation in the recommended treatment.

(6a) Completion of a substance abuse assessment, compliance with its recommendations, and simultaneously maintaining 60 days of continuous abstinence from alcohol consumption, as proven by a continuous alcohol monitoring system. The continuous alcohol monitoring system shall be of a type approved by the Division of Adult Correction of the Department of Public Safety.

(7) Any other factor that mitigates the seriousness of the offense.

Except for the factors in subdivisions (4), (6), (6a), and ~~(7),~~ (7) of this subsection, the conduct constituting the mitigating factor shall occur during the same transaction or occurrence as the impaired driving offense.

(f) Weighing the Aggravating and Mitigating Factors. – If the judge or the jury in the sentencing hearing determines that there are no grossly aggravating factors, the judge shall weigh all aggravating and mitigating factors listed in subsections (d) and ~~(e).~~ (e) of this section. If the judge determines that:

(1) The aggravating factors substantially outweigh any mitigating factors, the judge shall note in the judgment the factors found and ~~his~~ the judge's finding that the defendant is subject to the Level Three punishment and impose a punishment within the limits defined in subsection ~~(i).~~(i) of this section.

(2) There are no aggravating and mitigating factors, or that aggravating factors are substantially counterbalanced by mitigating factors, the judge shall note in the judgment any factors found and the finding that the defendant is

subject to the Level Four punishment and impose a punishment within the limits defined in subsection ~~(j).~~(j) of this section.

(3) The mitigating factors substantially outweigh any aggravating factors, the judge shall note in the judgment the factors found and ~~his~~ the judge's finding that the defendant is subject to the Level Five punishment and impose a punishment within the limits defined in subsection ~~(k).~~(k) of this section.

It is not a mitigating factor that the driver of the vehicle was suffering from alcoholism, drug addiction, diminished capacity, or mental disease or defect. Evidence of these matters may be received in the sentencing hearing, however, for use by the judge in formulating terms and conditions of sentence after determining which punishment level shall be imposed.

…

(f2) Limit on Consolidation of Judgments. – Except as provided in subsection ~~(f1),~~ (f1) of this section, in each charge of impaired driving for which there is a conviction the judge shall determine if the sentencing factors described in subsections (c), (d) and (e) of this section are applicable unless the impaired driving charge is consolidated with a charge carrying a greater punishment. Two or more impaired driving charges may not be consolidated for judgment.

(f3) Aggravated Level One Punishment. – A defendant subject to Aggravated Level One punishment may be fined up to ten thousand dollars ($10,000) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than 12 months and a maximum term of not more than 36 months. Notwithstanding G.S. 15A-1371, a defendant sentenced to a term of imprisonment pursuant to this subsection shall not be eligible for parole. However, the defendant shall be released from the Statewide Misdemeanant Confinement Program on the date equivalent to the defendant's maximum imposed term of imprisonment less four months and shall be supervised by the Section of Community Supervision of the Division of Adult Correction under and subject to the provisions of Article 84A of Chapter 15A of the General Statutes and shall also be required to abstain from alcohol consumption for the four-month period of supervision as verified by a continuous alcohol monitoring system. For purposes of revocation, violation of the requirement to abstain from alcohol or comply with the use of a continuous alcohol monitoring system shall be deemed a controlling condition under G.S. 15A-1368.4.

The term of imprisonment may be suspended only if a condition of special probation is imposed to require the defendant to serve a term of imprisonment of at least 120 days. If the defendant is placed on probation, the judge shall impose as requirements that the defendant (i) abstain from alcohol consumption for a minimum of 120 days to a maximum of the term of probation, as verified by a continuous alcohol monitoring system pursuant to ~~subsections (h1) and (h3)~~ subsection (h1) of this section, and (ii) obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation.

…

(h1) Alcohol Abstinence as Condition of Probation for Level One and Level Two Punishments. – The judge may impose, as a condition of probation for defendants subject to Level One or Level Two punishments, that the defendant abstain from alcohol consumption for a minimum of 30 days, to a maximum of the term of probation, as verified by a continuous alcohol monitoring system. The defendant's abstinence from alcohol shall be verified by a continuous alcohol monitoring system of a type approved by the Division of Adult Correction of the Department of Public Safety.

…

(k) Level Five Punishment. – A defendant subject to Level Five punishment may be fined up to two hundred dollars ($200.00) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than 24 hours and a maximum term of not more than 60 days. The term of imprisonment may be suspended. However, the suspended sentence shall include the condition that the defendant:

(1) Be imprisoned for a term of 24 hours as a condition of special probation; or
(2) Perform community service for a term of 24 hours; or
(3) Repealed by Session Laws 2006-253, s. 23, effective December 1, 2006, and applicable to offenses committed on or after that date.
(4) Any combination of these conditions.

If the defendant is placed on probation, the judge shall impose a requirement that the defendant obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation.

…

(k2) Probationary Requirement for Abstinence and Use of Continuous Alcohol Monitoring. – The judge may order that as a condition of special probation for any level of offense under G.S. 20-179 the defendant abstain from alcohol consumption, as verified by a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety.

(k3) Continuous Alcohol Monitoring During Probation. – The court, in the sentencing order, may authorize probation officers to require defendants to submit to continuous alcohol monitoring for assessment purposes if the defendant has been required to abstain from alcohol consumption during the term of probation and the probation officer believes the defendant is consuming alcohol. The defendant shall bear the costs of the continuous alcohol monitoring system if the use of the system has been authorized by a judge in accordance with this subsection.

(k4) Continuous Alcohol Monitoring Exception. – Notwithstanding the provisions of subsections (g), (h), (k2), and (k3) of this section, if the court finds, upon good cause shown, that the defendant should not be required to pay the costs of the continuous alcohol monitoring system, the court shall not impose the use of a continuous alcohol monitoring system unless the local governmental entity responsible for the incarceration of the defendant in the local confinement facility agrees to pay the costs of the system.

…

(o) Evidentiary Standards; Proof of Prior Convictions. – In the sentencing hearing, the State shall prove any grossly aggravating or aggravating factor beyond a reasonable doubt, and the defendant shall prove any mitigating factor by the greater weight of the evidence. Evidence adduced by either party at trial may be utilized in the sentencing hearing. Except as modified by this section, the procedure in G.S. 15A-1334(b) governs. The judge may accept any evidence as to the presence or absence of previous convictions that ~~he~~ the judge finds reliable but ~~he~~ shall give prima facie effect to convictions recorded by the Division or any other agency of the State of North Carolina. A copy of such conviction records transmitted by the police information network in general accordance with the procedure authorized by G.S. 20-26(b) is admissible in evidence without further authentication. If the judge decides to impose an active sentence of imprisonment that would not have been imposed but for a prior conviction of an offense, the judge shall afford the defendant an opportunity to introduce evidence that the prior conviction had been obtained in a case in which ~~he~~ the defendant was indigent, had no counsel, and had not waived ~~his~~ the right to counsel. If the defendant proves by the preponderance of the evidence all three above facts concerning the prior case, the conviction may not be used as a grossly aggravating or aggravating factor.

(p) Limit on Amelioration of Punishment. – For active terms of imprisonment imposed under this section:

(1) The judge may not give credit to the defendant for the first 24 hours of time spent in incarceration pending trial.
(2) The defendant shall serve the mandatory minimum period of imprisonment and good or gain time credit may not be used to reduce that mandatory minimum period.

(3) The defendant may not be released on parole unless ~~he~~ the defendant is otherwise eligible, has served the mandatory minimum period of imprisonment, and has obtained a substance abuse assessment and completed any recommended treatment or training program or is paroled into a residential treatment program.

With respect to the minimum or specific term of imprisonment imposed as a condition of special probation under this section, the judge may not give credit to the defendant for the first 24 hours of time spent in incarceration pending trial.

…

(r) Supervised Probation Terminated. – Unless a judge in ~~his~~ the judge's discretion determines that supervised probation is necessary, and includes in the record that ~~he~~ the judge has received evidence and finds as a fact that supervised probation is necessary, and states in ~~his~~ the judgment that supervised probation is necessary, a defendant convicted of an offense of impaired driving shall be placed on unsupervised probation if ~~he~~ the defendant meets three conditions. These conditions are that ~~he~~ the defendant (i) has not been convicted of an offense of impaired driving within the seven years preceding the date of this offense for which ~~he~~ the defendant is sentenced, ~~that the defendant is~~ (ii) is being sentenced under subsections (i), (j), and (k) of this section, and (iii) has obtained any necessary substance abuse assessment and completed any recommended treatment or training program.

When a judge determines in accordance with the above procedures that a defendant should be placed on supervised probation, the judge shall authorize the probation officer to modify the defendant's probation by placing the defendant on unsupervised probation upon the completion by the defendant of the following conditions of ~~his~~ the suspended sentence:

(1) Community service; or
(2) Repealed by Session Laws 1995 c. 496, s. 2.
(3) Payment of any fines, court costs, and fees; or
(4) Any combination of these conditions.

(s) Method of Serving Sentence. – The judge in ~~his~~ the judge's discretion may order a term of imprisonment to be served on weekends, even if the sentence cannot be served in consecutive sequence. However, if the defendant is ordered to a term of 48 hours or more, or has 48 hours or more remaining on a term of imprisonment, the defendant shall be required to serve 48 continuous hours of imprisonment to be given credit for time served. All of the following apply to a sentence served under this subsection:

(1) Credit for any jail time shall only be given hour for hour for time actually served. The jail shall maintain a log showing number of hours served.
(2) The defendant shall be refused entrance and shall be reported back to court if the defendant appears at the jail and has remaining in ~~his~~ the defendant's body any alcohol as shown by an alcohol screening device or controlled substance previously consumed, unless lawfully obtained and taken in therapeutically appropriate amounts.
(3) If a defendant has been reported back to court under subdivision (2) of this subsection, the court shall hold a hearing. The defendant shall be ordered to serve ~~his~~ the defendant's jail time immediately and shall not be eligible to serve jail time on weekends if the court determines that, at the time of ~~his~~ entrance to the jail, at least one of the following apply:
    a. The defendant had previously consumed alcohol in ~~his~~ the defendant's body as shown by an alcohol screening ~~device, or~~device.
    b. The defendant had a previously consumed controlled substance in ~~his~~ the defendant's body.

    It shall be a defense to an immediate service of sentence of jail time and ineligibility for weekend service of jail time if the court determines that alcohol or controlled substance was lawfully obtained and was taken in therapeutically appropriate amounts.

…."

SECTION 8. G.S. 24-10.1(a) reads as rewritten:

"(a) Subject to the limitations contained in subsection (b) of this section, any lender may charge a party to a loan or extension of credit governed by the provisions of ~~G.S. 24-1.1, 24-1.2,~~ G.S. 24-1.1 or ~~24-1.1A~~ G.S. 24-1.1A a late payment charge as agreed upon by the parties in the loan contract."

SECTION 9. G.S. 28A-2-4 reads as rewritten:

"**§ 28A-2-4. Subject matter jurisdiction of the clerk of superior court in estate proceedings.**

(a) The clerks of superior court of this State, as ex officio judges of probate, shall have original jurisdiction of estate proceedings. Except as provided in subdivision (4) of this subsection, the jurisdiction of the clerk of superior court is exclusive. Estate proceedings include, but are not limited to, the following:

(1) Probate of wills.

(2) Granting and revoking of letters testamentary and letters of administration, or other proper letters of authority for the administration of estates.

(3) Determination of the elective share for a surviving spouse as provided in G.S. 30-3.

(4) Proceedings to ascertain heirs or devisees, to approve settlement agreements pursuant to G.S. 28A-2-10, to determine questions of construction of wills, to determine priority among creditors, to determine whether a person is in possession of property belonging to an estate, to order the recovery of property of the estate in possession of third parties, and to determine the existence or nonexistence of any immunity, power, privilege, duty, or right. Any party or the clerk of superior court may file a notice of transfer of a proceeding pursuant to this subdivision to the Superior Court Division of the General Court of Justice as provided in G.S. 28A-2-6(h). In the absence of a transfer to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to ~~a trust~~ an estate proceeding pending before the clerk of superior court to the extent consistent with this Article.

(b) Nothing in this section shall affect the right of a person to file an action in the Superior Court Division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1 of the General Statutes. In the event that either the petitioner or the respondent in an estate proceeding requests declaratory relief under Article 26 of Chapter 1 of the General Statutes, either party may move for a transfer of the proceeding to the Superior Court Division of the General Court of Justice as provided in Article 21 of Chapter 7A of the General Statutes. In the absence of a removal to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to an estate proceeding to the extent consistent with this Article.

(c) Without otherwise limiting the jurisdiction of the Superior Court Division of the General Court of Justice, the clerk of superior court shall not have jurisdiction under subsection (a) or ~~(c)~~ (b) of this section or G.S. 28A-2-5 of the following:

(1) Actions by or against creditors or debtors of an estate, except as provided in Article 19 of this Chapter.

(2) Actions involving claims for monetary damages, including claims for breach of fiduciary duty, fraud, and negligence.

(3) Caveats, except as provided under G.S. 31-36.

(4) Proceeding to determine proper county of venue as provided in G.S. 28A-3-2.

(5) Recovery of property transferred or conveyed by a decedent with intent to hinder, delay, or defraud creditors, pursuant to G.S. 28A-15-10(b)."

SECTION 10. G.S. 28A-19-5(b) reads as rewritten:

"(b) With respect to a contingent or unliquidated claim rejected by a personal representative pursuant to G.S. 28A-19-16, the claimant may, within the three-month period

prescribed by G.S. 28A-19-16, file a petition for an order of the clerk of superior court in accordance with subsection (a) of this section, provided that nothing in this section shall require the clerk of superior court to hear and determine the validity of, priority of, or amount of a contingent or unliquidated claim that has not yet become absolute."

SECTION 11. G.S. 31B-1(a) reads as rewritten:

"(a) A person who succeeds to a property interest as:

…

(8) ~~Appointee~~ Appointee, permissible appointee, or taker in default under a power of appointment exercised by a testamentary instrument or a nontestamentary instrument;

…

may renounce at anytime, in whole or in part, the right of succession to any property or interest therein, including a future interest, by filing a written instrument under the provisions of this Chapter. A renunciation may be of a fractional share or any limited interest or estate. The renunciation shall be deemed to include the entire interest of the person whose property or interest is being renounced unless otherwise specifically limited. A person may renounce any interest in or power over property, including a power of appointment, even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to renounce. Notwithstanding the foregoing, there shall be no right of partial renunciation if the instrument creating the interest expressly so provides."

SECTION 12.(a) G.S. 36C-8-816.1 reads as rewritten:

"**§ 36C-8-816.1. Trustee's special power to appoint to a second trust.**

(a) For purposes of this section, the following definitions apply:

(1) Current beneficiary. – A person who is a permissible distributee of trust income or principal.

(2) Original trust. – A trust established under an irrevocable trust instrument pursuant to the terms of which a trustee has a discretionary power to distribute principal or income of the trust to or for the benefit of one or more current beneficiaries of the trust.

(3) Second trust. – A trust established under an irrevocable trust instrument, the current beneficiaries of which are one or more of the current beneficiaries of the original trust. The second trust may be a trust created under the same trust instrument as the original trust or under a different trust instrument.

(b) A trustee of an original trust may, without authorization by the court, exercise the discretionary power to distribute principal or income to or for the benefit of one or more current beneficiaries of the original trust by appointing all or part of the principal or income of the original trust subject to the power in favor of a trustee of a second trust. The trustee of the original trust may exercise this power whether or not there is a current need to distribute principal or income under any standard provided in the terms of the original trust. The trustee's special power to appoint trust principal or income in further trust under this section includes the power to create the second trust. The second trust may have a duration that is longer than the duration of the first trust.

(c) The terms of the second trust shall be subject to all of the following:

(1) The beneficiaries of the second trust may include only beneficiaries of the original trust.

(2) A beneficiary who has only a future beneficial interest, vested or contingent, in the original trust cannot have the future beneficial interest accelerated to a present interest in the second trust.

(3) The terms of the second trust may not reduce any fixed income, annuity, or unitrust interest of a beneficiary in the assets of the original trust if that interest has come into effect with respect to the beneficiary.

(4) If any contribution to the original trust qualified for a marital or charitable deduction for federal income, gift, or estate tax purposes under the Internal

Revenue Code, then the second trust shall not contain any provision that, if included in the original trust, would have prevented the original trust from qualifying for the deduction or that would have reduced the amount of the deduction.

(5) If contributions to the original trust have been excluded from the gift tax by the application of section 2503(b) and section 2503(c) of the Internal Revenue Code, then the second trust shall provide that the beneficiary's remainder interest in the contributions shall vest and become distributable no later than the date upon which the interest would have vested and become distributable under the terms of the original trust.

(6) If any beneficiary of the original trust has a power of withdrawal over trust property, then either:

a. The terms of the second trust must provide a power of withdrawal in the second trust identical to the power of withdrawal in the original trust; or

b. Sufficient trust property must remain in the original trust to satisfy the outstanding power of withdrawal.

(7) If a trustee of an original trust exercises a power to distribute principal or income that is subject to an ascertainable standard by appointing property to a second trust, then the power to distribute income or principal in the second trust must be subject to the same ascertainable standard as in the original trust and must be exercisable in favor of the same current beneficiaries to whom such distribution could be made in the original trust.

(8) The second trust may confer a power of appointment upon a beneficiary of the original trust to whom or for the benefit of whom the trustee has the power to distribute principal or income of the original trust. The permissible appointees of the power of appointment conferred upon a beneficiary may include persons who are not beneficiaries of the original or second trust. The power of appointment conferred upon a beneficiary shall be subject to the provisions of G.S. 41-23 specifying the permissible period allowed for the suspension of the power of alienation of the original trust and the time from which that permissible period is computed.

(9) The terms of the second trust shall not contain any provisions that would jeopardize (i) the qualification of a transfer as a direct skip under section 2642(c) of the ~~[Internal Revenue]~~ Internal Revenue Code, (ii) if the first trust owns subchapter S Corporation stock, the election to treat a corporation as a subchapter S Corporation under section 1362 of the Internal Revenue Code, (iii) if the first trust owns an interest in property subject to the minimum distribution rules of section 401(a)(9) of the Internal Revenue Code, a favorable distribution period by shortening the minimum distribution period, or (iv) any other specific tax benefit for which ~~a contribution originally~~ the first trust was clearly designed to qualify and for which the first trust qualified or would have qualified ~~for income, gift, estate, or generation-skipping transfer tax purposes.~~ but for the enactment of this section. In this subdivision, "tax benefit" means a federal or State tax deduction, exemption, exclusion, or other benefit not otherwise listed in this section, except for the benefit from having the settlor considered the owner under sections 671 through 679 of the Internal Revenue Code. Subject to clause (ii) above, the second trust may be a trust as to which the settlor is not considered the owner under sections 671 through 679 of the Internal Revenue Code even if the settlor is considered the owner of the first trust, and the second trust may be a trust as to which the settlor of the first trust is considered the owner under sections 671 through 679 of the Internal

Revenue Code, even if the settlor is not considered the owner of the first trust.

(10) Notwithstanding any other provision of this section, but subject to the limitations of subdivisions (1), (2), (4), (5), and (9) of this subsection, a trustee may exercise the power to appoint principal and income under subsection (b) of this section with respect to a disabled beneficiary's interest in the original trust to a second trust that is a supplemental needs trust that does not have (i) an ascertainable standard (or has a different ascertainable standard); (ii) a fixed income, annuity, or unitrust interest in the assets of the original trust; or (iii) a right of withdrawal, if the trustee determines that it would be in the best interest of the disabled beneficiary. For purposes of this subsection, the following apply:

a. A "supplemental needs trust" means a trust that is a discretionary trust under G.S. 36C-5-504 and relative to the original trust contains either lesser or greater restrictions on the trustee's power to distribute income or principal, and which the trustee believes would, if implemented, allow the disabled beneficiary to receive greater governmental benefits than the disabled beneficiary would receive if the power to appoint principal and income had not been exercised.

b. "Governmental benefits" means medical assistance, financial aid, or services from any local, State, or federal agency or department.

c. A "disabled beneficiary" means a current beneficiary of the original trust who the trustee determines has a condition that substantially impairs the beneficiary's ability to provide for his or her own support, care, or custody whether or not the beneficiary has been adjudicated a "disabled person" by any government agency or department.

d. The second supplemental needs trust shall not be liable to pay or reimburse the State or any government or public agency for medical assistance, financial aid, or services provided to the disabled beneficiary except as provided in the second supplemental needs trust.

(d) A trustee may not exercise the power to appoint principal or income under subsection (b) of this section if the trustee is a beneficiary of the original trust, but the remaining cotrustee or a majority of the remaining cotrustees may act for the trust. If all the trustees are beneficiaries of the original trust, then the court may appoint a special fiduciary with authority to exercise the power to appoint principal or income under subsection (b) of this section.

(e) The exercise of the power to appoint principal or income under subsection (b) of this section:

(1) Shall be considered the exercise of a power of appointment, other than a power to appoint to the trustee, the trustee's creditors, the trustee's estate, or the creditors of the trustee's estate; and

(2) Shall be subject to the provisions of G.S. 41-23 specifying the permissible period allowed for the suspension of the power of alienation of the original trust and the time from which that permissible period is computed; and

(3) Is not prohibited by a spendthrift provision or by a provision in the original trust instrument that prohibits amendment or revocation of the trust.

(f) To effect the exercise of the power to appoint principal or income under subsection (b) of this section, all of the following shall apply:

(1) The exercise of the power to appoint shall be made by an instrument in writing, signed and acknowledged by the trustee, setting forth the manner of the exercise of the power, including the terms of the second trust, and the

effective date of the exercise of the power. The instrument shall be filed with the records of the original trust.

(2) The trustee shall give written notice to all qualified beneficiaries of the original trust, at least 60 days prior to the effective date of the exercise of the power to appoint, of the trustee's intention to exercise the power. The notice shall include a copy of the instrument described in subdivision (1) of this subsection.

(3) If all qualified beneficiaries waive the notice period by a signed written instrument delivered to the trustee, the trustee's power to appoint principal or income shall be exercisable after notice is waived by all qualified beneficiaries, notwithstanding the effective date of the exercise of the power.

(4) The trustee's notice under this subsection shall not limit the right of any beneficiary to object to the exercise of the trustee's power to appoint and bring an action for breach of trust seeking appropriate relief as provided by G.S. 36C-10-1001.

(g) Nothing in this section shall be construed to create or imply a duty of the trustee to exercise the power to distribute principal or income, and no inference of impropriety shall be made as a result of a trustee not exercising the power to appoint principal or income conferred under subsection (b) of this section. Nothing in this section shall be construed to abridge the right of any trustee who has a power to appoint property in further trust that arises under the terms of the original trust or under any other section of this Chapter or under another provision of law or under common law.

(h) A trustee or beneficiary may commence a proceeding to approve or disapprove a proposed exercise of the trustee's special power to appoint to a second trust pursuant to subsection (b) of this section."

SECTION 12.(b) If Senate Bill 450, 2017 Regular Session, becomes law, this section is repealed.

SECTION 12.1.(a) G.S. 36F-2 reads as rewritten:

"**§ 36F-2. Definitions.**

The following definitions apply in this Chapter:

…

(5) ~~Reserved.~~

…

(21) ~~Reserved.~~

…."

SECTION 12.1.(b) G.S. 36F-13 reads as rewritten:

"**§ 36F-13. Disclosure of other digital assets held in trust when trustee not original user.**

Unless otherwise ordered by the court, directed by the user, or provided in a trust, a custodian shall disclose, to a trustee that is not an original user of an account, a catalogue of electronic communications sent or received by an original or successor user and stored, carried, or maintained by the custodian in an account of the trust and any digital assets, other than the content of electronic communications, in which the trust has a right or interest if the trustee gives the custodian all of the following:

(1) A written request for disclosure in physical or electronic form.

(2) A ~~certified~~ verified copy of the trust instrument or a certification of the trust under G.S. 36C-10-1013.

(3) A certification by the trustee, under penalty of perjury, that the trust exists and the trustee is a currently acting trustee of the trust.

(4) If requested by the custodian, any of the following:

a. A number, username, address, or other unique subscriber or account identifier assigned by the custodian to identify the trust's account.

b. Evidence linking the account to the trust."

SECTION 13.(a) G.S. 39-33 and G.S. 39-34 are repealed.

SECTION 13.(b) G.S. 39-35 is recodified as G.S. 31D-5-505.

SECTION 13.(c) G.S. 39-36 is recodified as G.S. 31D-4-403.1.

SECTION 13.1. G.S. 42A-4 reads as rewritten:

"**§ 42A-4. Definitions.**

The following definitions apply in this Chapter:

…

(1b) through (1f) ~~Reserved.~~

…

(4) Vacation rental agreement. – A written agreement between a landlord or ~~his or her~~ the landlord's real estate broker and a tenant in which the tenant agrees to rent residential property belonging to the landlord for a vacation rental."

SECTION 14. Reserved.

SECTION 14.1.(a) G.S. 53-208.42(20) reads as rewritten:

"(20) Virtual currency. – A digital representation of value that can be digitally traded and functions as a medium of exchange, a unit of account, or a store of value but only to the extent defined as stored value under ~~G.S. 53-208.42(19),~~ subdivision (19) of this section, but does not have legal tender status as recognized by the United States Government."

SECTION 14.1.(b) G.S. 53-208.44(a) reads as rewritten:

"(a) This Article shall not apply to any of the following:

…

(7) A person that is engaged exclusively in any of the following:

a. Delivering wages or salaries on behalf of employers to ~~employees;~~employees.

b. Facilitating the payment of payroll taxes to State and federal ~~agencies;~~agencies.

c. Making payments relating to employee benefit ~~plans;~~plans.

d. Making distribution of other authorized deductions from employees' wages or ~~salaries; or~~salaries.

e. Transmitting other funds on behalf of an employer in connection with transactions related to employees.

(8) A person appointed by a payee to collect and process payments as the bona fide agent of the payee, provided the person can demonstrate to the Commissioner ~~that:~~all of the following:

a. There exists a written agreement between the payee and agent directing the agent to collect and process payments on the payee's ~~behalf;~~behalf.

b. The payee holds the agent out to the public as accepting payments on the payee's ~~behalf; and~~behalf.

c. Payment is treated as received by the payee upon receipt by the agent.

This exemption ~~would extend~~ extends to those otherwise engaged in money transmission as set forth in G.S. 53-208.42(13)b., including those transactions conducted in whole or in part in virtual currency."

SECTION 14.1.(c) G.S. 53-208.47 reads as rewritten:

"**§ 53-208.47. Surety bond.**

…

(c) Any increased surety bond required under subsection (b) ~~[of this section]~~ of this section shall be filed with the Commissioner on or before May 31 annually. Failure to obtain the additional surety bond required is grounds for summary suspension pursuant to G.S. 53-208.57(d)(2).

(d) The surety bond shall be in a form satisfactory to the Commissioner and shall run to the State for the benefit of any claimants against the licensee to secure the faithful performance

of the obligations of the licensee with respect to the receipt, handling, transmission, and payment of money or monetary value in connection with the sale and issuance of payment instruments, stored value, or transmission of money. The Commissioner has the discretion to require the applicant ~~[to]~~ to obtain additional insurance coverage to address related cybersecurity risks inherent in the applicant's business model as it relates to virtual currency transmission and to the extent such risks are not within the scope of the required surety bond.

…."

SECTION 14.1.(d) G.S. 53-208.51 reads as rewritten:

"**§ 53-208.51. Prohibited practices.**

No person required to be licensed under this Article ~~shall:~~shall do any of the following:

(1) Fail to remit all money or monetary value received for transmission pursuant to G.S. 53-208.42(13)b., or give instructions committing equivalent money or monetary value to the person designated by the sender within 10 days after receipt by the licensee unless otherwise directed by the ~~sender;~~sender.

(2) Fail to immediately notify the Commissioner in writing if the licensee dishonors or fails to satisfy any money transmission transaction within the 10 days following receipt for any reason other than direction by the ~~sender;~~sender.

(3) Engage in the business of money transmission in the State under any name other than that ~~[under]~~ under which it is organized or otherwise authorized to do business in the ~~State;~~State.

(4) Fail to comply with the Federal Bank Secrecy Act, ~~31 U.S.C. [§] 5311 et seq.,~~ 31 U.S.C. § 5311, et seq., and 31 C.F.R. Part 1022, including maintenance of active registration with the United States Department of Treasury Financial Crimes Enforcement ~~Network;~~Network.

(5) Fail to comply with the Federal Electronic Funds Transfer Act, ~~12 U.S.C. [§] 1693 et seq.,~~ 12 U.S.C. § 1693, et seq., and Regulation E, ~~12 C.F.R. [§] 1005 et seq.;~~12 C.F.R. § 1005, et seq.

(6) Fail to safeguard identifying information obtained in the course of money transmission and otherwise comply with the requirements set forth under ~~G.S. 75-60 et seq.;~~G.S. 75-60, et seq.

(7) Fail to comply with applicable State and federal laws and regulations related to the business of money ~~transmission;~~transmission.

(8) Use or cause to be published or disseminated any advertising communication which contains any false, misleading, or deceptive statement or ~~representation; or~~representation.

(9) Engage in unfair, deceptive, or fraudulent practices."

SECTION 14.1.(e) G.S. 53-208.53(d) reads as rewritten:

"(d) ~~[Timely reporting.]~~ Timely Reporting. – Failure to timely submit any reports required under this section is grounds for summary suspension pursuant to G.S. 53-208.57(d)(2)."

SECTION 14.1.(f) G.S. 53-208.57 reads as rewritten:

"**§ 53-208.57. Disciplinary authority.**

…

(c) The Commissioner may by order:

(1) Impose a civil money penalty upon any person required to be licensed under this Article for any violation of or failure to comply with this Article or any order of the Commissioner in an amount specified by the Commissioner, not to exceed five thousand dollars ($5,000) for each violation or, in the case of a continuing violation, one thousand dollars ($1,000) for each day that the violation continues. Each violation of or failure to comply with this Article shall be a separate and distinct violation. All civil money penalties collected

under this Article shall be paid to the ~~county school fund.~~Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(2) Require that any person required to be licensed under this Article to disgorge and pay to the sender any amounts that were not remitted or refunded in violation of G.S. 53-208.51(1).

…

(h) The Commissioner, in the exercise of reasonable judgment, may compromise, settle, and collect civil penalties with any person for violations of any provision of this Article, or of any rule, regulation, or order issued or promulgated ~~[pursuant]~~ pursuant to this Article."

SECTION 14.2.(a) G.S. 55-1-40(13a) reads as rewritten:

"(13a) ~~An item is "mailed" when it is deposited~~ "Mail," when used as a verb, means to deposit in the United States mail with postage thereon prepaid and correctly addressed. When a corporation mails an item to a shareholder, "correctly addressed" means addressed to the shareholder's address as shown in the corporation's current record of shareholders."

SECTION 14.2.(b) If Senate Bill 622, 2017 Regular Session, becomes law, this section is repealed.

SECTION 14.3. G.S. 66-71.14(b) reads as rewritten:

"(b) A person failing to file an assumed business name certificate or a certificate of amendment as required by this Article is liable to any person injured by the failure for the reasonable expenses, including attorneys' fees, incurred by the person in ascertaining, for a reasonable purpose, the information required to be stated in the assumed business name certificate or certificate of amendment. Notwithstanding this subsection, a person is not liable for expenses caused by an error or ambiguity in describing the nature of the business in an assumed business name certificate under G.S. 66-71.5 or a certificate of amendment under ~~G.S. 71.7 [G.S. 66-71.7].~~G.S. 66-71.7."

SECTION 14.4.(a) G.S. 69-25.15(d) reads as rewritten:

"(d) Whenever a city is required to make fire protection district tax payments by subsection (c) of this section, and the city has paid or has contracted to pay to a rural fire department funds under ~~G.S. 160A-37.1 or~~ G.S. 160A-58.57, the county shall pay to the city from funds of the rural fire protection district an amount equal to the amount paid by the city (or to be paid by the city) to a rural fire department under ~~G.S. 160A-37.1 or~~ G.S. 160A-58.57 on account of annexation of territory in the rural fire protection district for the number of months in that fiscal year used in calculating the numerator under subsection (c) of this section; provided that the required payments by the county to the city shall not exceed the total of fire protection district payments made to taxpayers in the district on account of that annexation."

SECTION 14.4.(b) G.S. 153A-304.1(d) reads as rewritten:

"(d) Whenever a city is required to make fire protection district tax payments by subsection (c) of this section, and the city has paid or has contracted to pay to a rural fire department funds under ~~G.S. 160A-37.1 or~~ G.S. 160A-58.57, the county shall pay to the city from funds of the county service district an amount equal to the amount paid by the city (or to be paid by the city) to a rural fire department under ~~G.S. 160A-37.1 or~~ G.S. 160A-58.57 on account of annexation of territory in the county service district for the number of months in that fiscal year used in calculating the numerator under subsection (c) of this section; provided that the required payments by the county to the city shall not exceed the total of fire protection district payments made to taxpayers in the district on account of that annexation."

SECTION 15. G.S. 97-25(f) reads as rewritten:

"(f) In claims subject to G.S. 97-18(b) and (d), a party may file a motion as set forth in this subsection regarding a request for medical compensation or a dispute involving medical issues. The nonmoving party shall have the right to contest the motion. Motions and responses shall be submitted contemporaneously via electronic ~~mail~~ means to the Commission and to the opposing party or the opposing party's ~~attorney[, as follows]:~~attorney, as follows:

(1) A party may file a motion with the Executive Secretary for an administrative ruling regarding a request for medical compensation or a dispute involving medical issues. The motion shall be decided administratively pursuant to rules governing motions practices in contested cases. The Commission shall decide the motion within 30 days of the filing of the motion unless an extension of time to respond to the motion has been granted for good cause shown. Either party may file a motion for reconsideration of the administrative order with the Executive Secretary. Either party may request an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary approving or denying the original motion or the motion for reconsideration. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision shall not be stayed during the pendency of an appeal pursuant to G.S. 97-84 and subdivision (2) of this subsection except under those circumstances set out in subdivision (4) of this subsection. A motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the formal hearing pursuant to G.S. 97-84. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(2) In lieu of filing a motion with the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection, when appealing a ruling made pursuant to subdivision (1) of this subsection or when appealing an administrative ruling of the Chief Deputy or the Chief Deputy's designee on an emergency motion, a party may request a full evidentiary hearing pursuant to G.S. 97-84 on an expedited basis, limited to a request for medical compensation or a dispute involving medical issues, by filing a motion with the Office of the Chief Deputy Commissioner. The case will not be ordered into mediation based upon a party's request for hearing on the motion or appeal under this subdivision, except upon the consent of the parties. The Commission shall set the date of the expedited hearing, which shall be held within 30 days of the filing of the motion or appeal and shall notify the parties of the time and place of the hearing on the motion or appeal. Upon request, the Commission may order expedited discovery. The record shall be closed within 60 days of the filing of the motion, or in the case of an appeal pursuant to subdivisions (1) and (3) of this subsection, within 60 days of the filing of the appeal, unless the parties agree otherwise or the Commission so orders. Transcripts of depositions shall be expedited if necessary and paid pursuant to rules promulgated by the Commission related to depositions and shall be submitted electronically to the Commission. The Commission shall decide the issue in dispute and make findings of fact based upon the preponderance of the evidence in view of the entire record. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue shall be filed with the record of the proceedings within 15 days of the close of the hearing record,

and a copy of the award shall immediately be sent to the parties. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner pursuant to G.S. 97-84 shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(3) An emergency medical motion filed by either party shall be filed with the Office of the Chief Deputy Commissioner. The Chief Deputy or Chief Deputy's designee shall rule on the motion within five days of receipt unless the Chief Deputy or Chief Deputy's designee determines that the motion is not an emergency, in which case the motion shall be referred to the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection. Motions requesting emergency medical relief shall contain all of the following:

a. An explanation of the medical diagnosis and treatment recommendation of the health care provider that requires emergency attention.
b. A specific statement detailing the time-sensitive nature of the request to include relevant dates and the potential for adverse consequences to the movant if the recommended relief is not provided emergently.
c. An explanation of opinions known and in the possession of the movant of additional medical or other relevant experts, independent medical examiners, and second opinion examiners.
d. Documentation known and in the possession of the movant in support of the request, including relevant medical records.
e. A representation that informal means of resolving the issue have been attempted.

Either party may appeal the decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion by requesting an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the administrative decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision of the Chief Deputy or the Chief Deputy's designee shall not be stayed during the pendency of an appeal of the administrative decision except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. If so, the decision of the Deputy Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(4) The Commission shall consider, among other factors, all of the following when determining whether to grant a motion to stay filed pursuant to this subsection:
   a. Whether there would be immediate and irreparable injury, harm, loss, or damage to either party.
   b. The nature and cost of the medical relief sought.
   c. The risk for further injury or disability to the employee inherent in the treatment or its delay.
   d. Whether it has been recommended by an authorized physician.
   e. Whether alternative therapeutic modalities are available and reasonable.

(5) If the Commission determines that any party has acted unreasonably by initiating or objecting to a motion filed pursuant to this section, the Commission may assess costs associated with any proceeding, including any reasonable attorneys' fees and deposition costs, against the offending party."

SECTION 15.1. G.S. 105-164.13(11b) reads as rewritten:

"(11b) Sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft. For purposes of this subdivision, the term "commercial aircraft" has the same meaning as defined in subdivision (45a) of this ~~subsection [section].~~section. This exemption also applies to aviation gasoline and jet fuel purchased for use in a commercial aircraft in interstate or foreign commerce by a person whose primary business is scheduled passenger air transportation. This subdivision expires January 1, 2020."

SECTION 15.2. G.S. 106-950 reads as rewritten:

"**§ 106-950. Exempt fires; no permit fees.**

(a) This Article ~~shall~~ does not apply to any fires started, or caused to be started, within 100 feet of an occupied dwelling house if ~~such~~ the fire ~~shall be~~ is confined (i) within an enclosure from which burning material may not escape or (ii) within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment.

(a1) Except in cases where the Commissioner has prohibited all open burning during periods of hazardous forest fire conditions or during air pollution episodes declared pursuant to Article 21B of Chapter 143 of the General Statutes, this Article ~~shall~~ does not apply to, and no air quality permit shall be required for, the burning of polyethylene agricultural plastic used in connection with agricultural operations related to the growing, harvesting, or maintenance of crops, when all of the following conditions apply:

…."

SECTION 16. The catch line of G.S. 108A-70.21 reads as rewritten:

"**§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private ~~plans; purchase of extended coverage.~~plans.**"

SECTION 17. G.S. 115C-112.6(b1)(2)d. reads as rewritten:

"d. Carryforward of funds for reimbursements. – Any unexpended scholarship funds at the end of each fiscal year shall revert to the General Fund, except that the Authority may carry forward for the next fiscal year an amount necessary to ensure that any outstanding, allowable reimbursements can be disbursed in accordance with this section. Any funds carried forward for the purpose of meeting anticipated reimbursement obligations from the prior fiscal year that are not expended shall not be used to award additional scholarships to eligible students but shall revert to the General Fund at the end of ~~the~~ that fiscal year."

SECTION 18. G.S. 120-4.16(b) reads as rewritten:

"(b) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60th day after the date it was received by the member.

(b1) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

SECTION 19. G.S. 120-57 is repealed.

SECTION 19.1. G.S. 120-70.106(d) reads as rewritten:

"(d) An establishment to which permits may be issued pursuant to G.S. 18B-1006(n1), as enacted by S.L. 2016-23, is designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution, and the motor fuel sold by that establishment is taxable in accordance with this subsection. Notwithstanding G.S. 105-449.80, the motor fuel excise tax rate for an establishment to which permits may be issued pursuant to G.S. 18B-1006(n1), as enacted by S.L. 2016-23, is sixteen cents (16¢) per gallon. The Revenue Laws Study Committee shall annually compare the motor fuel excise tax rate imposed by this subsection with the rate levied by the State of South Carolina on motor fuels and may recommend a change in the rate imposed by this subsection to an amount no greater than the rate then in effect for the State of South Carolina. An establishment designated as a special class of property by this subsection may obtain monthly refunds on the difference between the motor fuel excise tax imposed under G.S. 105-449.80 and the motor fuel excise tax imposed by this subsection. The Department ~~[of Revenue]~~ of Revenue shall calculate for each calendar year the difference between the motor fuel excise tax that would have been imposed under G.S. 105-449.80 on the motor fuel sold by an establishment classified by this subsection in the absence of this classification and the motor fuel excise tax that was imposed on the motor fuel sold by the establishment due to the classification. The difference in taxes, together with any interest, penalties, or costs that may accrue thereon, are a lien on the real property underlying the establishment as provided in G.S. 105-355(a). The difference in taxes shall be carried forward in the records of the Department as deferred taxes. The deferred taxes for the preceding three calendar years are due and payable on the day this subsection becomes ineffective due to the occurrence of a disqualifying event; provided, however, the amount collected for deferred taxes pursuant to this subsection does not exceed the tax value of the property. A disqualifying event occurs when the title to the real property underlying the establishment is transferred to a

new owner. A lien for deferred taxes is extinguished when the amount required by this subsection is paid."

SECTION 20. G.S. 136-41.2(c) reads as rewritten:

"(c) No municipality shall be eligible to receive funds under G.S. 136-41.1 unless it has formally adopted a budget ordinance in substantial compliance with ~~G.S. 160-410.3,~~ G.S. 159-8 and G.S. 159-13, showing revenue received from all sources, and showing that funds have been appropriated for at least two of the following municipal services if the municipality was incorporated with an effective date prior to January 1, 2000, water distribution; sewage collection or disposal; garbage and refuse collection or disposal; fire protection; police protection; street maintenance, construction, or right-of-way acquisition; or street lighting, or at least four of the following municipal services if the municipality was incorporated with an effective date of on or after January 1, 2000: (i) police protection; (ii) fire protection; (iii) solid waste collection or disposal; (iv) water distribution; (v) street maintenance; (vi) street construction or right-of-way acquisition; (vii) street lighting; and (viii) zoning."

SECTION 20.1.(a) G.S. 143-58.5 reads as rewritten:

"**§ 143-58.5. Alternative Fuel Revolving Fund.**

(a) The definitions set out in G.S. 143-58.4 apply to this section.

(b) The Alternative Fuel Revolving Fund is created and shall be held by the State Treasurer. The Fund shall consist of moneys received from the sale of EPAct credits under G.S. 143-58.4, any moneys appropriated to the Fund by the General Assembly, and any moneys obtained or accepted by the Department for deposit into the Fund. The Fund shall be managed to maximize benefits to the State for the purchase of alternative fuel, related refueling infrastructure, and AFV purchases. To the extent possible, benefits from the sale of EPAct credit shall be distributed to State departments, institutions, and agencies in proportion to the number of EPAct credits generated by each. No portion of the Fund shall be transferred to the General Fund, and any appropriation made to the Fund shall not revert. The State Treasurer shall invest moneys in the Fund in the same manner as other funds are invested. Interest and moneys earned on such investments shall be credited to the Fund.

(c) The Fund shall be used to offset the incremental fuel cost of biodiesel and biodiesel blend fuel with a minimum biodiesel concentration of B-20 for use in State vehicles, for the purchase of ethanol fuel with a minimum ethanol concentration of E-85 for use in State vehicles, the incremental vehicle cost of purchasing AFVs, for the development of related refueling infrastructure, for the costs of administering the Fund, and for projects approved by the Energy Policy Council.

(d) The Secretary of ~~Administration~~ Environmental Quality shall adopt rules as necessary to implement this section.

(e) The Department shall submit to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division no later than ~~1 October~~ October 1 of each year a report on the expenditures from the Fund during the preceding fiscal year."

SECTION 20.1.(b) The Codifier of Rules shall make any conforming rule changes necessary to reflect name changes and any recodifications resulting from the name change made by this section.

SECTION 21. G.S. 143-215.31(a1) reads as rewritten:

"(a1) The owner of a dam classified by the Department as a high-hazard dam or an intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this ~~subsection;~~subsection:

(1) The owner of the dam shall submit a proposed Emergency Action Plan for the dam within 90 days after the dam is classified as a high-hazard dam or an intermediate-hazard dam to the Department and the Department of Public Safety for their review and approval. The Department and the Department of Public Safety shall approve the Emergency Action Plan if they determine that it complies with the requirements of this subsection and will protect public health, safety, and welfare; the environment; and natural resources.

…

(6) Information included in an Emergency Action Plan that constitutes sensitive public security information, as provided in G.S. 132-1.7, shall be maintained as confidential information and shall not be subject to disclosure under the Public Records Act. For purposes of this section, "sensitive public security information" shall include Critical Energy Infrastructure Information protected from disclosure under rules adopted by the Federal Energy Regulatory Commission in ~~18 C.F.R. § 333.112.~~18 C.F.R. § 388.112."

SECTION 22. G.S. 143-341.2(b)(3) reads as rewritten:

"(3) Auditor may audit submissions. – The State Auditor may audit submissions made to the Department of Administration pursuant to subdivision (1) of this subsection and may recover any costs incurred in ~~preforming~~ performing such an audit from the State Land Fund, in accordance with G.S. 146-72."

SECTION 23. G.S. 143B-168.5 reads as rewritten:

"**§ 143B-168.5. Child Care – special unit.**

There is established within the Department of Health and Human ~~Services~~ Services, Division of Child Development and Early Education, a special unit to deal primarily with violations involving child abuse and neglect in child care arrangements. The Child Care Commission shall make rules for the investigation of reports of child abuse or neglect and for administrative action when child abuse or neglect is substantiated, pursuant to G.S. 110-88(6a), 110-105, ~~and 110-105.2.~~110-105.3, 110-105.4, 110-105.5, and 110-105.6."

SECTION 24. G.S. 143B-394.15(c) reads as rewritten:

"(c) Membership. – The Commission shall consist of ~~39~~ 38 members, who reflect the geographic and cultural regions of the State, as follows:

…

(4) The following persons or their designees, ex officio:

a. The Governor.
b. The Lieutenant Governor.
c. The Attorney General.
d. The Secretary of ~~the Department of~~ Administration.
~~e. The Secretary of the Department of Public Safety.~~
f. The Superintendent of Public Instruction.
g. The Secretary of Public Safety.
h. The Secretary of ~~the Department of~~ Health and Human Services.
i. The Director of the Office of State Human Resources.
j. The Chair of the North Carolina Council for Women.
k. The Dean of the School of Government at the University of North Carolina at Chapel Hill.
l. The Chairman of the Governor's Crime Commission."

SECTION 24.1. G.S. 143B-437.56(b) reads as rewritten:

"(b) The term of the grant shall not exceed the duration listed in this subsection. The first grant payment must be made within six years after the date on which the grant was awarded. The number of years in the base period for which grant payments may be made shall not exceed five years. ~~[Maximum durations are:]~~Maximum durations are:

(1) For high-yield projects in which the business receives the enhanced percentage pursuant to subsection (a1) of this section, 20 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.

(2) For all other projects, 12 years starting with the first year a grant payment is made."

SECTION 25. G.S. 143B-931(b) reads as rewritten:

"(b) The Department of Public Safety may provide a criminal history record check to the board of directors of a regional school of a person who is employed at a regional school or of a person who has applied for employment at a regional school if the employee or applicant consents to the record check. The Department may also provide a criminal history record check of school personnel as defined in ~~G.S. 115C-238.56N~~ G.S. 115C-238.73 by fingerprint card to the board of directors of the regional school from the National Repositories of Criminal Histories, in accordance with ~~G.S. 115C-238.56N.~~ G.S. 115C-238.73. The information shall be kept confidential by the board of directors of the regional school as provided in ~~G.S. 115C-238.56N.~~G.S. 115C-238.73."

SECTION 26. G.S. 143C-6-4(b) reads as rewritten:

"(b) Budget Adjustments. – Notwithstanding the provisions of G.S. 143C-6-1, a State agency may, with approval of the Director of the Budget, spend more than was appropriated in the certified budget by adjusting the authorized budget for all of the following:

(1) Line items within programs. – An object or line item within a purpose or program so long as the total amount expended for the purpose or program is no more than was authorized in the certified budget for the purpose or program.

(2) Responses to extraordinary events. – A purpose or program if the overexpenditure of the purpose or program is:

a. Required by a court or Industrial Commission order;

b. Authorized under ~~G.S. 166A-19.40~~(a) G.S. 166A-19.40(a)(1) and (c) of the North Carolina Emergency Management Act; or

c. Required to call out the North Carolina National Guard.

(3) Responses to unforeseen circumstances. – A purpose or program not subject to the provisions of subdivision (b)(2) of this subsection, if each of the following conditions is satisfied:

a. The overexpenditure is required to continue the purpose or programs due to complications or changes in circumstances that could not have been foreseen when the budget for the fiscal period was enacted.

b. The scope of the purpose or program is not increased.

c. The overexpenditure is authorized on a one-time nonrecurring basis for one year only, unless the overexpenditure is the result of (i) salary adjustments authorized by law or (ii) the establishment of time-limited positions funded with agency receipts."

SECTION 27. G.S. 146-9(b) reads as rewritten:

"(b) Notwithstanding subsection (a) of this section, or any other provision of law, prior to expiration of a lease of mineral deposits in State lands, the Department of Administration or other entity designated by the Department shall solicit competitive bids for lease of such mineral deposits, which shall include a process for upset bids as described in this subsection. An upset bid is an increased or raised bid whereby a person offers to lease such mineral rights for an amount exceeding the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, by a minimum of five percent (5%). The process shall provide that the Department or other designated entity that issued the solicitation for competitive bids shall issue a notice of high bid to the person submitting the highest bid in response to the initial solicitation for competitive bids, or the person submitting the last upset bid, as applicable, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, of the highest bid received at that point within 10 days of the closure of the bidding period, as provided in the solicitation for competitive bids, through notice delivered by any means authorized under G.S. 1A-1, Rule 4.

Thereafter, an upset bid may be made by delivering to the Department or other designated entity, subject to all of the following requirements and conditions:

…

(4) When an upset bid is made as provided in this subsection, the Department or other designated entity shall notify ~~to~~ the highest prior bidder, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the current high bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable.

…."

SECTION 28. G.S. 147-12(a) reads as rewritten:

"(a) In addition to the powers and duties prescribed by the Constitution, the Governor has the powers and duties prescribed in this and the following sections:

(1) To supervise the official conduct of all executive and ministerial officers; and when the Governor deems it advisable to visit all State institutions for the purpose of inquiring into the management and needs of the same.

…

(12) To name and locate State government buildings, monuments, memorials, and improvements, as provided by ~~G.S. 143B-373(1).~~G.S. 143B-373(a)(1).

…."

SECTION 28.1.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on ~~such~~ these funds. The State Treasurer may invest the funds as provided in this subsection in the manner authorized by subsection (e) of this section. If an investment was authorized by this subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter. Notwithstanding anything in this section to the contrary, the State Treasurer shall categorize investment management arrangements according to the primary investment type or primary strategy utilized under the arrangement authorized under subsection (e) of this section. No investment management arrangement may be categorized in more than one of the subdivisions of this section. ~~[The State Treasurer shall select from among the following investments subject to the following limitations and requirements:]~~The State Treasurer shall select from among the following investments subject to the following limitations and requirements:

(1) Investments authorized by G.S. 147-69.1(c)(1)-(7).

(2) General obligations of other states of the United States.

(3) General obligations of cities, counties and special districts in North Carolina.

(4) Obligations of any company, other organization or legal entity incorporated or otherwise created or located within or outside the United States, including obligations that are convertible into equity securities, if, when acquired, the obligations are within one of the four highest rating categories regardless of gradations, such as ratings beginning with "AAA," "AA," "A," or either "BBB" or "Baa," of at least one nationally recognized rating service designated by the U.S. Securities and Exchange Commission.

(5) Repealed by Session Laws 2001-444, s. 2, effective October 1, 2001.

(6) Asset-backed securities (whether considered debt or equity), if, when acquired, the obligations are within one of the four highest ratings categories regardless of gradations, such as ratings beginning with "AAA," "AA," "A,"

or either "BBB" or "Baa," of at least one nationally recognized rating service designated by the U.S. Securities and Exchange Commission.

(6a) In addition to the limitations and requirements with respect to the investments of the Retirement Systems set forth in this subsection, the State Treasurer shall select investments of the assets of the Retirement Systems such that investments made pursuant to subdivisions (b)(1) through (6) of this section shall at all times equal or exceed twenty percent (20%) of the market value of all invested assets of the Retirement Systems.

(6b) Repealed by Session Laws 2016-55, s. 1.3, effective January 31, 2017.

(6c) With respect to Retirement Systems' assets referred to in subdivision (b)(8), they may be invested, within or outside the United States, in obligations, debt securities, and asset-backed securities, whether considered debt or equity, including obligations and securities convertible into other securities, that do not meet the requirements of any of subdivisions (b)(1) through (6) of this section nor subdivision (b)(7) of this section. The amount invested under this subdivision shall not exceed seven and one-half percent (7.5%) of the market value of all invested assets of the Retirement Systems.

(7) Retirement Systems' assets referred to in subdivision (8) of this subsection may be invested in strategies managed primarily for the purpose of owning real estate or related debt financing, excluding asset-backed financing and timberlands, located within or outside the United States. The amount invested under this subdivision shall not exceed ten percent (10%) of the market value of all invested assets of the Retirement Systems.

(8) With respect to assets of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Firefighters' and Rescue Workers' Pension Fund, the Local Governmental Employees' Retirement System, the Legislative Retirement System, the North Carolina National Guard Pension Fund, the Registers of Deeds' Supplemental Pension Fund, and the Retiree Health Benefit Fund (hereinafter referred to collectively as the Retirement Systems), they may be invested in a strategy composed primarily of equity securities traded on a public securities exchange or market organized and regulated pursuant to the laws of the jurisdiction of ~~such~~ the exchange or market and issued by any company incorporated or otherwise created or located within or outside the United ~~States; provided~~ States as long as the investments meet the conditions of this subdivision. The investments authorized for the Retirement Systems under this subdivision are subject to the following limitations:

a. Repealed by Session Laws 2016-55, s. 1.3, effective January 31, 2017.

a1. The aggregate amount of ~~such~~ the investments cannot exceed sixty-five percent (65%) of the market value of all invested assets of the Retirement Systems.

b. The aggregate amount of the investment invested through investment companies described in sub-subdivision (e)(4)b. of this section shall not exceed eight and one-half percent (8.5%) of the market value of all invested assets of the Retirement Systems, except that the market value of group trusts and individual, common, or collective trust funds of banks and trust companies shall not be applied against this limit.

c. Repealed by Session Laws 2016-55, s. 1.3, effective January 31, 2017.

(9) With respect to Retirement Systems' assets, as defined in subdivision (b)(8) of this subsection, they may be invested in (i) a strategy composed primarily

of private equity, or corporate buyout transactions, within or outside the United States or (ii) an arrangement authorized under subsection (e) of this section with the primary purpose to engage in other strategies not expressly authorized by any other subdivision of this subsection. The amount invested under this subdivision shall not exceed eight and three-quarters percent (8.75%) of the market value of all invested assets of the Retirement Systems.

(9a) With respect to Retirement Systems' assets, as defined in subdivision (b)(8) of this subsection, they may be invested, within or outside the United States, in obligations, debt securities, asset-backed securities, whether considered debt or equity, and other investments that are acquired by the Treasurer for the primary purpose of providing protection against risks associated with inflation, along with timberland, natural resources, commodities, infrastructure, transportation, agriculture, and other tangible and intangible real assets. The amount invested under this subdivision shall not exceed seven and one-half percent (7.5%) of the market value of all invested assets of the Retirement Systems.

(10) Recodified as part of subdivision (b)(9) by Session Laws 2000-160, s. 2.

(10a) With respect to Retirement Systems' assets, as defined in subdivision (8) of this subsection, the market value of any of subdivision (6c) or (7), sub-subdivision b. of subdivision (8), or subdivision (9) or (9a) of this subsection shall not exceed ten percent (10%) of the market value of all invested assets of the Retirement Systems; and the aggregate market value of all assets invested pursuant to subdivisions (6c) and (7), sub-subdivision b. of subdivision (8), and subdivisions (9) and (9a) of this subsection shall not exceed thirty-five percent (35%) of the market value of all invested assets of the Retirement Systems.

(11) Repealed by Session Laws 2013-360, s. 6.3(c), effective July 1, 2013.

(12) It is the intent of the General Assembly that the Escheat Fund provide a perpetual and sustainable source of funding for the purposes authorized by the State Constitution. Accordingly, the following provisions apply:

a. With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to ten percent (10%) of ~~such~~ the assets may be invested in the investments authorized under subdivisions (6c) through (9a) of this subsection, notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions, and provided that the State Treasurer may invest the assets as provided in subsection (e) of this section.

b. Repealed by Session Laws 2016-55, s. 1.3, effective January 31, 2017.

c. The State Treasurer shall invest, in addition to those investments authorized by sub-subdivision a. of this subdivision, ten percent (10%) of the net assets of the Escheat Fund as authorized under G.S. 147-69.2A."

SECTION 28.1.(b) G.S. 147-69.12(c) reads as rewritten:

"(c) The Treasurer shall report to the Governor annually and to the General Assembly at the beginning of each biennial session the exact balance in the treasury to the credit of the State, with a summary of the receipts and payments of the treasury during the preceding fiscal year, and so far as practicable an account of the same down to the termination of the current calendar year. ~~Reserved.~~"

SECTION 29. G.S. 153A-340(h) reads as rewritten:

"(h) As provided in this subsection, counties may adopt temporary moratoria on any ~~county development approval required by law.~~ county development approval required by law,

except for the purpose of developing and adopting new or amended plans or ordinances as to residential uses. The duration of any moratorium shall be reasonable in light of the specific conditions that warrant imposition of the moratorium and may not exceed the period of time necessary to correct, modify, or resolve such conditions. Except in cases of imminent and substantial threat to public health or safety, before adopting an ordinance imposing a development moratorium with a duration of 60 days or any shorter period, the board of commissioners shall hold a public hearing and shall publish a notice of the hearing in a newspaper having general circulation in the area not less than seven days before the date set for the hearing. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium so that the total duration is 61 days or longer, is subject to the notice and hearing requirements of G.S. 153A-323. Absent an imminent threat to public health or safety, a development moratorium adopted pursuant to this section shall not apply to any project for which a valid building permit issued pursuant to G.S. 153A-357 is outstanding, to any project for which a conditional use permit application or special use permit application has been accepted, to development set forth in a site-specific or phased development plan approved pursuant to G.S. 153A-344.1, to development for which substantial expenditures have already been made in good faith reliance on a prior valid administrative or quasi-judicial permit or approval, or to preliminary or final subdivision plats that have been accepted for review by the county prior to the call for public hearing to adopt the moratorium. Any preliminary subdivision plat accepted for review by the county prior to the call for public hearing, if subsequently approved, shall be allowed to proceed to final plat approval without being subject to the moratorium.

Any ordinance establishing a development moratorium must expressly include at the time of adoption each of the following:

(1) A clear statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the county and why those alternative courses of action were not deemed adequate.

(2) A clear statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.

(3) An express date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.

(4) A clear statement of the actions, and the schedule for those actions, proposed to be taken by the county during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium.

No moratorium may be subsequently renewed or extended for any additional period unless the city shall have taken all reasonable and feasible steps proposed to be taken by the county in its ordinance establishing the moratorium to address the problems or conditions leading to imposition of the moratorium and unless new facts and conditions warrant an extension. Any ordinance renewing or extending a development moratorium must expressly include, at the time of adoption, the findings set forth in subdivisions (1) through (4) of this subsection, including what new facts or conditions warrant the extension.

Any person aggrieved by the imposition of a moratorium on development approvals required by law may apply to the appropriate division of the General Court of Justice for an order enjoining the enforcement of the moratorium, and the court shall have jurisdiction to issue that order. Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent proceedings in those actions shall be accorded priority by the trial and appellate courts. In any such action, the county shall have the burden of showing compliance with the procedural requirements of this subsection."

SECTION 30. G.S. 160A-332(a) reads as rewritten:

"(a) The suppliers of electric service inside the corporate limits of any city in which a secondary supplier was furnishing electric service on the determination ~~date (as defined in G.S. 160A-331(1))~~ date, as defined in G.S. 160A-331(1b), shall have rights and be subject to restrictions as follows:

…."

SECTION 31.(a) G.S. 160A-372(e) reads as rewritten:

"(e) The ordinance may provide that a developer may provide funds to the city whereby the city may acquire recreational land or areas to serve the development or subdivision, including the purchase of land that may be used to serve more than one subdivision or development within the immediate area. All funds received by the city pursuant to this ~~paragraph [subsection]~~ subsection shall be used only for the acquisition or development of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this ~~paragraph [subsection]~~ subsection shall be based on the value of the development or subdivision for property tax purposes. The ordinance may allow a combination or partial payment of funds and partial dedication of land when the governing body of the city determines that this combination is in the best interests of the citizens of the area to be served."

SECTION 31.(b) G.S. 160A-372(f) reads as rewritten:

"(f) The ordinance may provide that in lieu of required street construction, a developer may be required to provide funds that the city may use for the construction of roads to serve the occupants, residents, or invitees of the subdivision or development and these funds may be used for roads which serve more than one subdivision or development within the area. All funds received by the city pursuant to this ~~paragraph [subsection]~~ subsection shall be used only for development of roads, including design, land acquisition, and construction. However, a city may undertake these activities in conjunction with the Department of Transportation under an agreement between the city and the Department of Transportation. Any formula adopted to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the city determines that a combination is in the best interests of the citizens of the area to be served."

SECTION 31.1. G.S. 160A-536 reads as rewritten:

"**§ 160A-536. Purposes for which districts may be established.**

…

(d) Contracts. – A city may provide services, facilities, functions, or promotional and developmental activities in a service district with its own forces, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. Any contracts entered into pursuant to this subsection shall comply with all of the following criteria:

(1) The contract shall specify the purposes for which city moneys are to be used for that service district.

(2) The contract shall require an appropriate accounting for those moneys at the end of each fiscal year or other appropriate period. ~~The~~ For contracts entered into on or after June 1, 2016, the appropriate accounting shall include the name, location, purpose, and amount paid to any person or persons with whom the private agency contracted to perform or complete any purpose for which the city moneys were used for that service district.

(d1) Additional Requirements for Certain Contracts. – In addition to the requirements of subsection (d) of this section, if the city enters into a contract with a private agency for a service district under subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:

(1) The city shall solicit input from the residents and property owners as to the needs of the service district prior to entering into the contract.

(2) Prior to entering into, or the renewal of, any contract under this section, the city shall use a bid process to determine which private agency is best suited to achieve the needs of the service district. The city shall determine criteria for selection of the private agency and shall select a private agency in accordance with those criteria. If the city determines that a multiyear contract with a private agency is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length.

(3) The city shall hold a public hearing prior to entering into the contract, which shall be noticed by publication in a newspaper of general circulation, for at least two successive weeks prior to the public hearing, in the service district.

(4) The city shall require the private agency to report annually to the city, by presentation in a city council meeting and in written report, regarding the needs of the service district, completed projects, and pending projects. Prior to the annual report, the private agency shall seek input of the property owners and residents of the service district regarding needs for the upcoming year.

(5) The contract shall specify the scope of services to be provided by the private agency. Any changes to the scope of services shall be approved by the city council.

…."

SECTION 32.(a) Section 7.1 of S.L. 2014-107 reads as rewritten:

"**SECTION 7.1.** Section 5.1 of this act applies to all trusts created before, on, or after the effective date of this act. Except as otherwise provided, this act is effective when it becomes law."

SECTION 32.(b) This section becomes retroactively effective August 6, 2014.

SECTION 33. The introductory language of Section 54.5(b) of S.L. 2015-264 reads as rewritten:

"**SECTION 54.5.(b)** ~~Section 32.2(c)~~ Section 32.3(c) of S.L. 2015-241 reads as rewritten:"

SECTION 33.1. Section 2 of S.L. 2016-102 reads as rewritten:

"**SECTION 2.** The changes made in Section 1 of this act are effective unless either or both of the decisions of the United States District Court for the Middle District of North Carolina ruling G.S. 14-208.18(a)(2) and ~~G.S. 14-408.18(a)(3)~~ G.S. 14-208.18(a)(3) unconstitutional, as they existed prior to the enactment of this act, are stayed or overturned by a higher court on appeal, in which case the appropriate portion of the prior version of the statute to which the decision pertained is again effective as follows:

(1) If the ruling enjoining enforcement of G.S. 14-208.18(a)(2) is stayed or overturned, the changes made to subsection (c) of G.S. 14-208.18 by Section 1 of this act shall be repealed.

(2) If the ruling enjoining enforcement of G.S. 14-208.18(a)(3) is stayed or overturned, the changes made to subdivision (3) of subsection (a) of G.S. 14-208.18 by Section 1 of this act shall be repealed."

SECTION 33.2. The introductory language of Section 6(c) of S.L. 2016-108 reads as rewritten:

"**SECTION 6.(c)** ~~G.S. 136-6(o)~~ G.S. 135-6(o) reads as rewritten:"

SECTION 33.3. Section 2(m) of S.L. 2016-117 is rewritten to read:

"**SECTION 2.(m)** The title of Article 1D of Chapter 90 of the General Statutes reads as rewritten:

"Article 1D.

"~~Peer Review.~~Health Program for Medical Professionals.""

SECTION 33.4.(a) The introductory language of Section 6.1(a) of S.L. 2016-123 reads as rewritten:

"**SECTION 6.1.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then ~~G.S. 13-202.1(f),~~ G.S. 113-202.1(f), as enacted by Section 14.11(b) of that act, reads as rewritten:".

SECTION 33.4.(b) The introductory language of Section 6.1(b) of S.L. 2016-123 reads as rewritten:

"**SECTION 6.1.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then ~~G.S. 13-202.2(f),~~ G.S. 113-202.2(f), as enacted by Section 14.11(c) of that act, reads as rewritten:".

SECTION 34.(a) The Revisor of Statutes shall cause to be printed an explanatory comment to G.S. 36C-1-112, prepared by the Estate Planning and Fiduciary Law Section of the North Carolina Bar Association, that Section having originally prepared Chapter 36C of the General Statutes for introduction in 2005, as the Revisor may deem appropriate.

SECTION 34.(b) The Revisor of Statutes shall cause to be printed all explanatory comments of the drafters of Sections 12 and 13(b) and 13(c) of this act, as the Revisor may deem appropriate.

PART II. OTHER TECHNICAL, CONFORMING, AND CLARIFYING AMENDMENTS

SECTION 35. G.S. 12-3 is amended by adding two new subdivisions to read:

"(16) "Husband and Wife" and similar terms. – The words "husband and wife," "wife and husband," "man and wife," "woman and husband," "husband or wife," "wife or husband," "man or wife," "woman or husband," or other terms suggesting two individuals who are then lawfully married to each other shall be construed to include any two individuals who are then lawfully married to each other.

(17) "Widow" and "Widower." – The words "widow" and "widower" mean the surviving spouse of a deceased individual."

SECTION 35.1. The catch line of G.S. 42-45.2 reads as rewritten:

"**§ 42-45.2. Early termination of rental agreement by ~~military and~~ tenants residing in certain foreclosed property.**"

SECTION 36. G.S. 58-37-1(6) reads as rewritten:

"(6) "Motor vehicle" means every self-propelled vehicle that is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers). "Motor vehicle" also means a motorcycle, as defined in G.S. 20-4.01(27)d., and a moped, as defined in ~~G.S. 20-4.01(27)d1., or~~G.S. 20-4.01(27)d1. "Motor vehicle" does not mean an electric assisted bicycle, as defined in G.S. 20-4.01(7a)."

SECTION 37.(a) G.S. 90-12.7(c) reads as rewritten:

"(c) A pharmacist may dispense an opioid antagonist to a person described in subdivision ~~(b)(1)~~(1) of subsection (b) of this section pursuant to a prescription issued pursuant to subsection (b) of this section. For purposes of this section, the term "pharmacist" is as defined in G.S. 90-85.3."

SECTION 37.(b) If House Bill 243, 2017 Regular Session, becomes law, this section is repealed.

SECTION 38. G.S. 90-96 reads as rewritten:

"**§ 90-96. Conditional discharge for first offense.**

(a) Whenever any person who has not previously been convicted of (i) any felony offense under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any statute of the United States or any state relating to those substances included in Article 5 or 5A of Chapter 90 or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes pleads guilty to or is found guilty of (i) a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article or

by possessing drug paraphernalia as prohibited by ~~G.S. 90-113.22,~~ G.S. 90-113.22 or G.S. 90-113.22A or (ii) a felony under G.S. 90-95(a)(3), the court shall, without entering a judgment of guilt and with the consent of ~~such~~ the person, defer further proceedings and place ~~him~~ the person on probation upon such reasonable terms and conditions as it may require, unless the court determines with a written finding, and with the agreement of the District Attorney, that the offender is inappropriate for a conditional discharge for factors related to the offense. Notwithstanding the provisions of G.S. 15A-1342(c) or any other statute or law, probation may be imposed under this section for an offense under this Article for which the prescribed punishment includes only a fine. To fulfill the terms and conditions of probation the court may allow the defendant to participate in a drug education program approved for this purpose by the Department of Health and Human Services or in the Treatment for Effective Community Supervision Program under Subpart B of Part 6 of Article 13 of Chapter 143B of the General Statutes. Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, the court shall discharge ~~such~~ the person and dismiss the ~~proceedings against him.~~ proceedings. Discharge and dismissal under this section shall be without court adjudication of guilt and shall not be deemed a conviction for purposes of this section or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime including the additional penalties imposed for second or subsequent convictions under this Article. Discharge and dismissal under this section or G.S. 90-113.14 may occur only once with respect to any person. Disposition of a case to determine discharge and dismissal under this section at the district court division of the General Court of Justice shall be final for the purpose of appeal. Prior to taking any action to discharge and dismiss under this section the court shall make a finding that the defendant has no record of previous convictions as provided in this subsection.

(a1) Upon the first conviction only of any offense which qualifies under the provisions of subsection (a) of this section, and the provisions of this subsection, the court may place defendant on probation under this section for an offense under this Article including an offense for which the prescribed punishment includes only a fine. The probation, if imposed, shall be for not less than one year and shall contain a minimum condition that the defendant who was found guilty or pleads guilty enroll in and successfully complete, within 150 days of the date of the imposition of said probation, the program of instruction at the drug education school approved by the Department of Health and Human Services pursuant to G.S. 90-96.01. The court may impose probation that does not contain a condition that defendant successfully complete the program of instruction at a drug education school if:

(1) There is no drug education school within a reasonable distance of the defendant's residence; or

(2) There are specific, extenuating circumstances which make it likely that defendant will not benefit from the program of instruction.

The court shall enter such specific findings in the record; provided that in the case of subdivision (2) above, such findings shall include the specific, extenuating circumstances which make it likely that the defendant will not benefit from the program of instruction.

Upon fulfillment of the terms and conditions of the probation, the court shall discharge such person and dismiss the proceedings against the person.

For the purposes of determining whether the conviction is a first conviction or whether a person has already had discharge and dismissal, no prior offense occurring more than seven years before the date of the current offense shall be considered. In addition, convictions for violations of a provision of G.S. 90-95(a)(1) or 90-95(a)(2) or 90-95(a)(3), or 90-113.10, or 90-113.11, or 90-113.12, or ~~90-113.22~~ 90-113.22, or 90-113.22A shall be considered previous convictions.

Failure to complete successfully an approved program of instruction at a drug education school shall constitute grounds to revoke probation pursuant to this subsection and deny application for expunction of all recordation of defendant's arrest, indictment, or information, trial, finding of guilty, and dismissal and discharge pursuant to G.S. 15A-145.2. For purposes

of this subsection, the phrase "failure to complete successfully the prescribed program of instruction at a drug education school" includes failure to attend scheduled classes without a valid excuse, failure to complete the course within 150 days of imposition of probation, willful failure to pay the required fee for the course as provided in G.S. 90-96.01(b), or any other manner in which the person fails to complete the course successfully. The instructor of the course to which a person is assigned shall report any failure of a person to complete successfully the program of instruction to the court which imposed probation. Upon receipt of the instructor's report that the person failed to complete the program successfully, the court shall revoke probation, shall not discharge such person, shall not dismiss the proceedings against the person, and shall deny application for expunction of all recordation of defendant's arrest, indictment, or information, trial, finding of guilty, and dismissal and discharge pursuant to G.S. 15A-145.2. A person may obtain a hearing before the court of original jurisdiction prior to revocation of probation or denial of application for expunction.

This subsection is supplemental and in addition to existing law and shall not be construed so as to repeal any existing provision contained in the General Statutes of North Carolina.

(b) Upon the discharge of such person, and dismissal of the proceedings against the person under subsection (a) or (a1) of this section, such person, if he or she was not over 21 years of age at the time of the offense, may be eligible to apply for expunction of certain records relating to the offense pursuant to G.S. 15A-145.2(a).

(c) Repealed by Session Laws 2009-510, s. 8(b), effective October 1, 2010.

(d) Whenever any person is charged with a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article or a felony under G.S. 90-95(a)(3), upon dismissal by the State of the charges against such person, upon entry of a nolle prosequi, or upon a finding of not guilty or other adjudication of innocence, the person may be eligible to apply for expunction of certain records relating to the offense pursuant to G.S. 15A-145.2(b).

(e) Whenever any person who has not previously been convicted of (i) any felony offense under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any statute of the United States or any state relating to controlled substances included in any schedule of this Article or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes pleads guilty to or has been found guilty of (i) a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article, or by possessing drug paraphernalia as prohibited by G.S. 90-113.22 or G.S. 90-113.22A, or (ii) a felony under G.S. 90-95(a)(3), the person may be eligible to apply for cancellation of the judgment and expunction of certain records related to the offense pursuant to G.S. 15A-145.2(c).

(f) Repealed by Session Laws 2009-577, s. 6, effective December 1, 2009, and applicable to petitions for expunctions filed on or after that date."

SECTION 39.(a) G.S. 90-414.5(a) reads as rewritten:

"(a) The Authority shall provide the Department and the State Health Plan for Teachers and State Employees secure, real-time access to data and information disclosed through the HIE Network, solely for the purposes set forth in ~~subsection (a) of this section~~ G.S. 90-414.4(a) and in G.S. 90-414.2. The Authority shall limit access granted to the State Health Plan for Teachers and State Employees pursuant to this section to data and information disclosed through the HIE Network that pertains to services (i) rendered to teachers and State employees and (ii) paid for by the State Health Plan."

SECTION 39.(b) G.S. 90-414.7(b) reads as rewritten:

"(b) Powers and Duties. – The Authority has the following powers and duties:

(1) Oversee and administer the HIE Network in a manner that ensures all of the following:

…

h. Minimization of the amount of data required to be submitted under ~~G.S. 90-414(b)~~ G.S. 90-414.4(b) and any use or disclosure of such

data to what is determined by the Authority to be required in order to advance the purposes set forth in G.S. 90-414.2 and ~~G.S. 90-414(a).~~G.S. 90-414.4(a)."

SECTION 40.(a) If House Bill 630, 2017 Regular Session, becomes law, G.S. 108A-74, as amended by Section 3.1(a) of that act, reads as rewritten:

"**§ 108A-74. ~~County departments~~ Counties required to enter into annual written agreement for all social services programs other than medical assistance; County department failure to provide child welfare services; State intervention in or control of child welfare service delivery.**

…

(a1) Beginning in fiscal year 2018-2019, the Secretary shall require all ~~departments of social services~~ counties to enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance.

(1) When possible, the mandated performance requirements shall be based upon standardized metrics utilizing reliable data.

(2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.

(3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.

(4) The written agreement shall authorize the Department to withhold State and federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement.

…."

SECTION 40.(b) If House Bill 630, 2017 Regular Session, becomes law, Section 3.1(b) of that act reads as rewritten:

"**SECTION 3.1.(b)** This section ~~becomes effective upon ratification~~ is effective when it becomes law and applies to written agreements required pursuant to G.S. 108A-74(a1) for fiscal years 2018-2019 and 2019-2020."

SECTION 40.(c) If House Bill 630, 2017 Regular Session, becomes law, then, effective March 1, 2020, G.S. 108A-74, as amended by Sections 3.1(a) and 3.2(a) of that act and by Section 40(a) of this act, reads as rewritten:

"**§ 108A-74. Counties ~~Local~~ and regional social services departments required to enter into annual written agreement for all social services programs other than medical assistance; ~~Local~~ local department failure to comply with the written agreement or applicable law; corrective action; State intervention in or control of child welfare service delivery.**

…

(a2) The Secretary shall require all ~~departments of social services~~ counties and regional social services departments to enter into a written agreement each year that specifies mandated performance requirements and administrative responsibilities with regard to all social services programs other than medical assistance.

(1) The mandated performance requirements shall be based upon standardized metrics utilizing data and outcome measures derived from the Social Services System Transparency and Wellness Dashboard and other reliable data sources.

(2) The administrative responsibilities shall address, at a minimum, staff training, data submission to the Department, and communication with the Department.

(3) The written agreement may be standardized or may be tailored to address issues in specific jurisdictions.

(4) The written agreement shall authorize the Department to withhold State or federal funds in the event the department fails to satisfy mandated performance requirements or comply with the terms of the agreement or applicable law.

…."

SECTION 40.(d) If House Bill 630, 2017 Regular Session, becomes law, G.S. 108A-15.3D, as enacted by Section 4.1 of that act, reads as rewritten:

"**§ 108A-15.3D. Regional social services director.**

A regional social services director appointed by a regional social services board shall have all the powers and duties of a director of social services provided by G.S. 108A-14 and other applicable laws. The director shall also have the authority to enter contracts, in accordance with the Local Government Finance Act, Chapter 159 of the General Statutes, on behalf of the regional social services department."

SECTION 40.(e) If House Bill 630, 2017 Regular Session, becomes law, Section 4.6 of that act reads as rewritten:

"**SECTION 4.6.** Sections 4.1, 4.2, 4.3, and 4.4 become effective March 1, 2019. Section 4.5 ~~becomes effective upon ratification.~~is effective when it becomes law."

SECTION 40.(f) If House Bill 630, 2017 Regular Session, becomes law, G.S. 7B-1001(a), as amended by Section 8(a) of that act and by Section 4 of S.L. 2017-7, reads as rewritten:

"(a) In a juvenile matter under this Subchapter, appeal of a final order of the court shall be made directly to the Court of Appeals, unless otherwise specified. Only the following juvenile matters may be appealed:

…

(5) An order under G.S. 7B-906.2(b) eliminating reunification, as defined by G.S. 7B-101(18b), as a permanent plan by either of the following:

a. A parent who is a party and:

1. Has preserved the right to appeal the order in writing within 30 days after entry and service of the order.
2. A termination of parental rights petition or motion has not been filed within 65 days of entry and service of the order.
3. A notice of appeal of the order eliminating reunification is filed within 30 days after ~~entry and service of~~ the expiration of the 65 days.

b. A party who is a guardian or custodian with whom reunification is not a permanent plan.

(6) ~~shall be made directly to the Supreme Court.~~"

SECTION 40.(g) If House Bill 630, 2017 Regular Session, becomes law, subsection (c) of this section becomes effective March 1, 2020, subsection (d) of this section becomes effective March 1, 2019, subsection (f) of this section becomes effective January 1, 2019, and applies to appeals filed on or after that date, and the remainder of this section is effective on the date House Bill 630 becomes law.

SECTION 41. G.S. 113-291.4A reads as rewritten:

"**§ 113-291.4A. Open seasons for taking foxes with firearms.**

(a) There is an open season for the taking of foxes with firearms in all areas of the State east of Interstate Highway 77 and in Mitchell and Caldwell Counties from the beginning of the season established by the Wildlife Resources Commission for the taking of rabbits and quail through January 1 of each year. The selling, buying, or possessing for sale of any fox or fox part taken pursuant to this subsection is prohibited, and is punishable as provided by G.S. 113-294(a) or (j).

(b) The Wildlife Resources Commission shall establish appropriate bag and season limits that may be imposed upon the taking of foxes pursuant to this ~~act,~~ section, and may make

reasonable rules governing the possession of foxes killed by motor vehicles or other accidental means."

SECTION 41.5. G.S. 115C-105.51 reads as rewritten:

"**§ 115C-105.51. Anonymous tip lines and monitoring and response applications.**

(a) Each local school administrative unit is encouraged to develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to the school population, school buildings, and school-related activities. The Department of Public ~~Safety,~~ Instruction, in consultation with the Department of Public ~~Instruction,~~ Safety, may develop standards and guidelines for the development, operation, and staffing of tip lines.

(b) The Department of Public ~~Safety, Division of Emergency Management,~~ Instruction and the Center for Safer Schools, in collaboration with the Department of Public ~~Instruction,~~ Safety, Division of Emergency Management, shall implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.

…."

SECTION 42. G.S. 115D-67.4 reads as rewritten:

"**§ 115D-67.4. Fees collected by the Center; purchases using Center funds.**

Notwithstanding any other provision of law, all fees collected by the Applied Textile Technology Center for services to the textile industry, except for regular curriculum and continuing education tuition receipts, shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall: (i) submit all proposed agreements or contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars ($1,000,000) authorized by this section to the ~~Attorney General or the Attorney General's~~ Secretary of Administration or the Secretary's designee for review as provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the Center under this section a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center shall not award a cost plus percentage of cost agreement or contract for any purpose."

SECTION 42.1. G.S. 143-49(9) reads as rewritten:

"(9) To include a standard clause in all contracts awarded by the State and departments, agencies, and institutions of the State, providing that the State Auditor and internal auditors of the affected department, agency, or institution may audit the records of the ~~contactor~~ contractor during and after the term of the contract to verify accounts and data affecting fees or performance."

SECTION 43. G.S. 143B-30.1(e) and (f) read as rewritten:

"(e) The Chief Administrative Law ~~Judge,~~ Judge of the Office of Administrative ~~Hearings,~~ Hearings shall ~~assign the staff and designate the Director of the Commission in accordance with G.S. 7A-760.~~designate, from among the employees of the Office of Administrative Hearings, the staff of the Rules Review Commission.

(f) The Commission shall prescribe procedures and forms to be used in submitting rules to the Commission for review. ~~The Commission may have computer access to the North Carolina Administrative Code to enable the Commission and its staff to view and copy rules in the Code.~~"

SECTION 44. G.S. 143B-437.01(a)(6) reads as rewritten:

"(6) The funds shall not be used for any retail, entertainment, or sports projects. The funds shall not be used for any nonmanufacturing project that does not meet the wage standard for the development tier area or zone in which the project is located. There is no wage standard for a development tier one area. If an urban progress zone or an agrarian growth zone is not in a development

tier one area, then the wage standard for that zone is an average weekly wage that is at least equal to ninety percent (90%) of the lesser of the average wage for all insured private employers in the State and the average wage for all insured private employers in the county in which the ~~datacenter~~ project is located. The wage standard for a development tier two area or a development tier three area is an average weekly wage that is at least equal to one hundred ten percent (110%) of the lesser of the average wage for all insured private employers in the State and ninety percent (90%) of the average wage for all insured private employers in the county in which the ~~datacenter~~ project is located."

SECTION 44.1. G.S. 143B-1333(c) reads as rewritten:

"(c) Receipts shall be used solely for the purpose for which they were collected. In coordination with the Office of the State Controller and the Office of State Budget and Management, the State CIO shall ensure processes are established to manage federal receipts, maximize those receipts, and ensure that federal receipts are correctly utilized."

SECTION 45. G.S. 147-12(b) reads as rewritten:

"(b) The Department of Transportation, the Division of Adult Correction of the Department of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of Parks and Recreation in the ~~Department of Natural and Natural Resources [Department of Natural and Cultural Resources],~~ Department of Natural and Cultural Resources, and the Division of Marine Fisheries in the Department of Environmental Quality shall deliver to the Governor by February 1 of each year detailed information on the agency's litter enforcement, litter prevention, and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor, by February 1 of each year, detailed information on the enforcement of the littering laws of the State, including the number of charges and convictions under the littering laws of the State. The Governor shall gather the information submitted by the respective agencies and deliver a consolidated annual report, on or before March 1 of each year, to the Environmental Review Commission, the Joint Legislative Transportation Oversight Committee, and the House of Representatives and the Senate appropriations committees with jurisdiction over natural and economic resources."

SECTION 45.5. If Senate Bill 655, 2017 Regular Session, becomes law, G.S. 163-213.4 reads as rewritten:

"**§ 163-213.4. Nomination by State Board of Elections.**

No later than 90 days preceding the North Carolina presidential preference primary, the chair of each political party shall submit to the State Board of Elections a list of its presidential candidates to be placed on the presidential preference primary ballot. The list must be comprised of candidates whose candidacy is generally advocated and recognized in the news media throughout the United States or in North Carolina, unless any such candidate executes and files with the chair of the political party an affidavit stating without qualification that the candidate is not and does not intend to become a candidate for nomination in the North Carolina Presidential Preference Primary Election. The State Board of Elections shall prepare and publish a list of the names of the presidential candidates submitted. The State Board of Elections shall convene in Raleigh on the first Tuesday in ~~March~~ January preceding the presidential preference primary ~~election.~~election, unless the first Tuesday in January is the first day of that month, in which case the State Board shall meet on January 2. At the meeting required by this section, the State Board of Elections shall nominate as presidential primary candidates all candidates affiliated with a political party, recognized pursuant to the provisions of Article 9 of Chapter 163 of the General Statutes, who have been submitted to the State Board of Elections. Additionally, the State Board of Elections, by vote of at least three of its members in the affirmative, may nominate as a presidential primary candidate any other person affiliated with a political party that it finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as candidates for the nomination by that party. Immediately upon completion of these requirements, the Board shall release to the news

media all such nominees selected. Provided, however, nothing shall prohibit the partial selection of nominees prior to the meeting required by this section, if all provisions herein have been complied with."

SECTION 46. Section 3 of S.L. 2016-81 reads as rewritten:

"**SECTION 3.** This act becomes effective ~~October 1, 2015.~~October 1, 2016."

SECTION 47. Reserved.

PART III. ADJUST CERTAIN EDUCATION REPORT DATES

SECTION 48.(a) G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, ~~beginning October 15, 2015, and annually thereafter,~~ by November 15 of each year, the State Board shall submit reports to that Committee regarding schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION 48.(b) G.S. 115C-296.13(e) reads as rewritten:

"(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by ~~December 15.~~March 15."

SECTION 48.(c) G.S. 115C-238.55 reads as rewritten:

"**§ 115C-238.55. Evaluation of cooperative innovative high schools.**

The State Board of Education and the governing Boards shall evaluate the success of students in cooperative innovative high schools approved under this Part. Success shall be measured by high school retention rates, high school completion rates, high school dropout rates, certification and associate degree completion, admission to four-year institutions, postgraduation employment in career or study-related fields, and employer satisfaction of employees who participated in and graduated from the schools. The Boards shall jointly report by ~~January 15~~ March 15 of each year to the Joint Legislative Education Oversight Committee on the evaluation of these schools."

SECTION 48.(d) Section 1(b) of S.L. 2013-1, as amended by Section 16.1 of S.L. 2013-410 and by Section 89 of S.L. 2014-115, reads as rewritten:

"**SECTION 1.(b)** The State Board of Education shall make high school diploma endorsements, as provided under this section, available to students graduating from high school beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the progress toward establishing specific college and career endorsements for high school diplomas and for awarding these endorsements by February 1, 2014. The State Board of Education shall submit the report on the impact of awarding the high school endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates by ~~September 15, 2016,~~ November 15, 2016, and annually thereafter."

SECTION 48.(e) G.S. 115C-156.2(b) reads as rewritten:

"(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by ~~September 15~~ November 15 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials."

SECTION 48.(f) Section 8.29(e) of S.L. 2015-241 reads as rewritten:

"**SECTION 8.29.(e)** The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2016, with a final report on the program by ~~September 15, 2017.~~November 15, 2017. The final

report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients."

SECTION 48.(g) G.S. 115C-83.10(c) reads as rewritten:

"(c) The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsections (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by ~~October 15 of each year, beginning with the 2015-2016 school year.~~December 15, 2016, and annually thereafter."

SECTION 48.(h) G.S. 115C-174.26(h) reads as rewritten:

"(h) ~~Beginning November 15, 2014, the~~ The State Board of Education shall report annually by December 15 to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.
(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.
(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.
(4) Number of students participating in 10th grade PSATMSQT testing.
(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.
(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.
(7) Status and efforts of the North Carolina Advanced Placement Partnership.
(8) Other trends in advanced courses and examinations."

SECTION 48.(i) G.S. 115C-75.9(i) reads as rewritten:

"(i) Criminal History Checks. – The State Board of Education shall require applicants for employment with the ASD to be checked for criminal histories using the process provided in ~~G.S. 115C-297.1.~~G.S. 115C-332. The State Board of Education shall provide the criminal history it receives to the ASD Superintendent and AS operator."

PART IV. EFFECTIVE DATE

SECTION 49. Section 5 of this act becomes effective December 1, 2015. Except as otherwise provided in this act, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-103 **H.B. 248**

AN ACT TO MAKE CHANGES TO THE ADULT CARE HOME AND NURSING HOME ADVISORY COMMITTEES TO CONFORM TO THE ADMINISTRATION FOR COMMUNITY LIVING RULES AND RECENT CHANGES TO THE STATE LONG-TERM CARE OMBUDSMAN PROGRAM AND TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY THE HOPE ACT AND RELATED FEDERAL REGULATIONS AND TO MAKE RECOMMENDATIONS TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 131D-31 reads as rewritten:

"**§ 131D-31. Adult care home community advisory committees.**

(a) Statement of Purpose. – It is the intention of the General Assembly that community advisory ~~committees~~ committee members function as representatives of the Office of the State Long-Term Care Ombudsman and through their designation work to maintain the intent of the Adult Care Home Residents' Bill of Rights within the licensed adult care homes in this State. It is the further intent of the General Assembly that the committees promote community involvement and cooperation with adult care homes to ensure quality care for the elderly and disabled adults.

(b) Establishment and Appointment of Committees. –

(1) A community advisory committee shall be established in each county that has at least one licensed adult care home, shall serve all the homes in the county, and shall work with each of these homes for the best interests of the residents. In a county that has one, two, or three adult care homes with 10 or more beds, the committee shall have five members.

(2) In a county with four or more adult care homes with 10 or more beds, the committee shall have one additional member for each adult care home with 10 or more beds in excess of three, and may have up to five additional members at the discretion of the county commissioners, not to exceed a maximum of 25 members. In each county with four or more adult care homes with 10 or more beds, the committee shall establish a subcommittee of no more than five members and no fewer than three members from the committee for each adult care home in the county. Each member must serve on at least one subcommittee.

(3) In counties with no adult care homes with 10 or more beds, the committee shall have five members. Regardless of how many members a particular community advisory committee is required to have, at least one member of each committee shall be a person involved in the area of mental retardation.

(4) The boards of county commissioners are encouraged to appoint the Adult Care Home Community Advisory Committees. Of the members, a minority (not less than one-third, but as close to one-third as possible) shall be chosen from among persons nominated by a majority of the chief administrators of adult care homes in the county. If the adult care home administrators fail to make a nomination within 45 days after written notification has been sent to them requesting a nomination, these appointments may be made without nominations. If the county commissioners fail to appoint members to a ~~committee by July 1, 1983,~~ committee, the appointments shall be made by the ~~Assistant Secretary for Aging, Department of Health and Human Services,~~ Office of the State Long-Term Care Ombudsman no sooner than 45 days after nominations have been requested from the adult care home ~~administrators, but no later than October 1, 1983.~~administrators. In making appointments, the ~~Assistant Secretary for Aging~~ Office of the State Long-Term Care Ombudsman shall follow the same appointment process as that specified for the County Commissioners.

(5) Notwithstanding any other provision of this Article, appointment to an Adult Care Home Community Advisory Committee is contingent upon designation of the appointee by the Office of the State Long-Term Care Ombudsman in accordance with G.S. 143B-181.18. A designated appointee is directly accountable to the State Long-Term Care Ombudsman Program in order to perform the duties as a representative of the Office of the State Long-Term Care Ombudsman. Removal of the appointee's designation by the Office of

the State Long-Term Care Ombudsman automatically rescinds the appointment to the Adult Care Home Community Advisory Committee.

(6) Any individual who serves as a community advisory committee member must go through the Office of the State Long-Term Care Ombudsman's certification and designation process and meet the certification and designation requirements in accordance with the State Long-Term Care Ombudsman Program Policies and Procedures.

(c) Joint Nursing and Adult Care Home Community Advisory Committees. – Appointment to the Nursing Home Community Advisory Committees shall preclude appointment to the Adult Care Home Community Advisory Committees except where written approval to combine these committees is obtained from the ~~Assistant Secretary for Aging, Department of Health and Human Services.~~Office of the State Long-Term Care Ombudsman. Where this approval is obtained, the Joint Nursing and Adult Care Home Community Advisory Committee shall have the membership required of Nursing Home Community Advisory Committees and one additional member for each adult care home with 10 or more beds licensed in the county. In counties with no adult care homes with 10 or more beds, there shall be one additional member for every four other types of adult care homes in the county. In no case shall the number of members on the Joint Nursing and Adult Care Home Community Advisory Committee exceed 25. Each member shall exercise the statutory rights and responsibilities of both Nursing Home Committees and Adult Care Home Committees. In making appointments to this joint committee, the county commissioners shall solicit nominations from both nursing and adult care home administrators for the appointment of approximately (but no more than) one-third of the members.

(d) Terms of Office. – Each committee member shall serve an initial term of one year. Any person reappointed to a second or subsequent term in the same county shall serve a two-or three-year term at the county commissioners' discretion to ensure staggered terms of office.

(e) Vacancies. – Any vacancy shall be filled by appointment of a person for a one-year term. If this vacancy is in a position filled by an appointee nominated by the chief administrators of adult care homes within the county, then the county commissioners shall fill the vacancy from persons nominated by a majority of the chief administrators. If the adult care home administrators fail to make a nomination by registered mail within 45 days after written notification has been sent to them requesting a nomination, this appointment may be made without nominations. If the county commissioners fail to fill a vacancy, the vacancy ~~may~~ shall be filled by the ~~Assistant Secretary for Aging, Department of Health and Human Services~~ Office of the State Long-Term Care Ombudsman no sooner than 45 days after the commissioners have been notified of the appointment or vacancy.

(f) Officers. – The committee shall elect from its members a chair, to serve a one-year term.

(g) Minimum Qualifications for Appointment. – Each member must be a resident of the county which the committee serves. No person or immediate family member of a person with a financial interest in a home served by the committee, or employee or governing board member of a home served by the committee, or immediate family member of a resident in a home served by the committee may be a member of that committee. Any county commissioner who is appointed to the committee shall be deemed to be serving on the committee in an ex officio capacity. Members of the committee shall serve without compensation, but may be reimbursed for actual expenses incurred by them in the performance of their duties. The names of the committee members and the date of expiration of their terms shall be filed with the ~~Division of Aging, Department of Health and Human Services.~~Office of the State Long-Term Care Ombudsman.

(h) ~~Training.~~ Training, Certification, and Designation. – The ~~Division of Aging, Department of Health and Human Services,~~ Office of the State Long-Term Care Ombudsman shall develop ~~training materials, which shall be distributed to each committee member.~~training requirements for certification and designation in accordance with 45 C.F.R. § 1324.13(c)(2).

Each committee member must receive certification training as specified by the ~~Division of Aging~~ State Long-Term Care Ombudsman Program Policies and Procedures and be designated as representatives of the State Long-Term Care Ombudsman Program prior to exercising any power under G.S. 131D-32. The ~~Division of Aging, Department of Health and Human Services,~~ State Long-Term Care Ombudsman Program shall provide the committees with information, guidelines, training, and consultation to direct them in the performance of their duties.

(i) Any written communication made by a member of adult care home advisory committee within the course and scope of the member's duties, as specified in G.S. 131D-32, shall be privileged to the extent provided in this subsection. All communication shall be considered the property of the Office of the State Long-Term Care Ombudsman and subject to the Office's disclosure policies. This privilege shall be a defense in a cause of action for libel if the member was acting in good faith and the statements and communications do not amount to intentional wrongdoing.

To the extent that any adult care home advisory committee or any member is covered by liability insurance, that committee or member shall be deemed to have waived the qualified immunity herein to the extent of indemnification by insurance."

SECTION 1.(b) G.S. 131E-128 reads as rewritten:

"**§ 131E-128. Nursing home advisory committees.**

(a) It is the purpose of the General Assembly that community advisory ~~committees~~ committee members function as representatives of the Office of the State Long-Term Care Ombudsman and through their designation work to maintain the intent of ~~this Part~~ the Nursing Home Resident's Bill of Rights within the nursing homes in this State, including nursing homes operated by hospitals licensed under Article 5 of G.S. Chapter 131E. It is the further purpose of the General Assembly that the committees promote community involvement and cooperation with nursing homes and an integration of these homes into a system of care for the elderly.

(b) (1) A community advisory committee shall be established in each county which has a nursing home, including a nursing home operated by a hospital licensed under Article 5 of G.S. Chapter 131E, shall serve all the homes in the county, and shall work with each home in the best interest of the persons residing in each home. In a county which has one, two, or three nursing homes, the committee shall have five members. In a county with four or more nursing homes, the committee shall have one additional member for each nursing home in excess of three, and may have up to five additional members per committee at the discretion of the county commissioners.

(2) In each county with four or more nursing homes, the committee shall establish a subcommittee of no more than five members and no fewer than three members from the committee for each nursing home in the county. Each member must serve on at least one subcommittee.

(3) ~~Each committee shall be appointed by the board of county commissioners.~~ Boards of county commissioners are encouraged to appoint the Nursing Home Community Advisory Committees. Of the members, a minority (not less than one-third, but as close to one-third as possible) must be chosen from among persons nominated by a majority of the chief administrators of nursing homes in the county and of the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes. If the nursing home administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes fail to make a nomination within 45 days after written notification has been sent to them by the board of county commissioners requesting a nomination, these appointments may be made by the board of county commissioners without nominations.

(4) Notwithstanding any other provision of this Article, appointment to a nursing home community advisory committee is contingent upon designation of the appointee by the Office of the State Long-Term Care Ombudsman in accordance with G.S. 143B-181.18. A designated appointee is directly accountable to the State Long-Term Care Ombudsman Program in order to perform the duties as a representative of the Office of the State Long-Term Care Ombudsman. Removal of the appointee's designation by the Office of the State Long-Term Care Ombudsman automatically rescinds the appointment to the nursing home community advisory committee.

(5) Any individual who serves as a community advisory committee member must go through the Office of the State Long-Term Care Ombudsman's certification and designation process and meet the certification and designation requirements in accordance with the State Long-Term Care Ombudsman Program Policies and Procedures.

(c) Each committee member shall serve an initial term of one year. Any person reappointed to a second or subsequent term in the same county shall serve a three-year term. Persons who were originally nominees of nursing home chief administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes, or who were appointed by the board of county commissioners when the nursing home administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes failed to make nominations, may not be reappointed without the consent of a majority of the nursing home chief administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes within the county. If the nursing home chief administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes fail to approve or reject the reappointment within 45 days of being requested by the board of county commissioners, the commissioners may reappoint the member if they so choose.

(d) Any vacancy shall be filled by appointment of a person for a one-year term. Any person replacing a member nominated by the chief administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes or a person appointed when the chief administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes failed to make a nomination shall be selected from among persons nominated by the administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes, as provided in subsection (b). If the county commissioners fail to appoint members to a committee, or fail to fill a vacancy, the appointment ~~may~~ shall be made or vacancy filled by the ~~Secretary or the Secretary's designee~~ Office of the State Long-Term Care Ombudsman no sooner than 45 days after the commissioners have been notified of the appointment or vacancy if nomination or approval of the nursing home administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes is not required. If nominations or approval of the nursing home administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes is required, the appointment ~~may~~ shall be made or vacancy filled by the ~~Secretary or the Secretary's designee~~ Office of the State Long-Term Care Ombudsman no sooner than 45 days after the commissioners have received the nomination or approval, or no sooner than 45 days after the 45-day period for action by the nursing home administrators and the governing bodies of the hospitals licensed under Article 5 of G.S. Chapter 131E, which operate nursing homes.

(e) The committee shall elect from its members a chair, to serve a one-year term.

(f) Each member must be a resident of the county which the committee serves. No person or immediate family member of a person with a financial interest in a home served by a committee, or employee or governing board member or immediate family member of an

employee or governing board member of a home served by a committee, or immediate family member of a patient in a home served by a committee may be a member of a committee. Membership on a committee shall not be considered an office as defined in G.S. 128-1 or G.S. 128-1.1. Any county commissioner who is appointed to the committee shall be deemed to be serving on the committee in an ex officio capacity. Members of the committee shall serve without compensation, but may be reimbursed for the amount of actual expenses incurred by them in the performance of their duties. The names of the committee members and the date of expiration of their terms shall be filed with the ~~Division of Aging,~~ Office of the State Long-Term Care Ombudsman, which shall supply a copy to the Division of Health Service Regulation.

(g) The ~~Division of Aging, Department of Health and Human Services,~~ Office of the State Long-Term Care Ombudsman shall develop training ~~materials which shall be distributed to each committee member and nursing home.~~ requirements for certification and designation in accordance with 45 C.F.R. § 1324.13(c)(2). Each committee member must receive certification training as specified by the ~~Division of Aging~~ State Long-Term Care Ombudsman Program Policies and Procedures and be designated as representatives of the State Long-Term Care Ombudsman Program prior to exercising any power under subsection (h) of this section. The ~~Division of Aging, Department of Health and Human Services,~~ State Long-Term Care Ombudsman Program shall provide the committees with information, guidelines, training, and consultation to direct them in the performance of their duties.

(h) (1) Each committee shall apprise itself of the general conditions under which the persons are residing in the homes, and shall work for the best interests of the persons in the homes. This may include assisting persons who have grievances with the home and facilitating the resolution of grievances at the local level.

(2) Each committee shall quarterly visit the nursing home it serves. For each official quarterly visit, a majority of the committee members shall be present. In addition, each committee may visit the nursing home it serves whenever it deems it necessary to carry out its duties. In counties with four or more nursing homes, the subcommittee assigned to a home shall perform the duties of the committee under this subdivision, and a majority of the subcommittee members must be present for any visit.

(3) Each member of a committee shall have the right ~~between 10:00 A.M. and 8:00 P.M.~~ to enter into the facility the committee serves in order to carry out the members' responsibilities. In a county where subcommittees have been established, this right of access shall be limited to homes served by those subcommittees to which the member has been appointed.

(4) The committee or subcommittee may communicate through its chair with the Department or any other agency in relation to the interest of any patient. The identity of any complainant or resident involved in a complaint shall not be disclosed except as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq.

(5) Each home shall cooperate with the committee as it carries out its duties.

(6) Before entering into any nursing home, the committee, subcommittee, or member shall identify itself to the person present at the facility who is in charge of the facility at that time.

(i) Any written communication made by a member of a nursing home advisory committee within the course and scope of the member's duties, as specified in G.S. 131E-128, shall be privileged to the extent provided in this subsection. All communication shall be considered the property of the Office of the State Long-Term Care Ombudsman and subject to the Office's disclosure policies. This privilege shall be a defense in a cause of action for libel if the member was acting in good faith and the statements or communications do not amount to intentional wrongdoing.

To the extent that any nursing home advisory committee or any member thereof is covered by liability insurance, that committee or member shall be deemed to have waived the qualified immunity herein to the extent of indemnification by insurance."

SECTION 1.(c) G.S. 143B-181.18 reads as rewritten:

"**§ 143B-181.18. Office of State Long-Term Care Ombudsman Program/State Ombudsman duties.**

The State Ombudsman shall perform the duties provided below:

(1) Promote community involvement with long-term care providers and residents of long-term care facilities and serve as liaison between residents, residents' families, facility personnel, and facility administration.

(2) Supervise the State Long-Term Care Ombudsman Program pursuant to rules adopted by the Secretary of the Department of Health and Human Services pursuant to G.S. 143B-10.

(3) Certify regional ombudsmen. Certification requirements shall include an internship, training in the aging process, complaint resolution, long-term care issues, mediation techniques, recruitment and training of volunteers, and relevant federal, State, and local laws, policies, and standards.

(3a) Designate certified Regional Ombudsmen as representatives of the Office of the State Long-Term Care Ombudsman ~~Office~~ as well as refuse, suspend, or remove designation as a representative of the Office of the State Long-Term Care Ombudsman in accordance with the ~~Office of the~~ State Long-Term Care Ombudsman Program Policies and Procedures.

(3b) Designate and refuse, suspend, or remove designation of volunteer representatives of the Office of the State Long-Term Care Ombudsman, including any community advisory committee appointees, in accordance with the State Long-Term Care Ombudsman Program Policies and Procedures.

(4) Attempt to resolve complaints made by or on behalf of individuals who are residents of long-term care facilities, which complaints relate to administrative action that may adversely affect the health, safety, or welfare of residents.

(5) Provide training and technical assistance to regional ombudsmen.

(6) Establish procedures for appropriate access by regional ombudsmen to long-term care facilities and residents' files, records, and other information, including procedures to protect the confidentiality of these files, records, and other information and to ensure that the identity of any complainant or resident will not be disclosed except as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq. and regulations promulgated thereunder.

(7) Analyze data relating to complaints and conditions in long-term care facilities to identify significant problems and recommend solutions.

(8) Prepare an annual report containing data and findings regarding the types of problems experienced and complaints reported by residents as well as recommendations for resolutions of identified long-term care issues.

(9) Prepare findings regarding public education and community involvement efforts and innovative programs being provided in long-term care facilities.

(10) Provide information to public agencies, and through the State Ombudsman, to legislators, and others regarding problems encountered by residents or providers as well as recommendations for resolution.

(11) Provide leadership for statewide systems advocacy efforts of the Office on behalf of long-term care residents, including independent determinations and positions that shall not be required to represent the position of the State agency or other agency within which the Ombudsman Program is

organizationally located. Provide coordination of systems advocacy efforts with representatives of the Office as outlined in Ombudsman Policies and Procedures.

(12) To the extent required to meet the requirement of the Older Americans Act and regulations promulgated thereunder regarding allotments for Vulnerable Elder Rights Protection Activities, the State Ombudsman and representatives of the Office are excluded from any State lobbying prohibitions under requirements to conduct systems advocacy on behalf of long-term care residents.

(13) Determine the use of the fiscal resources as required by 42 U.S.C. § 3001 et seq. and regulations promulgated thereunder."

SECTION 2. The Department of Health and Human Services shall examine P.L. 113-51, HIV Organ Policy Equity (HOPE) Act, and the Final Safeguards and Research Criteria publication by the U.S. Department of Health and Human Services and National Institutes of Health to determine public health safeguards, regulations, and statutory changes necessary for consideration by the General Assembly. The Department shall submit a report of findings and recommendations, including any necessary statutory changes, to the Joint Legislative Oversight Committee on Health and Human Services on or before January 1, 2018.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-104 **S.B. 8**

AN ACT TO PROVIDE AN EXEMPTION TO BUILDING CODE PROVISIONS ALLOWING CONSTRUCTION OF A PARKING GARAGE TO EXTEND ACROSS A LOT LINE BETWEEN A CITY-OWNED LOT AND A PRIVATELY OWNED LOT WITHOUT MEETING CERTAIN REQUIREMENTS; TO RESTRICT THE STORMWATER RUNOFF REQUIREMENTS THAT A LOCAL GOVERNMENT CAN APPLY TO PUBLIC AIRPORTS; AND TO REVISE THE COMPOSITION OF THE LINCOLNTON-LINCOLN AIRPORT AUTHORITY, TO NAME THE AIRPORT, AND TO NAME THE AIRFIELD WITHIN THE AIRPORT.

The General Assembly of North Carolina enacts:

PART I. BUILDING CODE EXEMPTION

SECTION 1.(a) Notwithstanding any provision of the North Carolina State Building Code to the contrary, if a lot line or public way exists between a single city-owned lot and a single privately owned lot, a parking garage that extends across the lot line or public way between the two lots may be constructed as if the city-owned lot has been combined with the privately owned lot such that there is no lot line or public way between them.

SECTION 1.(b) This section shall apply only to municipalities with a population of more than 250,000.

SECTION 1.(c) This section expires June 30, 2020.

PART II. STORMWATER RUNOFF/AIRPORTS

SECTION 2. G.S. 143-214.7 reads as rewritten:

"**§ 143-214.7. Stormwater runoff rules and programs.**

…

(c3) In accordance with the Federal Aviation Administration August 28, 2007, Advisory Circular No. 150/5200-33B (Hazardous Wildlife Attractants on or Near Airports), neither the Department ~~shall not~~ nor any local government shall require the use of stormwater retention ponds, stormwater detention ponds, or any other stormwater control measure that promotes standing water in order to comply with this ~~section~~ section, or in order to comply with any local ordinance adopted under G.S. 143-214.5, at public airports that support commercial air carriers or general aviation services. Development projects located within five statute miles from the

farthest edge of an airport air operations area, as that term is defined in 14 C.F.R. § 153.3 (July 2011 Edition), shall not be required to use stormwater retention ponds, stormwater detention ponds, or any other stormwater control measure that promotes standing water in order to comply with this ~~section.~~section or with any local ordinance. Existing stormwater retention ponds, stormwater detention ponds, or any other stormwater control measure that promotes standing water in order to comply with this ~~section~~ section, or with any local ordinance, and that is located at a public ~~airports~~ airport or that ~~are~~ is within five statute miles from the farthest edge of an airport operations area may be replaced with alternative measures included in the Division of Water Resources' Best Management Practice Manual chapter on airports. In order to be approved by the Department, alternative measures or management designs that are not expressly included in the Division of Water Resources' Best Management Practice Manual shall provide for equal or better stormwater control based on the pre- and post-development hydrograph. Any replacement of existing stormwater retention ponds, stormwater detention ponds, or any other stormwater control measure that promotes standing water shall be considered a minor modification to the State general stormwater ~~permit.~~permit, and a variance to allow any replacement shall be considered a minor variance under any local government ordinance adopted under G.S. 143-214.5.

(c4) The Department and local governments shall deem runways, taxiways, and any other areas that provide for overland stormwater flow that promote infiltration and treatment of stormwater into grassed buffers, shoulders, and grass swales permitted pursuant to the State post-construction stormwater ~~requirements.~~requirements and to be in compliance with any local government water supply watershed management protection ordinance adopted under G.S. 143-214.5.

…."

PART III. LINCOLNTON-LINCOLN AIRPORT CHANGES

SECTION 3.(a) Section 2 of Chapter 10 of the Session Laws of the 1996 Second Extra Session reads as rewritten:

"Sec. 2. The Airport Authority shall consist of ~~seven~~ five members, ~~three~~ four of whom shall be appointed to staggered three-year terms by the ~~Lincolnton City Council~~ Lincoln County Board of Commissioners and ~~three~~ one of whom shall be appointed to a staggered three-year ~~terms~~ term by the ~~Lincoln County Board of Commissioners and one of whom shall be appointed by the other six members of the Airport Authority.~~Lincolnton City Council. The ~~members~~ member appointed by the Lincolnton City Council shall be a qualified ~~voters~~ voter of the City of ~~Lincolnton, and the members~~ Lincolnton. At least one member appointed by the Lincoln County Board of Commissioners ~~and the Airport Authority~~ shall be a qualified voter of the City of Lincolnton. All four members appointed by the Lincoln County Board of Commissioners shall be qualified voters of the County of Lincoln. Each member shall take and subscribe before the Clerk of Superior Court of Lincoln County an oath of office and file the same with the Lincoln County Board of Commissioners and the Lincolnton City Council. No member of the Authority Board shall serve more than two consecutive term limits. The Chairman of the Board shall be annually designated by Lincoln County."

SECTION 3.(b) The airport operated by the Lincolnton-Lincoln County Airport Authority shall be hereafter known as the "Lincolnton-Lincoln County Airport."

SECTION 3.(c) The airfield of the Lincolnton-Lincoln County Airport shall be hereafter known as the "David E. Lowe Airfield."

PART IV. EFFECTIVE DATE

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

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-105 **S.B. 69**

AN ACT PROVIDING THAT THE LOCAL GOVERNMENT COMMISSION SHALL NOTIFY A FINANCE OFFICER OR OTHER EMPLOYEE WHO PERFORMS THE DUTIES OF A FINANCE OFFICER WHEN HE OR SHE IS REQUIRED TO PARTICIPATE IN TRAINING RELATED TO THE POWERS, DUTIES, AND RESPONSIBILITIES OF THE FINANCE OFFICER AND REQUIRING THE EMPLOYING LOCAL GOVERNMENT OR PUBLIC AUTHORITY TO NOTIFY THE COMMISSION WHEN THE FINANCE OFFICER OR OTHER EMPLOYEE HAS COMPLETED THE REQUIRED TRAINING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-25 reads as rewritten:

"**§ 159-25. Duties of finance officer; dual signatures on checks; internal control procedures subject to Commission regulation.**

...

(d) The Local Government Commission has the authority to require any finance officer or any other employee who performs the duties of a finance officer to participate in training related to the powers, duties, and responsibilities of the finance officer, if the Commission is exercising its authority under Article 10 of this Chapter with respect to the employing local government or public authority or the employing local government or public authority has received a unit letter from the Commission due to a deficiency in complying with this Chapter. The Commission may collaborate with the School of Government at the University of North Carolina, the North Carolina Community College System, and other educational institutions in the State to develop and deliver the training required by this subsection. When the Commission requires a finance officer or other employee to participate in training as authorized in this subsection, the Commission shall notify the finance officer or other employee and the employing local government or public authority of the required training. Upon completion of the required training by the finance officer or other employee, the employing local government or public authority shall submit, in writing, to the Commission proof that the training requirements have been satisfied."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-106 **S.B. 74**

AN ACT IMPLEMENTING THE RECOMMENDATIONS AND GUIDELINES OF THE NATIONAL ASSOCIATION OF STATE PUBLIC HEALTH VETERINARIANS REGARDING THE MANAGEMENT OF DOGS, CATS, AND FERRETS EXPOSED TO RABIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-197 reads as rewritten:

"**§ 130A-197. ~~Infected animals to be destroyed; protection of vaccinated animals.~~Management of dogs, cats, and ferrets exposed to rabies.**

When the local health director reasonably suspects that an animal required to be vaccinated under this Part has been exposed to the saliva or nervous tissue of a proven rabid animal or animal reasonably suspected of having rabies that is not available for laboratory diagnosis, the animal shall be considered to have been exposed to rabies. ~~An animal exposed to rabies shall be destroyed immediately by its owner, the county Animal Control Officer or a peace officer unless the animal has been vaccinated against rabies in accordance with this Part and the rules of the Commission more than 28 days prior to being exposed, and is given a booster dose of rabies vaccine within five days of the exposure. As an alternative to destruction, the animal may be quarantined at a facility approved by the local health director for a period up to six~~

~~months, and under reasonable conditions imposed by the local health director.~~The recommendations and guidelines for rabies post-exposure management specified by the National Association of State Public Health Veterinarians in the most current edition of the Compendium of Animal Rabies Prevention and Control shall be the required control measures."

SECTION 2. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-107 **S.B. 119**

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PRODUCE A PISGAH CONSERVANCY SPECIAL REGISTRATION PLATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

...

(54) Pisgah Conservancy."

SECTION 2. G.S. 20-79.4(b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

() Pisgah Conservancy. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear (i) the phrase "The Pisgah Conservancy", (ii) a representation of Looking Glass Rock and rhododendron flowers, and (iii) a background of a blue sky.

...."

SECTION 3. G.S. 20-79.7 reads as rewritten:

"**§ 20-79.7. Fees for special registration plates and distribution of the fees.**

...

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
...	
Personalized	$30.00
Pisgah Conservancy	$30.00
Red Drum	Expired July 1, 2016
...	

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

Special Plate	SRPA	CCAPA	CWMTF	PRTF
...				
Piedmont Airlines	$10	$10	0	0

Pisgah Conservancy	$10	$20	0	0
Prince Hall Mason	$10	$10	0	0

…."

SECTION 4. G.S. 20-81.12 reads as rewritten:

"**§ 20-81.12. Collegiate insignia plates and certain other special plates.**

...

(b155) Pisgah Conservancy. – The applicable requirements of G.S. 20-79.3A shall be met before the Pisgah Conservancy plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Pisgah Conservancy plates to The Pisgah Conservancy to be used to provide support for the mission and goals of the Conservancy.

...."

SECTION 5. The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 6. This act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-108 **S.B. 615**

AN ACT TO AMEND CERTAIN LAWS GOVERNING AGRICULTURAL MATTERS.

The General Assembly of North Carolina enacts:

AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES

SECTION 1.(a) The Agriculture and Forestry Awareness Study Commission shall study all of the following matters:

(1) Any updates it deems advisable to Article 44 of Chapter 106 of the General Statutes governing unfair practices by handlers of fruits and vegetables, including applicable definitions and requirements under the Article.

(2) The advisability of providing property tax abatement to aging farm machinery. In conducting this study, the Commission shall consider all of the following: (i) whether farm machinery 10 years or older, or other time period the Commission deems appropriate, should be designated as a special class under Section 2(2) of Article V of the North Carolina Constitution and be excluded from property tax; (ii) if such farm machinery should be excluded from property tax, whether an eighty percent (80%) property tax exclusion is an appropriate exclusion amount, or another amount the Commission deems appropriate; and (iii) the fiscal impact on local governments if such machinery were to be excluded from property tax. The Commission may request any information necessary to complete the study from any county tax office in this State and from the Department of Revenue.

(3) The type of activities that constitute agritourism when conducted on a bona fide farm and other relevant matters relating to agritourism activities.

SECTION 1.(b) The Agriculture and Forestry Awareness Study Commission shall complete the studies required by subsection (a) of this section and report its findings and recommendations, including any legislative proposals, to the General Assembly by March 1, 2018.

EXPAND FACILITIES EXEMPT FROM EMC RULE

SECTION 2.(a) Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (c) of this section, the Commission shall implement 15A NCAC 02D .1806, as provided in subsection (b) of this section.

SECTION 2.(b) Implementation. – Notwithstanding subsection (c) of 15A NCAC 02D .1806, any facility that stores products that are (i) grown, produced, or generated on one or more agricultural operations and (ii) "renewable energy resources," as defined in G.S. 62-133.8(a)(8), shall be exempt from the requirements of 15A NCAC 02D .1806 until the Environmental Management Commission reviews and readopts the Rule pursuant to subsection (c) of this section and determines the criteria under which the exemption should be made permanent.

SECTION 2.(c) Additional Rule-Making Authority. – The Commission shall adopt rules to amend 15A NCAC 02D .1806 consistent with subsection (b) of this section.

SECTION 2.(d) Effective Date. – Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective. The remainder of this section is effective when it becomes law.

PRESENT-USE VALUE CHANGE

SECTION 3.(a) G.S. 105-277.3 reads as rewritten:

"**§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

(a) Classes Defined. – The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

(1) Agricultural land. – Individually owned agricultural land consisting of one or more tracts, one of which satisfies the requirements of this subdivision. For agricultural land used as a farm for aquatic species, as defined in G.S. 106-758, the tract must meet the income requirement for agricultural land and must consist of at least five acres in actual production or produce at least 20,000 pounds of aquatic species for commercial sale annually, regardless of acreage. For all other agricultural land, the tract must meet the income requirement for agricultural land and must consist of at least 10 acres that are in actual production. Land in actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals.

To meet the income requirement, agricultural land must, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have produced an average gross income of at least one thousand dollars ($1,000). Gross income includes income from the sale of the agricultural products produced from the land, grazing fees for livestock, the sale of bees or products derived from beehives other than honey, any payments received under a governmental soil conservation or land retirement program, and the amount paid to the taxpayer during the taxable year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform Act of 2004.

…."

SECTION 3.(b) This section is effective when it becomes law.

ABANDONED LIVESTOCK AMENDMENTS

SECTION 4. G.S. 68-17 reads as rewritten:

"**§ 68-17. Impounding livestock at large; right to recover costs and ~~damages.~~damages; abandoned livestock.**

(a) Any person may take up any livestock running at large or straying and impound the same; and such impounder may recover from the owner the reasonable costs of impounding and maintaining the livestock as well as damages to the impounder caused by such livestock, and may retain the livestock, with the right to use with proper care until such recovery is had. Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in order to locate the owner.

(b) Livestock is deemed to be abandoned when (i) it is placed in the custody of any other person for treatment, boarding, or care; (ii) the owner of the livestock does not retake custody of the animal within two months after the last day the owner paid a fee to the custodian for the treatment, boarding, or care of the livestock; and (iii) the custodian has made reasonable attempts to collect any past-due fees during the two-month period. If, after the end of the two-month period, the custodian of the abandoned livestock has been unsuccessful in collecting the past-due fees and the owner of the livestock has not retaken custody of the livestock, the custodian may sell or transfer the livestock by executing an affidavit that identifies the buyer or transferee of the livestock and certifies compliance with the criteria and requirements of this subsection. If the custodian is unable to sell or transfer the livestock, the custodian may, but shall not be required to, otherwise humanely dispose of the abandoned livestock. A custodian shall provide written notice of the provisions of this subsection in conspicuous type to the owner of livestock at the time the livestock is delivered for treatment, boarding, or care as follows: "Pursuant to N.C. General Statutes § 68-17(b), the owner of this facility is entitled to sell, transfer, or otherwise humanely dispose of any livestock abandoned at this facility.""

CLARIFY THE AUTHORITY OF THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO ADOPT AND ADMINISTER FOREST PRACTICE GUIDELINES FOR PURPOSES OF THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 6.(a) G.S. 113A-52.01 reads as rewritten:

"**§ 113A-52.01. Applicability of this Article.**

This Article shall not apply to the following land-disturbing activities:

…

(2) Activities undertaken on forestland for the production and harvesting of timber and timber products and conducted in accordance with ~~best management practices set out in~~ standards defined by the Forest Practice Guidelines Related to Water Quality, as adopted by the ~~Department.~~ Department of Agriculture and Consumer Services.

…."

SECTION 6.(b) G.S. 113A-52.1 reads as rewritten:

"**§ 113A-52.1. Forest Practice Guidelines.**

(a) The Department of Agriculture and Consumer Services shall adopt Forest Practice Guidelines Related to Water Quality (best management practices). The adoption of Forest Practices Guidelines Related to Water Quality under this section is subject to the provisions of Chapter 150B of the General Statutes.

(b) If land-disturbing activity undertaken on forestland for the production and harvesting of timber and timber products is not conducted in accordance with Forest Practice Guidelines Related to Water Quality, the provisions of this Article shall apply to such activity and any related land-disturbing activity on the tract.

(c) The ~~Secretary~~ Commissioner shall establish and appoint a Forestry Technical Advisory Committee to assist in the development and periodic review of Forest Practice Guidelines Related to Water Quality. The Forestry Technical Advisory Committee shall consist of one member from the forest products industry, one member who is a consulting forester, one member who is a private landowner knowledgeable in forestry, one member from the United States Forest Service, one member from the academic community who is knowledgeable in forestry, one member employed by the Department of Environmental Quality who is knowledgeable in erosion and sedimentation control, one member who is knowledgeable in wildlife management, one member who is knowledgeable in marine fisheries management, one member who is knowledgeable in water quality, and one member from the conservation community."

SECTION 6.(c) G.S. 113A-61.1 reads as rewritten:

"**§ 113A-61.1. Inspection of land-disturbing activity; notice of violation.**

(a) The Commission, a local government that administers an erosion and sedimentation control program approved under G.S. 113A-60, or other approving authority shall provide for inspection of land-disturbing activities to ensure compliance with this Article and to determine whether the measures required in an erosion and sedimentation control plan are effective in controlling erosion and sedimentation resulting from the land-disturbing activity. Notice of this right of inspection shall be included in the certificate of approval of each erosion and sedimentation control plan. The Department of Agriculture and Consumer Services may inspect land-disturbing activities undertaken on forestland for the production and harvesting of timber and timber products to determine compliance with the Forest Practice Guidelines Related to Water Quality adopted pursuant to G.S. 113A-52.1.

(b) No person shall willfully resist, delay, or obstruct an authorized representative of the Commission, an authorized representative of a local government, or an employee or an agent of the Department while the representative, employee, or agent is inspecting or attempting to inspect a land-disturbing activity under this section.

(b1) No person shall willfully resist, delay, or obstruct an authorized representative, employee, or agent of the Department of Agriculture and Consumer Services while the representative, employee, or agent is inspecting or attempting to inspect a land-disturbing activity undertaken on forestland for the production and harvesting of timber and timber products under this section.

(c) If the Secretary, a local government that administers an erosion and sedimentation control program approved under G.S. 113A-60, or other approving authority determines that the person engaged in the land-disturbing activity has failed to comply with this Article, the Secretary, local government, or other approving authority shall immediately serve a notice of violation upon that person. The notice may be served by any means authorized under G.S. 1A-1, Rule 4. A notice of violation shall specify a date by which the person must comply with this Article and inform the person of the actions that need to be taken to comply with this Article. Any person who fails to comply within the time specified is subject to additional civil and criminal penalties for a continuing violation as provided in G.S. 113A-64. If the person engaged in the land-disturbing activity has not received a previous notice of violation under this section, the Department, local government, or other approving authority shall deliver the notice of violation in person and shall offer assistance in developing corrective measures. Assistance may be provided by referral to a technical assistance program in the Department, referral to a cooperative extension program, or by the provision of written materials such as Department guidance documents. If the Department, local government, or other approving authority is unable to deliver the notice of violation in person within 15 days following discovery of the violation, the notice of violation may be served in the manner prescribed for service of process by G.S. 1A-1, Rule 4, and shall include information on how to obtain assistance in developing corrective measures."

SECTION 6.(d) G.S. 106-895 is amended by adding a new subsection to read:

"**§ 106-895. Powers of Department of Agriculture and Consumer Services.**

(a) The Department of Agriculture and Consumer Services may take such action as it may deem necessary to provide for the prevention and control of forest fires in any and all parts of this State, and it is hereby authorized to enter into an agreement with the Secretary of Agriculture of the United States for the protection of the forested watersheds of streams in this State.

(a1) The Department shall adopt Forest Practice Guidelines Related to Water Quality pursuant to G.S. 113A-52.1 of the Sedimentation Pollution Control Act.

(b) In this Article, unless the context requires otherwise:

(1) "Commissioner" means the Commissioner of Agriculture.

(2) "Department" means the Department of Agriculture and Consumer Services."

ASSENT TO MUTUAL AID PROVISIONS OF THE GREAT PLAINS WILDLAND PROTECTION COMPACT

SECTION 7. G.S. 106-932 reads as rewritten:

"**§ 106-932. Assent of legislature to mutual aid provisions of other compacts.**

The legislature of this State hereby gives its assent to the mutual aid provisions of Articles IV and V of the South Central Interstate Forest Fire Protection ~~Compact~~ Compact, the Middle Atlantic Interstate Fire Protection Compact, and the Great Plains Wildland Fire Protection Compact, in accordance with Article VIII of ~~that Compact~~ those Compacts relating to interregional mutual ~~aid; and the legislature of this State also hereby gives its assent to the mutual aid provisions of Articles IV and V of the Middle Atlantic Interstate Forest Fire Protection Compact in accordance with Article VIII of that Compact relating to interregional mutual~~ aid."

CLARIFY ACTIVITIES INCIDENT TO THE FARM AND AGRITOURISM

SECTION 8.(a) G.S. 153A-340(b), as amended by Section 9 of this act, reads as rewritten:

"**§ 153A-340. Grant of power.**

…

(b) …

(2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, as defined in G.S. 106-581.1. Activities incident to the farm include existing or new residences constructed to the applicable residential building code situated on the farm occupied by the owner, lessee, or operator of the farm and other buildings or structures sheltering or supporting the farm use and operation. For purposes of this subdivision, "when performed on the farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:

a. A farm sales tax exemption certificate issued by the Department of Revenue.

b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.

c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.

d. A forest management plan.

~~e. A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.~~

(2a) A building or structure that is used for agritourism is a bona fide farm purpose if the building or structure is located on a property that (i) is owned by a person who holds a qualifying farmer sales tax exemption certificate from the Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is

enrolled in the present-use value program pursuant to G.S. 105-277.3. Failure to maintain the requirements of this subsection for a period of three years after the date the building or structure was originally classified as a bona fide purpose pursuant to this subdivision shall subject the building or structure to applicable zoning and development regulation ordinances adopted by a county pursuant to subsection (a) of this section in effect on the date the property no longer meets the requirements of this subsection. For purposes of this section, "agritourism" means any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, ranching, historic, cultural, harvest-your-own activities, or natural activities and attractions. A building or structure used for agritourism includes any building or structure used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

…."

SECTION 8.(b) G.S. 143-138 reads as rewritten:

"**§ 143-138. North Carolina State Building Code.**

…

(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are ~~greenhouses,~~greenhouses or therapeutic equine facilities, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) For the purposes of this subdivision, a "farm building" means any nonresidential building or structure that is used for a bona fide farm purpose as provided in G.S. 153A-340. A "farm building" shall include:

a. Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of spectator-seating structures in effect at the time of the construction of the spectator-seating.

b. Any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.

c. Any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. The term "agriculture" has the same meaning as in G.S. 106-581.1. The term "unoccupied" does not exclude the keeping of livestock.

(1a) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more glass or plastic walls, has an area over ninety-five percent (95%) of which is used to grow or cultivate plants, is built in accordance with the National Greenhouse Manufacturers Association Structural Design manual, and is not used for retail sales. Additional provisions addressing distinct life safety hazards shall be approved by the local building-rules jurisdiction.

(2a) A "therapeutic equine facility" is an equine facility as described in sub-subdivision (1)a. of this subsection operated by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code that provides therapeutic equine-related activities for persons who are physically, intellectually, or emotionally challenged.

(3) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.

(4) A "primitive camp" shall include any structure primarily used or associated with outdoor camping activities, including structures used for educational, instructional, or recreational purposes for campers and for management training, that are (i) not greater than 4,000 square feet in size and (ii) are not intended to be occupied for more than 24 hours consecutively. "Structures primarily used or associated with outdoor camping activities" include, but are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins, campfire shelters, picnic shelters, tents, tepees or other indigenous huts, support buildings used only for administrative functions and not for activities involving campers or program participants, and any other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with outdoor camping activities such as hiking, fishing, hunting, or nature appreciation, regardless of material used for construction. The specific types of primitive camping activities, structures, and uses set forth in this subdivision are for illustrative purposes and should not be construed to limit, in any manner, the types of activities, structures, or uses that are exempted from building rules.

(5) A "primitive farm building" shall include any structure used for activities, instruction, training, or reenactment of traditional or heritage farming practices. "Primitive farm buildings" include, but are not limited to, sheds, barns, outhouses, doghouses, or other structures that are utilized to store any equipment, tools, commodities, livestock, or other items supporting farm management. These specific types of farming activities, structures, and uses set forth by this subdivision are for illustrative purposes and should not be construed to limit in any manner the types of activities, structures, or uses that are exempted from building rules.

(6) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.

…."

AMEND DEFINITION OF AGRICULTURE, AGRICULTURAL, AND FARMING

SECTION 8.1. G.S. 106-581.1(6) reads as rewritten:

"**§ 106-581.1. Agriculture defined.**

For purposes of this Article, the terms "agriculture", "agricultural", and "farming" refer to all of the following:

…

(6) When performed on the farm, "agriculture", "agricultural", and "farming" also include the marketing and selling of agricultural products, agritourism, the storage and use of materials for agricultural purposes, packing, treating, processing, sorting, storage, and other activities performed to add value to crops, livestock, and agricultural items produced on ~~the~~ a farm, and similar activities incident to the operation of a farm."

ELIMINATE COUNTY AUTHORITY TO ADOPT ZONING REGULATIONS GOVERNING SWINE FARMS

SECTION 9.(a) G.S. 153A-340(b) reads as rewritten:

"(b) (1) These regulations may not affect property used for bona fide farm ~~purposes only as provided in subdivision (3) of this subsection. This~~ purposes; provided, however, that this subsection does not limit regulation under this Part with respect to the use of farm property for nonfarm purposes.

(2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, as defined in G.S. 106-581.1. For purposes of this subdivision, "when performed on the farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:

a. A farm sales tax exemption certificate issued by the Department of Revenue.

b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.

c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.

d. A forest management plan.

e. A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.

~~(3) The definitions set out in G.S. 106-802 apply to this subdivision. A county may adopt zoning regulations governing swine farms served by animal waste management systems having a design capacity of 600,000 pounds steady state live weight (SSLW) or greater provided that the zoning regulations may not have the effect of excluding swine farms served by an animal waste management system having a design capacity of 600,000 pounds SSLW or greater from the entire zoning jurisdiction.~~"

SECTION 9.(b) G.S. 106-743.4(a) reads as rewritten:

"(a) Property that is subject to a conservation agreement under G.S. 106-743.2 that remains in effect may receive up to twenty-five percent (25%) of its gross sales from the sale of nonfarm products and still qualify as a bona fide farm that is exempt from zoning regulations under G.S. 153A-340(b). For purposes of G.S. 153A-340(b), the production of any nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm that is subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. A farmer seeking to benefit from this subsection shall have the burden of establishing that the property's sale of nonfarm products did not exceed twenty-five percent (25%) of its gross sales. A county may adopt an ordinance pursuant to this section that sets forth the standards necessary for proof of compliance.

~~Nothing in this section shall affect the county's authority to zone swine farms pursuant to G.S. 153A-340(b)(3).~~"

ALLOW FOOD COMPLIANCE INSPECTORS TO DRIVE STATE VEHICLES WITHOUT STATE TAGS AND BUMPER STICKERS

SECTION 10. G.S. 20-39.1 is amended by adding a new subsection to read:

"**§ 20-39.1. Publicly owned vehicles to be marked; private license plates on publicly owned vehicles.**

(a) Except as otherwise provided in this section, the executive head of every department of State government and every county, institution, or agency of the State shall mark every motor vehicle owned by the State, county, institution, or agency with a statement that the vehicle belongs to the State, county, institution, or agency. The requirements of this subsection are complied with if:

(1) The vehicle has imprinted on the license plate, above the license number, the words "State Owned" and the vehicle has affixed to the front the words "State Owned";

(2) In the case of a county, the vehicle has painted or affixed on its side a circle not less than eight inches in diameter showing a replica of the seal of the county; or

(3) In the case of vehicles assigned to members of the Council of State, the vehicle has imprinted on the license plate the license number assigned to the appropriate member of the Council of State pursuant to G.S. 20-79.5(a); a member of the Council of State shall not be assessed any registration fee if the member elects to have a State-owned motor vehicle assigned to the member designated by the official plate number.

(b) A motor vehicle used by any State or county officer or official for transporting, apprehending, or arresting persons charged with violations of the laws of the United States or the laws of this State is not required to be marked as provided in subsection (a) of this section. The Commissioner may lawfully provide private license plates to local, State, or federal departments or agencies for use on publicly owned or leased vehicles used for those purposes. Private license plates issued under this subsection shall be issued on an annual basis and the records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

(c) A motor vehicle used by a county for transporting day or residential facility clients of area mental health, developmental disabilities, and substance abuse authorities established under Article 4 of Chapter 122C of the General Statutes is not required to be marked as provided in subsection (a) of this section. The Commissioner may lawfully provide private license plates to counties for use on publicly owned or leased vehicles used for that purpose. Private license plates issued under this subsection shall be issued on an annual basis and the records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

(c1) A motor vehicle used by the Department of Agriculture and Consumer Services exclusively for Meat and Poultry compliance officers to conduct inspections is not required to

be marked as provided in subsection (a) of this section. The Commissioner may lawfully provide private license plates to the Department of Agriculture and Consumer Services for use on publicly owned or leased vehicles used for this purpose. Private license plates issued under this subsection shall be issued on an annual basis and the records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

…."

MEAT AND POULTRY TECHNICAL CORRECTIONS

SECTION 11.(a) G.S. 106-549.15(1) reads as rewritten:

"**§ 106-549.15. Definitions.**

As used in this Article, except as otherwise specified, the following terms shall have the meanings stated below:

(1) "Adulterated" shall apply to any carcass, part thereof, meat or meat food product under one or more of the following circumstances:

a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;

b. 1. If it bears or contains (by reason of administration of any substance to the live animal or otherwise) any added poisonous or added deleterious substance (other than one which is (i) a pesticide chemical in or on a raw agricultural commodity; (ii) a food additive; or (iii) a color additive) which may, in the judgment of the Commissioner, make such article unfit for human food;

2. If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;

3. If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;

4. If it bears or contains any color additive which is unsafe within the meaning of section ~~706~~ 721 of the Federal Food, Drug, and Cosmetic Act: Provided, that an article which is not adulterated under clause 2, 3, or 4 shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive or color additive in or on such article is prohibited by order of the Commissioner in establishments at which inspection is maintained under this Article;

…."

SECTION 11.(b) G.S. 106-549.51 reads as rewritten:

"**§ 106-549.51. Definitions.**

For purposes of this Article, the following terms shall have the meanings stated below:

(1) "Adulterated" shall apply to any poultry product under one or more of the following circumstances:

a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;

b. 1. If it bears or contains (by reason of administration of any substance to the live poultry or otherwise) any added poisonous or added deleterious substance (other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive) which may, in the judgment of the Commissioner, make such article unfit for human food;

2. If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;

3. If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;

4. If it bears or contains any color additive which is unsafe within the meaning of section ~~706~~721 of the Federal Food, Drug, and Cosmetic Act: Provided, that an article which is not otherwise deemed adulterated under paragraphs 2, 3, or 4 shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive, or color additive in or on such article is prohibited by regulations of the Board in official establishments;

…."

MODERNIZE FOREST RANGER STATUTES

SECTION 12.(a) G.S. 106-896 reads as rewritten:

"**§ 106-896. Forest ~~rangers.~~rangers, deputy rangers, and emergency workers.**

The Commissioner or the Commissioner's designee may ~~appoint one county forest ranger and one or more deputy forest rangers in each county of the State in which, after careful investigation, the amount of forestland and the risks from forest fires shall, in his judgment, warrant the establishment of a forest fire organization.~~authorize as many forest rangers, deputy rangers, or emergency workers as the Commissioner deems necessary and available. For purposes of this Article, the following definitions apply:

(1) "Deputy ranger" means a highly trained emergency worker hired on a temporary basis to respond to a given emergency or condition. A deputy ranger shall be sworn or affirmed to the terms of "General Oath" as provided in G.S. 11-11. A deputy ranger shall have the powers and duties as enumerated in G.S. 106-899.

(2) "Emergency worker" means a person who is not an employee of the North Carolina Forest Service but is an individual serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency. Except for a deputy ranger, an emergency worker is not sworn or affirmed to the terms of "General Oath" provided in G.S. 11-11.

(3) "Forest ranger" means an employee of the North Carolina Forest Service who has been sworn or affirmed to the terms of "General Oath" provided in G.S. 11-11. A forest ranger shall have the powers and duties as enumerated in G.S. 106-898 and G.S. 106-899."

SECTION 12.(b) G.S. 106-899 reads as rewritten:

"**§ 106-899. Powers of forest rangers and deputy rangers to prevent and extinguish fires; authority to issue citations and warning tickets.**

(a) Forest rangers or deputy rangers shall prevent and extinguish forest fires and shall have control and direction of all persons and equipment while engaged in the extinguishing of forest fires. During a season of drought, the Commissioner or his designate may establish a fire

patrol in any district, and in case of fire in or threatening any forest or woodland, the forest ranger or deputy ranger shall attend forthwith and use all necessary means to confine and extinguish such fire. The forest ranger ~~or deputy forest ranger~~ may summon any resident between the ages of 18 and 45 years, inclusive, to assist in extinguishing fires and may require the use of crawler tractors and other property needed for such purposes; any person so summoned and who is physically able who refuses or neglects to assist or to allow the use of equipment and such other property required shall be guilty of a Class 3 misdemeanor and upon conviction shall only be subject to a fine of not less than fifty dollars ($50.00) nor more than one hundred dollars ($100.00). No action for trespass shall lie against any forest ranger, deputy ~~forest~~ ranger, or person summoned by ~~him~~ a forest ranger for crossing lands, backfiring, burning out or performing his duties as a forest ranger or deputy ~~forest~~ ranger.

(b) Forest rangers are authorized to issue and serve citations under the terms of G.S. 15A-302 and warning tickets under the terms of G.S. 106-901 for offenses under the forest laws. This subsection may not be interpreted to confer the power of arrest on forest rangers, and does not make them criminal justice officers within the meaning of G.S. 17C-2."

SECTION 12.(c) G.S. 106-902 reads as rewritten:

"**§ 106-902. Compensation of forest ~~rangers.~~rangers, deputy rangers, and emergency workers.**

Forest ~~rangers~~ rangers, deputy rangers, and emergency workers shall receive compensation from the Department at a reasonable rate to be fixed by said Department for the time actually engaged in the performance of their duties; and reasonable expenses for equipment, transportation, or food supplies incurred in the performance of their duties, according to an itemized statement to be rendered the Commissioner every month, and approved by him. Forest rangers shall render to the Commissioner a statement of the services rendered by the men employed by them or their deputy rangers, as provided in this Article, within one month of the date of service, which bill shall show in detail the amount and character of the service performed, the exact duration thereof, the name of each person employed, and any other information required by the Commissioner. If said bill be duly approved by the Commissioner, it shall be paid by direction of the Department out of any funds provided for that purpose."

SECTION 12.(d) G.S. 106-907 reads as rewritten:

"**§ 106-907. Instructions on forest preservation and development.**

(a) It shall be the duty of all ~~district, county, township rangers, and all deputy~~ forest rangers provided for in this Chapter to distribute in all of the public schools and high schools of the county in which they are serving as such ~~fire~~ forest rangers all such tracts, books, periodicals and other literature that may, from time to time, be sent out to such rangers by the State and federal forestry agencies touching or dealing with forest preservation, development, and forest management.

(b) It shall be the duty of the ~~various~~ forest rangers herein mentioned under the direction of the Commissioner, and the duty of the teachers of the various schools, both public and high schools, to keep posted at some conspicuous place in the various classrooms of the school buildings such appropriate bulletins and posters as may be sent out from the forestry agencies herein named for that purpose and keep the same constantly before their pupils; and said teachers and rangers shall prepare lectures or talks to be made to the pupils of the various schools on the subject of forest fires, their origin and their destructive effect on the plant life and tree life of the forests of the State, the development and scientific management of the forests of the State, and shall be prepared to give practical instruction to their pupils from time to time and as often as they shall find it possible so to do."

SECTION 12.(e) G.S. 106-941 reads as rewritten:

"**§ 106-941. Definitions.**

As used in this Article:

(1) "Department" means the Department of Agriculture and Consumer Services.

(2) "Forest ranger" means ~~the county forest ranger or deputy~~ a forest ranger designated under ~~G.S. 106-896.~~G.S. 106-896(3).

(3) "Person" means any individual, firm, partnership, corporation, association, public or private institution, political subdivision, or government agency.

(4) "Woodland" means woodland as defined in G.S. 106-904."

SECTION 12.(f) G.S. 106-942 reads as rewritten:

"**§ 106-942. High hazard counties; permits required; standards.**

(a) The provisions of this section apply only to the counties of Beaufort, Bladen, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Gates, Hyde, Jones, Onslow, Pamlico, Pasquotank, Perquimans, Tyrrell, and Washington which are classified as high hazard counties in accordance with G.S. 106-940.

(b) It is unlawful for any person to willfully start or cause to be started any fire in any woodland under the protection of the Department or within 500 feet of any such woodland without first having obtained a permit from the Department. Permits for starting fires may be obtained from forest rangers or other agents authorized by the ~~county~~ forest ranger to issue such permits in the county in which the fire is to be started. Such permits shall be issued by the ranger or other agent unless permits for the area in question have been prohibited or cancelled in accordance with G.S. 106-944 or G.S. 106-946.

…."

ALLOW EMERGENCY WORKERS TO RECEIVE WORKERS' COMPENSATION WHEN RESPONDING TO NONFIRE EMERGENCIES

SECTION 13. G.S. 97-2 reads as rewritten:

"**§ 97-2. Definitions.**

When used in this Article, unless the context otherwise requires:

…

(2) Employee. – The term "employee" means every person engaged in an employment under any appointment or contract of hire or apprenticeship, express or implied, oral or written, including aliens, and also minors, whether lawfully or unlawfully employed, but excluding persons whose employment is both casual and not in the course of the trade, business, profession, or occupation of his employer, and as relating to those so employed by the State, the term "employee" shall include all officers and employees of the State, including such as are elected by the people, or by the General Assembly, or appointed by the Governor to serve on a per diem, part-time or fee basis, either with or without the confirmation of the Senate; as relating to municipal corporations and political subdivisions of the State, the term "employee" shall include all officers and employees thereof, including such as are elected by the people. The term "employee" shall include members of the North Carolina National Guard while on State active duty under orders of the Governor and members of the North Carolina State Defense Militia while on State active duty under orders of the Governor. The term "employee" shall include deputy sheriffs and all persons acting in the capacity of deputy sheriffs, whether appointed by the sheriff or by the governing body of the county and whether serving on a fee basis or on a salary basis, or whether deputy sheriffs serving upon a full-time basis or a part-time basis, and including deputy sheriffs appointed to serve in an emergency, but as to those so appointed, only during the continuation of the emergency. The sheriff shall furnish to the board of county commissioners a complete list of all deputy sheriffs named or appointed by him immediately after their appointment and notify the board of commissioners of any changes made therein promptly after such changes are made. Any reference to an employee who has been injured shall, when the employee is dead, include also the employee's legal representative, dependents, and other persons to whom compensation may be payable: Provided, further, that any

employee, as herein defined, of a municipality, county, or of the State of North Carolina, while engaged in the discharge of the employee's official duty outside the jurisdictional or territorial limits of the municipality, county, or the State of North Carolina and while acting pursuant to authorization or instruction from any superior officer, shall have the same rights under this Article as if such duty or activity were performed within the territorial boundary limits of their employer.

Except as otherwise provided herein, every executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation shall be considered as an employee of such corporation under this Article.

Any such executive officer of a corporation may, notwithstanding any other provision of this Article, be exempt from the coverage of the corporation's insurance contract by such corporation's specifically excluding such executive officer in such contract of insurance, and the exclusion to remove such executive officer from the coverage shall continue for the period such contract of insurance is in effect, and during such period such executive officers thus exempted from the coverage of the insurance contract shall not be employees of such corporation under this Article.

All county agricultural extension service employees who do not receive official federal appointments as employees of the United States Department of Agriculture and who are field faculty members with professional rank as designated in the memorandum of understanding between the North Carolina Agricultural Extension Service, North Carolina State University, A & T State University, and the boards of county commissioners shall be deemed to be employees of the State of North Carolina. All other county agricultural extension service employees paid from State or county funds shall be deemed to be employees of the county board of commissioners in the county in which the employee is employed for purposes of workers' compensation.

The term "employee" shall also include members of the Civil Air Patrol currently certified pursuant to G.S. 143B-1031(a) when performing duties in the course and scope of a State-approved mission pursuant to Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes.

"Employee" shall not include any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities or any combination thereof.

"Employee" shall not include any person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation subject to Chapter 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, who performs only voluntary service for the nonprofit corporation, provided that the person receives no remuneration for the voluntary service other than reasonable reimbursement for expenses incurred in connection with the voluntary service. When a nonprofit corporation as described herein employs one or more persons who do receive remuneration other than reasonable reimbursement for expenses, then any volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph shall be counted as employees for the sole purpose of determining the number of persons regularly employed in the same business or establishment pursuant to G.S. 97-2(1). Other than

for the limited purpose of determining the number of persons regularly employed in the same business or establishment, such volunteer nonprofit officers, directors, or committee members shall not be "employees" under the Act. Nothing herein shall prohibit a nonprofit corporation as described herein from voluntarily electing to provide for workers' compensation benefits in the manner provided in G.S. 97-93 for volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph. This paragraph shall not apply to any volunteer firefighter, volunteer member of an organized rescue squad, an authorized ~~pickup firefighter~~ emergency worker when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, a duly appointed and sworn member of an auxiliary police department organized pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes, even if such person is elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation as described herein.

Any sole proprietor or partner of a business or any member of a limited liability company may elect to be included as an employee under the workers' compensation coverage of such business if he or she is actively engaged in the operation of the business and if the insurer is notified of his election to be so included. Any such sole proprietor or partner or member of a limited liability company shall, upon such election, be entitled to employee benefits and be subject to employee responsibilities prescribed in this Article.

"Employee" shall include an authorized ~~pickup firefighter~~ emergency worker of the North Carolina Forest Service of the Department of Agriculture and Consumer Services when that individual is engaged in emergency ~~fire suppression~~ activities for the North Carolina Forest Service. As used in this section, "authorized ~~pickup firefighter~~"emergency worker" means an individual who has completed required ~~fire suppression~~ emergency response training as ~~a wildland firefighter~~ required by the North Carolina Forest Service and who is available as needed by the North Carolina Forest Service for emergency ~~fire suppression~~ activities, including immediate dispatch to ~~wildfires~~ wildfires, snow events, hurricanes, earthquakes, floods, or other emergencies, and standby for initial attack on fires during periods of high fire danger.

It shall be a rebuttable presumption that the term "employee" shall not include any person performing services in the sale of newspapers or magazines to ultimate consumers under an arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price and the person's compensation is based on the retention of the excess of the fixed price over the amount at which the newspapers or magazines are charged to the person.

…."

CREATE EXCEPTION FROM CONSERVATION BENEFIT ANALYSIS FOR CERTAIN EASEMENTS

SECTION 14. G.S. 121-39.1 reads as rewritten:

"**§ 121-39.1. Termination or modification of agreements.**

…

(g) This section shall not apply to a condemnation action initiated by a condemnor governed by Article 6 of Chapter 40A of the General ~~Statutes.~~Statutes or to a voluntary termination or modification affecting no more than the lesser of two percent (2%) or one acre of the total easement area of the conservation agreement when requested by a public utility, the Department of Transportation, or a government entity having eminent domain authority under Article 3 of Chapter 40A of the General Statutes."

EXEMPT FARM TRUCKS THAT STAY IN STATE FROM HAVING A USDOT IDENTIFICATION NUMBER

SECTION 15. G.S. 20-101 reads as rewritten:

"**§ 20-101. Certain business vehicles to be marked.**

(a) A motor vehicle that is subject to 49 C.F.R. Part 390, the federal motor carrier safety regulations, shall be marked as required by that Part.

(b) A motor vehicle with a gross vehicle weight rating of more than 26,000 pounds that is used in intrastate commerce shall have (i) the name of the owner and (ii) the motor carrier's identification number preceded by the letters "USDOT" and followed by the letters "NC" printed on each side of the vehicle in letters not less than three inches in height. The provisions of this subsection shall not apply if any of the following are true:

(1) The motor vehicle is subject to 49 C.F.R. Part 390.

(2) The motor vehicle is of a type listed in 49 C.F.R. 390.3(f).

(3) The motor vehicle is licensed at the farmer rate under G.S. 20-88.

(c) A motor vehicle that is subject to regulation by the North Carolina Utilities Commission shall be marked as required by that Commission and as otherwise required by this section.

(d) A motor vehicle equipped to tow or transport another motor vehicle, hired for the purpose of towing or transporting another motor vehicle, shall have the name and address of the registered owner of the vehicle, and the name of the business or person being hired if different, printed on each side of the vehicle in letters not less than three inches in height. This subsection shall not apply to motor vehicles subject to 49 C.F.R. Part 390."

EXEMPT CLOSURE OF HOG LAGOONS FROM REQUIRING THE USE OF A PROFESSIONAL ENGINEER

SECTION 16. G.S. 89C-25 reads as rewritten:

"**§ 89C-25. Limitations on application of Chapter.**

This Chapter shall not prevent the following activities:

(1) The practice of architecture as defined in Chapter 83A of the General Statutes, landscape architecture as defined in Chapter 89A of the General Statutes, or contracting as defined in Articles 1, 2, 4, and 5 of Chapter 87 of the General Statutes.

(2) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(3) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(4) Engaging in engineering or land surveying as an employee or assistant under the responsible charge of a professional engineer or professional land surveyor.

(5) The practice of professional engineering or land surveying by any person not a resident of, and having no established place of business in this State, as a consulting associate of a professional engineer or professional land surveyor licensed under the provisions of this Chapter; provided, the nonresident is qualified for performing the professional service in the person's own state or country.

(6) Practice by members of the Armed Forces of the United States; employees of the government of the United States while engaged in the practice of engineering or land surveying solely for the government on government-owned works and projects; or practice by those employees of

the Natural Resources Conservation Service, county employees, or employees of the Soil and Water Conservation Districts who have federal engineering job approval authority that involves the planning, designing, or implementation of best management practices on agricultural lands.

(7) Repealed by Session Laws 2014-120, s. 11(a), effective September 18, 2014.

(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.

(8) The (i) preparation of fire sprinkler planning and design drawings by a fire sprinkler contractor licensed under Article 2 of Chapter 87 of the General Statutes, or (ii) the performance of internal engineering or survey work by a manufacturing or communications common carrier company, or by a research and development company, or by employees of those corporations provided that the work is in connection with, or incidental to products of, or nonengineering services rendered by those corporations or their affiliates.

(9) The routine maintenance or servicing of machinery, equipment, facilities or structures, the work of mechanics in the performance of their established functions, or the inspection or supervision of construction by a foreman, superintendent, or agent of the architect or professional engineer, or services of an operational nature performed by an employee of a laboratory, a manufacturing plant, a public service corporation, or governmental operation.

(10) The design of land application irrigation systems for an animal waste management plan, required by G.S. 143-215.10C, by a designer who exhibits, by at least three years of relevant experience, proficiency in soil science and basic hydraulics, and who is thereby listed as an Irrigation Design Technical Specialist by the North Carolina Soil and Water Conservation Commission.

(11) The decommissioning of waste impoundments for animal waste management systems, as defined by G.S. 143-215.10B(3), by a person who

is designated as a Technical Specialist in the Waste Utilization Plan/Nutrient Management Category by the North Carolina Soil and Water Conservation Commission. This subsection shall not apply to the design or installation of a spillway."

EXEMPT FARM VEHICLES ENGAGED IN INTRASTATE COMMERCE FROM CERTAIN FEDERAL MOTOR CARRIER SAFETY REGULATIONS

SECTION 17. G.S. 20-381 is amended by adding a new subsection to read:

"**§ 20-381. Specific powers and duties of Department of Public Safety applicable to motor carriers; agricultural exemption.**

(a) The Department of Public Safety has the following powers and duties concerning motor carriers:

(1) To prescribe qualifications and maximum hours of service of drivers and their helpers.

(1a) To set safety standards for vehicles of motor carriers engaged in foreign, interstate, or intrastate commerce over the highways of this State and for the safe operation of these vehicles. The Department of Public Safety may stop, enter upon, and perform inspections of motor carriers' vehicles in operation to determine compliance with these standards and may conduct any investigations and tests it finds necessary to promote the safety of equipment and the safe operation on the highway of these vehicles.

(1b) To enforce this Article, rules adopted under this Article, and the federal safety and hazardous materials regulations.

(2) To enter the premises of a motor carrier to inspect a motor vehicle or any equipment used by the motor carrier in transporting passengers or property.

(2a) To prohibit the use by a motor carrier of any motor vehicle or motor vehicle equipment the Department of Public Safety finds, by reason of its mechanical condition or loading, would be likely to cause a crash or breakdown in the transportation of passengers or property on a highway. If an agent of the Department of Public Safety finds a motor vehicle of a motor carrier in actual use upon the highways in the transportation of passengers or property that, by reason of its mechanical condition or loading, would be likely to cause a crash or breakdown, the agent shall declare the vehicle "Out of Service." The agent shall require the operator thereof to discontinue its use and to substitute therefor a safe vehicle, parts or equipment at the earliest possible time and place, having regard for both the convenience and the safety of the passengers or property. When an inspector or agent stops a motor vehicle on the highway, under authority of this section, and the motor vehicle is declared "Out of Service," no motor carrier operator shall require, or permit, any person to operate, nor shall any person operate, any motor vehicle equipment declared "Out of Service" until all repairs required by the "Out of Service" notice have been satisfactorily completed. Such agents or inspectors shall also have the right to stop any motor vehicle which is being used upon the public highways for the transportation of passengers or property by a motor carrier subject to the provisions of this Article and to eject therefrom any driver or operator who shall be operating or be in charge of such motor vehicle while under the influence of alcoholic beverages or impairing substances. It shall be the duty of all inspectors and agents of the Department of Public Safety to make a written report, upon a form prescribed by the Department of Public Safety, of inspections of all motor equipment and a copy of each such written report, disclosing defects in such equipment, shall be served promptly upon the motor carrier operating the same, either in person by the inspector or agent or by mail. Such agents and

inspectors shall also make and serve a similar written report in cases where a motor vehicle is operated in violation of this Chapter or, if the motor vehicle is subject to regulation by the North Carolina Utilities Commission, of Chapter 62 of the General Statutes.

(3) To relieve the highways of all undue burdens and safeguard traffic thereon by adopting and enforcing rules and orders designed and calculated to minimize the dangers attending transportation on the highways of all hazardous materials and other commodities.

(4) To determine the safety fitness of intrastate motor carriers, to assign safety ratings to intrastate motor carriers as defined in 49 C.F.R. § 385.3, to direct intrastate motor carriers to take remedial action when required, to prohibit the operation of intrastate motor carriers rated unsatisfactory, to determine whether the continued operations of intrastate motor carriers pose an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1), and to prohibit the operation of an intrastate motor carrier found to be an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1).

(5) To prohibit the intrastate operation of a motor carrier subject to an order issued by the Federal Motor Carrier Safety Administration to cease all operations based on a finding that the continued operations of the motor carrier pose an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1).

(b) The definitions set out in 49 Code of Federal Regulations § 171.8 apply to this subsection. The transportation of an agricultural product, other than a Class 2 material, over local roads between fields of the same farm by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Parts 171 through 180 of 49 CFR as provided in 49 CFR § 173.5(a). The transportation of an agricultural product to or from a farm within 150 miles of the farm by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Subparts G and H of Part 172 of 49 CFR as provided in 49 CFR § 173.5(b).

(c) For purposes of 49 C.F.R. § 395.1(k) and any other federal law or regulation relating to hours-of-service rules for drivers engaged in the transportation of agricultural commodities and farm supplies for agricultural purposes, the terms "planting and harvesting season" and "planting and harvesting period" refer to the period from January 1 through December 31 of each year.

(d) The definitions set out in 49 C.F.R. § 390.5 apply to this subsection. A covered farm vehicle engaged in intrastate commerce is exempt from the requirements of 49 C.F.R. § 390.21."

SECTION 17.1.(a) Rule. – Until the effective date of the revised permanent rule that the State Highway Patrol is required to adopt pursuant to subsection (c) of this section, the State Highway Patrol shall implement 14B NCAC 07C .0101 (Safety of Operation and Equipment), as provided in subsection (b) of this section.

SECTION 17.1.(b) Implementation. – Notwithstanding 14B NCAC 07C .0101, the State Highway Patrol shall exempt covered farm vehicles engaged in intrastate commerce from the requirements of 49 C.F.R. § 390.21.

SECTION 17.1.(c) Additional Rule-Making Authority. – The State Highway Patrol shall adopt rules to amend 14B NCAC 07C .0101, consistent with subsection (b) of this section.

SECTION 17.1.(d) Effective Date. – Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective. The remainder of this section is effective when it becomes law.

AUTHORIZE WINE SALES AT FARMERS MARKETS

SECTION 19. G.S. 18B-1114.1 reads as rewritten:

"**§ 18B-1114.1. Authorization of winery special event permit.**

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a viticulture/enology course authorization, or a wine producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, farmers markets, balloon races, local fund-raisers, and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine."

ALLOW A ONE-YEAR EXTENSION OF A CONDITIONAL EXEMPTION FROM SALES AND USE TAX FOR FARMERS UNDER CERTAIN CIRCUMSTANCES

SECTION 20.(a) G.S. 105-164.13E reads as rewritten:

"**§ 105-164.13E. Exemption for farmers.**

(a) Exemption. – A qualifying farmer is a person who has an annual income from farming operations for the preceding taxable year of ten thousand dollars ($10,000) or more or who has an average annual income from farming operations for the three preceding taxable years of ten thousand dollars ($10,000) or more. For purposes of this section, the term "income from farming operations" means sales plus any other amounts treated as gross income under the Code from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income threshold for three consecutive taxable years or ceases to engage in farming operations, whichever comes first.

The following tangible personal property, digital property, and services are exempt from sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming operations. For purposes of this section, an item is used by a farmer for farming operations if it is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals:

(1) Fuel, piped natural gas, and electricity that are measured by a separate meter or another separate device and used for a purpose other than preparing food, heating dwellings, and other household purposes.

(2) Commercial fertilizer, lime, land plaster, plastic mulch, plant bed covers, potting soil, baler twine, and seeds.

(3) Farm machinery, attachment and repair parts for farm machinery, and lubricants applied to farm machinery. The term "machinery" includes implements that have moving parts or are operated or drawn by an animal. The term does not include implements operated wholly by hand or motor vehicles required to be registered under Chapter 20 of the General Statutes.

(4) A container used in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals or used in packaging and transporting the farmer's product for sale.

(5) A grain, feed, or soybean storage facility and parts and accessories attached to the facility.

(6) Any of the following substances when purchased for use on animals or plants, as appropriate, held or produced for commercial purposes. This exemption does not apply to any equipment or devices used to administer, release, apply, or otherwise dispense these substances:

a. Remedies, vaccines, medications, litter materials, and feeds for animals.

b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.

c. Defoliants for use on cotton or other crops.

d. Plant growth inhibitors, regulators, or stimulators, including systemic and contact or other sucker control agents for tobacco and other crops.
e. Semen.

(7) Baby chicks and poults sold for commercial poultry or egg production.
(8) Any of the following items concerning the housing, raising, or feeding of animals:
a. A commercially manufactured facility to be used for commercial purposes for housing, raising, or feeding animals or for housing equipment necessary for these commercial activities. The exemption also applies to commercially manufactured equipment, and parts and accessories for the equipment, used in the facility.
b. Building materials, supplies, fixtures, and equipment that become a part of and are used in the construction, repair, or improvement of an enclosure or a structure specifically designed, constructed, and used for housing, raising, or feeding animals or for housing equipment necessary for one of these commercial activities. The exemption also applies to commercially manufactured equipment, and parts and accessories for the equipment, used in the enclosure or a structure.
(9) A bulk tobacco barn or rack, parts and accessories attached to the tobacco barn or rack, and any similar apparatus, part, or accessory used to cure or dry tobacco or another crop.
(10) Repair, maintenance, and installation services.

(b) Conditional Exemption. – A person who does not meet the definition of a qualifying farmer in subsection (a) of this section may apply to the Department for a conditional exemption certificate under G.S. 105-164.28A. A person with a conditional exemption certificate is allowed to purchase items exempt from sales and use tax to the same extent as a qualifying farmer under subsection (a) of this section. To receive a conditional exemption certificate under this subsection, the person must certify that the person intends to engage in farming operations, as that term is described in subsection (a) of this section, and that the person will timely file State and federal income tax returns that reflect income and expenses incurred from farming operations during the taxable years that the conditional exemption certificate applies.

A conditional exemption certificate issued under this subsection is valid for the taxable year in which the certificate is issued and the following two taxable years, provided the person to whom the certificate is issued is engaged in farming and provides copies of applicable State and federal income tax returns to the Department within 90 days following the due date of an income tax return for each taxable year covered by the conditional exemption certificate, including an extension of the due date granted by the Secretary under G.S. 105-263. A conditional exemption certificate issued under this subsection may not be extended or renewed beyond the original three-year ~~period.~~period; provided that a person may request a one-year extension of their conditional exemption certificate if the person satisfies all of the following conditions:

(1) The person holds a conditional exemption certificate that is scheduled to expire within 30 days of an extension request.
(2) The person suffers a weather-related disaster that prevents the person from becoming eligible for a qualifying exemption certificate.
(3) The person provides the Department all of the following:
a. Documents showing that, but for the disaster, the person would have earned ten thousand ($10,000) or more in gross sales for the year in which the disaster occurred.
b. Documentation of revenues and expenses relating to the damaged crop.

c. An affidavit from a county extension director or FSA county committee that the disaster occurred in the area of the county in which the person farms.

The Department may not issue a conditional exemption certificate to a person who has had a conditional exemption certificate issued under this subsection during the prior 15 taxable years.

A person who purchases items with a conditional exemption certificate must maintain documentation of the items purchased and copies of State and federal income tax returns that reflect activities from farming operations for the period of time covered by the conditional exemption certificate for three years following the expiration of the conditional exemption certificate. The Secretary may require a person who has a conditional exemption certificate to provide any other information requested by the Secretary to verify the person met the conditions of this subsection. A person who fails to provide the information requested by the Secretary in a timely manner or who fails to meet the requirements of this subsection becomes liable for any taxes for which an exemption under this subsection was claimed. The taxes become due and payable at the expiration of the conditional exemption certificate, and interest accrues from the date of the original purchase. Additionally, where the person does not timely provide the information requested by the Secretary, the misuse of exemption certificate penalty in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the person made a purchase.

(c) Contract with a Farmer. – A qualifying item listed in subdivisions (5), (8), and (9) of subsection (a) of this section purchased to fulfill a contract with a person who holds a qualifying farmer exemption certificate or a conditional farmer exemption certificate issued under G.S. 105-164.28A is exempt from sales and use tax to the same extent as if purchased directly by the person who holds the exemption certificate. A contractor that purchases one of the items allowed an exemption under this section must provide an exemption certificate to the retailer that includes the name of the qualifying farmer or conditional farmer exemption certificate holder and the qualifying farmer or conditional farmer exemption certificate number issued to that holder.

(d) Definition. – For purposes of this section, the term "taxable year" has the same meaning as defined in G.S. 105-153.3."

SECTION 20.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2017.

AMEND G.S. 95-79

SECTION 20.5.(a) G.S. 95-79(b) reads as rewritten:

"(b) Any provision that directly or indirectly conditions the purchase of agricultural ~~products or~~ products, the terms of an agreement for the purchase of agricultural ~~products~~products, or the terms of an agreement not to sue or settle litigation upon an agricultural producer's status as a union or nonunion employer or entry into or refusal to enter into an agreement with a labor union or labor organization is invalid and unenforceable as against public policy in restraint of trade or commerce in the State of North Carolina. Further, notwithstanding G.S. 95-25.8, an agreement requiring an agricultural producer to transfer funds to a labor union or labor organization for the purpose of paying an employee's membership fee or dues is invalid and unenforceable against public policy in restraint of trade or commerce in the State of North Carolina. For purposes of this subsection, the term "agricultural producer" means any producer engaged in any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938, 29 U.S.C. § 203, or section 3121(g) of the Internal Revenue Code of 1986, 26 U.S.C. § 3121."

SECTION 20.5.(b) This section is effective when it becomes law and applies to agreements and settlements entered into, renewed, or extended on or after that date.

SEVERABILITY/EFFECTIVE DATE

SECTION 21. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and, to this end, the provisions of this act are declared to be severable.

SECTION 22. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-109 **H.B. 530**

AN ACT GRANTING COUNTIES THE SAME AUTHORITY AS CITIES TO DECLARE CERTAIN BUILDINGS OR STRUCTURES UNSAFE AND TO REMOVE OR DEMOLISH UNSAFE BUILDINGS OR STRUCTURES AND TO PLACE A LIEN ON THE OWNER'S REAL PROPERTY FOR THE COSTS INCURRED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-366 reads as rewritten:

"**§ 153A-366. Unsafe buildings condemned.**

(a) Residential Building and Nonresidential Building or Structure. – The inspector shall condemn as unsafe each building that appears to him to be especially dangerous to life because of its liability to fire, bad conditions of walls, overloaded floors, defective construction, decay, unsafe wiring or heating system, inadequate means of egress, or other causes; and he shall affix a notice of the dangerous character of the building to a conspicuous place on its exterior wall.

(b) Nonresidential Building or Structure. – In addition to the authority granted in subsection (a) of this section, an inspector may declare a nonresidential building or structure within a community development target area to be unsafe if it meets both of the following conditions:

(1) It appears to the inspector to be vacant or abandoned.

(2) It appears to the inspector to be in such dilapidated condition as to cause or contribute to blight, disease, vagrancy, fire, or safety hazard, to be a danger to children, or to tend to attract persons intent on criminal activities or other activities that would constitute a public nuisance.

(c) If an inspector declares a nonresidential building or structure to be unsafe under subsection (b) of this section, the inspector must affix a notice of the unsafe character of the structure to a conspicuous place on the exterior wall of the building. For the purposes of this section, the term "community development target area" means an area that has characteristics of an urban progress zone under G.S. 143B-437.09, a "nonresidential redevelopment area" under G.S. 160A-503(10), or an area with similar characteristics designated by the board of commissioners as being in special need of revitalization for the benefit and welfare of its citizens.

(d) A county may expand subsections (b) and (c) of this section to apply to residential buildings by adopting an ordinance. Before adopting the ordinance, the county shall hold a public hearing and shall provide notice of the hearing at least 10 days in advance of the hearing."

SECTION 2. G.S. 153A-368 reads as rewritten:

"**§ 153A-368. Action in event of failure to take corrective action.**

If the owner of a building that has been condemned as unsafe pursuant to G.S. 153A-366 fails to take prompt corrective action, the local inspector shall by certified or registered mail to his last known address or by personal service give him written notice:

(1) That the building or structure is in a condition that appears to ~~constitute~~ meet one or more of the following conditions:

a. Constitutes a fire or safety ~~hazard or to be~~ hazard.

b. Is dangerous to life, health, or other ~~property;~~property.
c. Is likely to cause or contribute to blight, disease, vagrancy, or danger to children.
d. Has a tendency to attract persons intent on criminal activities or other activities that would constitute a public nuisance.

(2) That a hearing will be held before the inspector at a designated place and time, not later than 10 days after the date of the notice, at which time the owner is entitled to be heard in person or by counsel and to present arguments and evidence pertaining to the matter; and

(3) That following the hearing, the inspector may issue any order to repair, close, vacate, or demolish the building that appears appropriate.

If the name or whereabouts of the owner cannot after due diligence be discovered, the notice shall be considered properly and adequately served if a copy thereof is posted on the outside of the building in question at least 10 days before the day of the hearing and a notice of the hearing is published at least once not later than one week before the hearing."

SECTION 3. G.S. 153A-372 reads as rewritten:

"**§ 153A-372. Equitable enforcement.**

(a) Action Authorized. – Whenever a violation is denominated a misdemeanor under the provisions of this Part, the county, either in addition to or in lieu of other remedies, may initiate any appropriate action or proceeding to prevent, restrain, correct, or abate the violation or to prevent the occupancy of the building involved.

(b) Removal of Building. – In the case of a building or structure declared unsafe under G.S. 153A-366 or an ordinance adopted pursuant to G.S. 153A-366, a county may, in lieu of taking action under subsection (a) of this section, cause the building or structure to be removed or demolished. The amounts incurred by the county in connection with the removal or demolition shall be a lien against the real property upon which the cost was incurred. The lien shall be filed, have the same priority, and be collected in the same manner as liens for special assessments provided in Article 9 of this Chapter. If the building or structure is removed or demolished by the county, the county shall sell the usable materials of the building and any personal property, fixtures, or appurtenances found in or attached to the building. The county shall credit the proceeds of the sale against the cost of the removal or demolition. Any balance remaining from the sale shall be deposited with the clerk of superior court of the county where the property is located and shall be disbursed by the court to the person found to be entitled thereto by final order or decree of the court.

(b1) Additional Lien. – The amounts incurred by the county in connection with the removal or demolition shall also be a lien against any other real property owned by the owner of the building or structure and located within the county's jurisdictional limits, except for the owner's primary residence. The provisions of subsection (b) of this section apply to this additional lien, except that this additional lien is inferior to all prior liens and shall be collected as a money judgment.

(c) Nonexclusive Remedy. – Nothing in this section shall be construed to impair or limit the power of the county to define and declare nuisances and to cause their removal or abatement by summary proceedings or otherwise."

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-110 **H.B. 584**

AN ACT TO CLARIFY THE PROCESS FOR CORRECTING NONMATERIAL ERRORS IN RECORDED INSTRUMENTS OF TITLE, TO CREATE A CURATIVE PROCEDURE FOR OBVIOUS DESCRIPTION ERRORS IN DOCUMENTS OF TITLE, AND TO CREATE A SEVEN-YEAR CURATIVE PROVISION FOR CERTAIN DEFECTS IN RECORDED INSTRUMENTS OF TITLE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 47-36.1 reads as rewritten:

"**§ 47-36.1. ~~Correction~~ Notice of errors in recorded ~~instruments.~~instruments of title.**

(a) Notwithstanding G.S. 47-14 and G.S. 47-17, notice of a nonmaterial typographical or other minor error in a deed or other instrument recorded with the register of deeds may be given by recording ~~an~~ a corrective notice affidavit. For purposes of this section, an error that would affect the respective rights of any party to the instrument is not a nonmaterial typographical or minor error. If ~~an~~ a corrective notice affidavit is conspicuously identified as a corrective notice or scrivener's affidavit in its title, the register of deeds shall index the name of the affiant, the names of the original parties in the instrument, the recording information of the instrument ~~being corrected,~~ for which the corrective notice is being given, and the original parties as they are named in the affidavit. A copy of the previously recorded instrument to which the corrective notice affidavit applies may be attached to the corrective notice affidavit and need not be a certified copy. To the extent the correction is inconsistent with the originally recorded instrument, and only to that extent, notice of the corrective information as provided by the affiant in the corrective notice affidavit is deemed to have been given as of the time the corrective notice affidavit is registered. Nothing in this section invalidates or otherwise alters the legal effect of any instrument of correction authorized by statute in effect on the date the instrument was registered.

…."

SECTION 2. Article 2 of Chapter 47 of the General Statutes is amended by adding a new section to read:

"**§ 47-36.2. Cure of obvious description errors in recorded instruments.**

(a) The following definitions apply to this section, unless the context requires a different meaning:

(1) Authorized attorney. – An individual licensed to practice law under Chapter 84 of the General Statutes, who is one of the following:

a. The attorney who drafted the instrument containing the obvious description error to be corrected.

b. Any attorney for a party to the transaction for which the instrument containing the obvious description error was recorded, including, for example, but not limited to, the attorney for (i) the grantor or grantee in a deed; (ii) the mortgagor or mortgagee in a mortgage; (iii) the grantor or trustor in a deed of trust; (iv) the trustee or duly appointed substitute trustee in a deed of trust; (v) the beneficiary of record in a deed of trust or the assignee of record of the beneficiary's interest; (vi) the assignor or assignee in an assignment of leases, rents, or profits; or (vii) any party to an instrument affecting title to real property.

c. An attorney retained or authorized by either a title insurance company or title insurance agent that either (i) has issued a policy of title insurance covering the subject property in the transaction in which the error occurred or in any subsequent transaction or (ii) proposes to issue a policy of title insurance in reliance on a curative affidavit recorded or to be recorded in accordance with the provisions of this section.

(2) Curative affidavit. – An affidavit executed by an authorized attorney to correct an obvious description error.

(3) Notice of intent. – A notice issued by an authorized attorney of the authorized attorney's intent to sign and record a curative affidavit.

(4) Obvious description error. – An error in the legal description of real property that is contained in an instrument affecting title to real property recorded in

the office of the register of deeds in the county in which the real property or any part or parts thereof is located that is evidenced by any of the following:

a. One or more of the following, as stated in the instrument, are inconsistent in that one or more identify the property incorrectly, and the error is made apparent by reference to other information contained in the instrument, contained in an attachment to the instrument, or contained in another instrument in the chain of title for the subject parcel, including a recorded plat:
   1. The legal description of the property.
   2. The physical address of the property.
   3. The tax map identification number of the property.
   4. A plat reference.
   5. A prior deed reference.

b. The legal description of the real property in the instrument contains one or more errors transcribing courses and distances, including, for example, the omission of one or more lines of courses and distances, the omission of angles and compass directions, or the reversal of courses.

c. The instrument contains an error in a lot or unit number or designation, and the lot or unit described is not owned by the grantor, trustor, mortgagor, or assignor at the time the instrument is executed.

d. The instrument omits an exhibit, attachment, or other descriptive information intended to supply the legal description of the subject property, and the correct legal description may be determined by reference to other information contained in the instrument, including, but not limited to, one or more of the items described in sub-subdivision a. of this subdivision.

The term "obvious description error" does not include and shall not apply to (i) missing or improper signatures or acknowledgements; (ii) any designation of the type of ownership interest or right of survivorship; or (iii) any error in the legal description that operates to convey any interest in real property that the grantor, trustor, mortgagor, or assignor owned at the time of conveyance but did not intend to convey.

(5) Recorded plat. – A plat that has been prepared by a professional land surveyor licensed pursuant to Chapter 89C of the General Statutes and has been recorded with the register of deeds in the county where the property is situated.

(6) Recording data. – The book and page number or document number that indicates where an instrument is recorded in the office of the register of deeds.

(7) Title insurance agent. – A person or entity licensed by the Commissioner of Insurance and contractually authorized by one or more title insurance companies to issue commitments and policies on behalf of said title insurance company and that has issued or proposes to issue a policy of title insurance covering real property described in a recorded instrument needing correction.

(8) Title insurance company. – A company certified pursuant to Article 26 of Chapter 58 of the General Statutes that has issued or proposes to issue a policy of title insurance covering real property described in a recorded instrument needing correction.

(b) Notwithstanding G.S. 47-14 and G.S. 47-17, obvious description errors in a recorded instrument affecting title to real property may be cured by recording a curative affidavit with the register of deeds in every county where the real property is situated.

(c) Prior to recording a curative affidavit as described in subsection (b) of this section, the authorized attorney seeking to record the affidavit shall serve a notice of intent and a copy of the unsigned proposed curative affidavit on the persons identified in this subsection. Service of the notice of intent and copy of the unsigned proposed curative affidavit shall be made in any manner prescribed for the service of a summons in accordance with Rule 4(j) or Rule 4(j5) of the North Carolina Rules of Civil Procedure. The persons entitled to service of the notice of intent and a copy of the unsigned proposed curative affidavit pursuant to this subsection are as follows:

(1) All parties to the instrument that is the subject of the curative affidavit. In the case of a deed of trust, the parties to the instrument shall include the grantor or trustor named in the deed of trust, the beneficiary of record, and any assignee of the beneficiary known to the party filing the curative affidavit or its authorized attorney, but need not include the trustee named in the deed of trust or any substitute trustee.

(2) Any current record mortgagee, record beneficiary, record assignee, or record secured party in any mortgage, deed of trust, assignment of leases, rents or profits, UCC fixture filing, or other recorded instrument of title that may be adversely affected by the recording of the curative affidavit. For the purposes of this subdivision, "instruments of title" means any instrument, recorded after the date of recordation of the instrument that is the subject of the curative affidavit, that affects title or constitutes the chain of title to real property, including, but not limited to, all deeds, wills, estate documents evidencing transfer of title, plats, surveys, easements, rights-of-way, outstanding mortgages and deeds of trust, judicial orders or decrees, and documents evidencing intestate succession.

(3) The current record owner of the real property.

(4) The attorney who prepared the instrument that is the subject of the curative affidavit, if known.

(5) Any title insurance company, if applicable and known, and title insurance agent, if applicable and known, that (i) issued a policy of title insurance covering the subject property in the transaction in which the error occurred or in any subsequent transaction or (ii) proposes to issue a policy of title insurance in reliance on the proposed curative affidavit.

(6) The current record owners of all adjoining properties that may be adversely affected by the recording of the curative affidavit, the current record holders of any mineral or timber rights that may be adversely affected by the recording of the curative affidavit, and the record holders of any easement rights that may be adversely affected by the recording of the curative affidavit.

(d) Each person served with the notice of intent and a copy of the unsigned proposed curative affidavit described in subsection (c) of this section that wishes to object to the recordation of the proposed curative affidavit or dispute the facts recited in the proposed curative affidavit must do so in a writing sent in any manner provided for under subsection (e) of this section to the authorized attorney within 30 days after the service of the documents upon that person. The authorized attorney may sign and record the proposed curative affidavit at any time after more than 45 days have elapsed since the last person to be served was served with the notice of intent and a copy of the unsigned proposed curative affidavit. However, the authorized attorney may not record the proposed curative affidavit if, at any time before recording the proposed curative affidavit, the authorized attorney receives a written objection to the recordation of the proposed curative affidavit or a written statement disputing the facts recited in the proposed curative affidavit from any person served with the notice of intent and a copy of the unsigned proposed curative affidavit.

(e) In complying with any requirement for objecting to the recordation of the proposed curative affidavit or disputing the facts recited in the proposed curative affidavit pursuant to this section, the objection or document disputing the facts must be addressed to the authorized attorney and shall be delivered by at least one of the following methods:

(1) Delivering a copy to the authorized attorney by handing it to the authorized attorney, or by leaving it at the authorized attorney's office with a partner or employee of the authorized attorney.

(2) Mailing a copy to the authorized attorney's mailing address provided in the notice of intent.

(3) Sending a copy by facsimile to the authorized attorney's facsimile number provided in the notice of intent, as evidenced by a facsimile receipt confirmation.

(4) Electronic mail addressed to the authorized attorney's e-mail address provided in the notice of intent.

(5) Depositing a copy prepaid with a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) addressed to the authorized attorney's mailing address provided in the notice of intent.

(f) An affidavit is sufficient as a curative affidavit if it does all of the following:

(1) Contains a statement that the curative affidavit should be indexed as a "subsequent instrument" pursuant to G.S. 161-14.1.

(2) Contains a statement that the curative affidavit is recorded pursuant to this section to correct an obvious description error contained in a previously recorded instrument.

(3) Contains a statement that the affiant is an attorney licensed to practice law in North Carolina and is an authorized attorney pursuant to subdivision (1) of subsection (a) of this section.

(4) Identifies each instrument subject to the curative affidavit by stating the title of the instrument, the parties to the instrument, and the recording data for the instrument.

(5) Identifies the obvious description error contained in each instrument subject to the curative affidavit.

(6) Corrects the obvious description error by stating the correct property description.

(7) Contains a statement that the affiant served a copy of the notice of intent required by subsection (c) of this section and a copy of the unsigned proposed curative affidavit on all persons entitled to notice pursuant to subsection (c) of this section and that service on each such person was properly effected in a manner prescribed for the service of a summons in accordance with Rule 4(j) or Rule 4(j5) of the North Carolina Rules of Civil Procedure.

(8) Contains a statement that more than 45 days have elapsed since the last person to be served was served, and that before signing and recording the curative affidavit, the affiant did not receive from any person so served any written objection to the recordation of the curative affidavit or any written statement disputing the facts recited in the curative affidavit.

(9) Provides the name, telephone number, e-mail address (if available), facsimile number (if available), and mailing address of the affiant.

(10) Is signed and sworn to or affirmed by the authorized attorney as affiant before a notary public, with an appropriate jurat completed by the notary public that conforms to the requirements of Chapter 10B of the General Statutes.

(g) A curative affidavit recorded pursuant to this section in the office of the register of deeds in the county where the real property is located shall operate as a correction of the

instrument being corrected that relates back to, and is effective as of, the date the instrument being corrected was originally recorded in the office of the register of deeds, with the same effect as if the description of the property was correct when the instrument was first recorded, and all parties to the instrument being corrected shall be bound by the terms contained in the recorded curative affidavit and the instrument being corrected.

(h) Upon payment of the appropriate recordation fee, the register of deeds shall accept a curative affidavit for recording unless the curative affidavit (i) is submitted by a method or in a medium not authorized for registration by the register of deeds under applicable law, (ii) is not signed by the affiant and sworn to or affirmed as required by law for an affidavit or affirmation, or (iii) lacks a proper jurat. A copy of the previously recorded instrument to which the curative affidavit applies may be attached to or recorded with the curative affidavit and need not be a certified copy. The register of deeds shall not be required to verify or make inquiry concerning (i) the truth of the matters stated in any curative affidavit or (ii) the authority of the person executing any curative affidavit to do so. The register of deeds shall index the curative affidavit in the name of the affiant and in the names of the various parties, other than a trustee or substitute trustee named in a deed of trust, to each instrument being corrected as both grantees and grantors, irrespective of their designation in the instrument being corrected. The costs associated with the recording of a curative affidavit pursuant to this section shall be paid by the party submitting the affidavit to the register of deeds.

(i) A curative affidavit recorded in compliance with this section shall be prima facie evidence of the facts stated therein. Any person who wrongfully or erroneously records a curative affidavit is liable for actual damages sustained by any party as a result of the recordation, including reasonable attorneys' fees and costs.

(j) The remedies prescribed by this section are not exclusive and do not abrogate any rights or remedies otherwise available under the laws of this State, including any rights or remedies under G.S. 47-36.1.

(k) No particular phrasing is required for a curative affidavit. A curative affidavit in substantially the following form, when properly completed, is sufficient to satisfy the requirements of subsection (f) of this section:

"Curative Affidavit

This curative affidavit should be indexed as a "subsequent instrument" pursuant to G.S. 161-14.1.

I, _____, certify as follows:

1. This curative affidavit is recorded pursuant to G.S. 47-36.2 to correct an obvious description error contained in a previously recorded instrument.
2. I am an attorney licensed to practice law in North Carolina. I am an "authorized attorney" as defined in G.S. 47-36.2(a)(1).
3. The instrument or instruments containing an obvious description error requiring correction are identified as follows:
   Insert here the following information regarding each instrument to be corrected: the title of the instrument, the parties to the instrument, and the recording data for the instrument.
4. The obvious description error contained in the instrument(s) to be corrected is identified or described as follows:
   Insert here the erroneous description that requires correction.
5. The erroneous property description is corrected to read as follows:
   Insert here the correct description of the real property.
6. I have served a copy of a notice of my intent to sign and record this curative affidavit and a copy of this curative affidavit, unsigned, on all persons entitled to notice pursuant to G.S. 47-36.2(c). Service on each such person was properly effected in a manner prescribed for the service of a summons in accordance with Rule 4(j) or Rule 4(j5) of the North Carolina Rules of Civil Procedure, and more than 45 days have elapsed since the last person to be served was served. By signing and recording this

affidavit I certify that I did not receive from any person so served any written objection to the recordation of this curative affidavit or any written statement disputing the facts recited in this curative affidavit.

7. My contact information is as follows:
Insert here the affiant's name, telephone number, email address (if available), facsimile number (if available), and mailing address.

Date: _____

_____
Signature of Affiant

COUNTY OF _____, STATE OF _____
The foregoing curative affidavit was sworn to or affirmed and subscribed before me this day by _____.

Date: _____

_____
Signature of Notary Public

Official Seal

_____, Notary Public
Print or Type Notary's Name

My commission expires: _____"

(*l*) The form of the notice of intent to be given as described in subsection (c) of this section shall be substantially as follows (including capitalization and bold typeface as shown):

"NOTICE OF INTENT TO CORRECT AN OBVIOUS DESCRIPTION ERROR

This is an important legal document that requires your immediate attention. Your property rights may be affected, and you may need to respond to this notice in writing.

I am an attorney licensed to practice law in North Carolina. My contact information is as follows:

Insert the name, telephone number, email address (if available), facsimile number (if available), and mailing address of the authorized attorney issuing the notice.

I have discovered or have been advised of an error in the description of real property contained in one or more instruments recorded as part of a real estate-related transaction. A copy of a proposed Curative Affidavit accompanies this notice. The proposed Curative Affidavit identifies the previously recorded instrument or instruments that contain the description errors that I plan to correct, the description error or errors that require correction, and the correct description of the real property. If I sign and record the proposed Curative Affidavit, it will have the legal effect of correcting the erroneous property description in the listed instrument or instruments that contain the description errors.

Real property you own may be affected if I correct the erroneous description of the real property in the instrument or instruments identified in the proposed Curative Affidavit. You should consult with your attorney and your title insurance company, if known, promptly to determine whether and the extent to which my correction of the legal description in the instrument or instruments that need to be corrected will impact your property or property rights.

IF YOU WISH TO OBJECT TO MY SIGNING AND RECORDING THE PROPOSED CURATIVE AFFIDAVIT OR DISPUTE THE FACTS RECITED IN THE PROPOSED CURATIVE AFFIDAVIT, YOU MUST DO SO IN A WRITING SENT OR DELIVERED TO ME WITHIN 30 DAYS AFTER THE DATE YOU WERE SERVED WITH THIS NOTICE AND THE PROPOSED CURATIVE AFFIDAVIT.

Your writing must be sent or delivered to me by one of the following methods:

(1) Delivering a copy by handing it to me or by leaving it at my office with a partner or employee of mine.

(2) Mailing a copy to me at the mailing address provided in this notice of intent.

(3) Sending a copy by facsimile to my facsimile number, if provided in this notice of intent, as evidenced by a facsimile receipt confirmation.

(4) Electronic mail sent to my e-mail address, if provided in this notice of intent.

(5) Depositing a copy prepaid with a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) addressed to the mailing address provided in this notice of intent.

I am not permitted to sign or record the Curative Affidavit if, at any time before I actually sign and record it, I receive a written objection to my signing and recording the Curative Affidavit or a written statement disputing the facts contained in the Curative Affidavit from any person served with this notice and a copy of the unsigned proposed Curative Affidavit. However, assuming I do not receive any such objection or statement disputing the facts, Section 47-36.2 of the North Carolina General Statutes permits me to sign and record the Curative Affidavit at any time after more than 45 days have elapsed since the last person to be served was served with this notice and a copy of the unsigned proposed Curative Affidavit, and I intend to do so.

If you object to my signing and recording the Curative Affidavit or dispute the facts recited in the proposed Curative Affidavit, you need to send or deliver your written objection or written statement disputing the facts recited in the proposed Curative Affidavit to me promptly using one of the methods described above. While I encourage you to call me if you have questions, your telephone call will not be sufficient – you must write to me if you dispute the facts recited in the proposed Curative Affidavit or object to my signing and recording the Curative Affidavit.

Date: _____

_____

Signature of authorized attorney"

(m) Nothing in this section requires that a curative affidavit be attached to an original or certified copy of a previously recorded instrument that is unchanged but rerecorded. Nothing in this section requires that a curative affidavit be attached to a copy of a previously recorded instrument that includes identified corrections or an original execution by a party or parties of the corrected instrument after the original recording with proof or acknowledgment of their execution of the correction of the instrument.

(n) The period prescribed for the commencement of an action contesting the validity or efficacy of a curative affidavit recorded under this statute shall be one year from the date of recordation of the curative affidavit. This subsection does not apply to an action for damages sustained by any party as a result of the wrongful or erroneous recordation of a curative affidavit as provided in subsection (i) of this section."

SECTION 3. Article 4 of Chapter 47 of the General Statutes is amended by adding a new section to read:

"**§ 47-108.28. Seven-year curative statute.**

(a) An instrument conveying or purporting to convey an interest in real property that contains a defect, irregularity, or omission shall be deemed effective to vest title as stated therein and to the same extent as though the instrument had not contained the material defect, irregularity, or omission, if both of the following conditions are met:

(1) The instrument is recorded by the register of deeds in the county or counties where the property is situated.

(2) The material defect, irregularity, or omission is not corrected within seven years after the instrument was recorded.

The proper recordation and indexing of a curative instrument or a notice of lis pendens shall toll the seven-year curative period.

(b) For the purposes of this section only, an instrument shall be deemed to contain a "defect, irregularity, or omission" when any of the following conditions are met:

(1) The recorded instrument lacks any of the following:

a. A properly executed form of acknowledgment as provided under Article 3 of this Chapter or Chapter 10B of the General Statutes.

b. The proper recital of consideration paid.

c. The residence of a party.

d. The address of the property

e. The address of a party.

f. The date of the instrument.

g. The date of any instrument or obligation secured by the instrument.

h. The proper affixation of seal by any person authorized to execute an instrument by virtue of an office or appointment held by the grantor that is required to affix the seal to the recorded instrument under applicable law.

(2) The name of a grantor, trustor, mortgagor, assignor, borrower, or other person with an interest in the property does not appear in any part of the instrument, but the person executed the instrument without limitation or qualification. The person who executed the instrument without limitation or qualification shall be deemed to have conveyed or encumbered (as applicable) any interest or right such person then had in the property conveyed or encumbered by the terms of the instrument.

(c) Nothing in this section is intended to modify any provisions of law pertaining to the competency or infancy of the grantor or the provisions of Chapter 22 of the General Statutes or to limit any remedies available under the laws of this State."

SECTION 4. G.S. 161-14.1(a) reads as rewritten:

"**§ 161-14.1. Recording subsequent entries as separate instruments.**

(a) As used in this section, the following terms mean:

…

(3) Subsequent instrument. – Any instrument presented for registration that indicates in its title or within the first two pages of its text that it is intended or purports to correct, modify, amend, supplement, assign, satisfy, terminate, revoke, or cancel a previously registered instrument. Examples of subsequent instruments include the following:

a. The appointment or designation of a substitute trustee in a deed of trust.

b. A corrective notice affidavit registered pursuant to ~~G.S. 45-36.1.~~G.S. 47-36.1 or a curative affidavit registered pursuant to G.S. 47-36.2.

…."

SECTION 5. This act becomes effective August 31, 2018, and applies to curative affidavits filed on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-111 **S.B. 160**

AN ACT TO CLARIFY THAT MEDICAL CERTIFICATION AND RECERTIFICATION REQUIREMENTS FOR HANDICAPPED PARKING PRIVILEGES MAY BE SATISFIED BY CERTIFICATION OF A LICENSED PHYSICIAN ASSISTANT, A LICENSED NURSE PRACTITIONER, OR A LICENSED CERTIFIED NURSE MIDWIFE THAT THE PERSON IS HANDICAPPED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.6(c1) reads as rewritten:

"(c1) Application and Renewal; ~~Physician's~~ Medical Certification. – The initial application for a distinguishing license plate, removable windshield placard, or temporary removable windshield placard shall be accompanied by a certification of a licensed physician, a licensed ophthalmologist, a licensed optometrist, a licensed physician assistant, a licensed nurse practitioner, or the Division of Services for the Blind that the applicant is handicapped or by a disability determination by the United States Department of Veterans Affairs that the applicant is handicapped. For an initial application for a temporary removable windshield placard only, the certification that the applicant is handicapped may be made by a licensed certified nurse midwife. The application for a temporary removable windshield placard shall contain additional certification to include the period of time the certifying authority determines the applicant will have the disability. Distinguishing license plates shall be renewed annually, but subsequent applications shall not require a medical certification that the applicant is handicapped. Removable windshield placards shall be renewed every five years, and, except for a person certified as totally and permanently disabled at the time of the initial application or a prior renewal under this subsection, the renewal shall require a medical recertification that the person is handicapped. Temporary removable windshield placards shall expire no later than six months after issuance."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-112 **S.B. 182**

AN ACT TO PROHIBIT THE USE OF LIGHT BAR LIGHTING DEVICES ON A MOTOR VEHICLE WHILE THE MOTOR VEHICLE IS BEING DRIVEN ON THE HIGHWAYS OF THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-130 reads as rewritten:

"**§ 20-130. Additional permissible light on vehicle.**

(a) Spot Lamps. – Any motor vehicle may be equipped with not to exceed two spot lamps, except that a motorcycle shall not be equipped with more than one spot lamp, and every lighted spot lamp shall be so aimed and used upon approaching another vehicle that no part of the beam will be directed to the left of the center of the highway nor more than 100 feet ahead of the vehicle. No spot lamps shall be used on the rear of any vehicle. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles.

(b) Auxiliary Driving Lamps. – Any motor vehicle may be equipped with not to exceed two auxiliary driving lamps mounted on the front, and every such auxiliary driving lamp or lamps shall meet the requirements and limitations set forth in G.S. 20-131, subsection (c).

(c) Restrictions on Lamps. – Any device, other than headlamps, spot lamps, or auxiliary driving lamps, which projects a beam of light of an intensity greater than 25 candlepower, shall be so directed that no part of the beam will strike the level of the surface on which the vehicle stands at a distance of more than 50 feet from the vehicle.

(d) Electronically Modulated Headlamps. – Nothing contained in this Chapter shall prohibit the use of electronically modulated headlamps on motorcycles, law-enforcement and fire department vehicles, county fire marshals and Emergency Management coordinators, public and private ambulances, and rescue squad emergency service vehicles, provided such headlamps and light modulator are of a type or kind which have been approved by the Commissioner of Motor Vehicles.

(e) High Mounted Flashing Deceleration Lamps. – Public transit vehicles may be equipped with amber, high mounted, flashing deceleration lamps on the rear of the vehicle.

(f) Light Bar Lighting Device. – Notwithstanding any provision of this section to the contrary, and excluding vehicles described in subsection (d) of this section, and excluding vehicles listed in G.S. 20-130.1(b), no person shall drive a motor vehicle on the highways of this State while using a light bar lighting device. This subsection does not apply to or otherwise restrict use of a light bar lighting device with strobing lights. For purposes of this subsection, the term "light bar lighting device" means a bar-shaped lighting device comprised of multiple lamps capable of projecting a beam of light at an intensity greater than that set forth in subsection (c) of this section."

SECTION 2. This act becomes effective October 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-113 **S.B. 545**

AN ACT TO ALLOW THE INSTALLATION OF A PUBLIC SAFETY TELECOMMUNICATIONS FACILITY IN CHIMNEY ROCK STATE PARK, TO ACCEPT CERTAIN OTHER PROPERTIES AS PART OF THE STATE NATURE AND HISTORIC PRESERVE, AND TO REMOVE CERTAIN LANDS FROM THE STATE NATURE AND HISTORIC PRESERVE.

Whereas, Section 5 of Article XIV of the North Carolina Constitution authorizes the dedication of State and local government properties as part of the State Nature and Historic Preserve upon acceptance by a law enacted by a three-fifths vote of the members of each house of the General Assembly and provides for removal of properties from the State Nature and Historic Preserve by a law enacted by a three-fifths vote of the members of each chamber of the General Assembly; and

Whereas, the General Assembly enacted the State Nature and Historic Preserve Dedication Act, Chapter 443 of the 1973 Session Laws, to prescribe the conditions and procedures under which properties may be specifically dedicated for the purposes set out in Section 5 of Article XIV of the North Carolina Constitution; and

Whereas, more than 7,900 acres have been added to the State Parks System since the last dedication and acceptance of properties as part of the State Nature and Historic Preserve pursuant to a petition to the Council of State dated May 6, 2014; and

Whereas, in accordance with G.S. 143-260.8, on May 2, 2017, the Council of State is scheduled to vote on a petition to the General Assembly to enact a law pursuant to Section 5 of Article XIV of the North Carolina Constitution to dedicate and accept properties added to the State Parks System and designated in the petition for inclusion as parts of the State Nature and Historic Preserve; and

Whereas, as a part of its petition of May 2, 2017, the Council of State is also slated to request that the General Assembly remove certain properties from the State Nature and Historic Preserve; and

Whereas, G.S. 143B-135.54 provides for additions to, and deletions from, the State Parks System upon authorization by the General Assembly; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-260.10 reads as rewritten:

"**§ 143-260.10. Components of State Nature and Historic Preserve.**

The following are components of the State Nature and Historic Preserve accepted by the North Carolina General Assembly pursuant to G.S. 143-260.8:

(1) All lands and waters within the boundaries of the following units of the State Parks System as of ~~May 6, 2014:~~ May 2, 2017: Baldhead Island State Natural Area, Bay Tree Lake State ~~Park,~~ Natural Area, Bear Paw State Natural Area, Beech Creek Bog State Natural Area, Bullhead Mountain State Natural Area, Bushy Lake State Natural Area, Carolina Beach State

Park, Carvers Creek State Park, Cliffs of the Neuse State Park, Chowan Swamp State Natural Area, Deep River State Trail, Dismal Swamp State Park, Elk Knob State Park, Fort Fisher State Recreation Area, Fort Macon State Park, Goose Creek State Park, Grandfather Mountain State Park, Haw River State Park, Hammocks Beach State Park, Jones Lake State Park, Lake Norman State Park, Lea Island State Natural Area, ~~Mayo River State Park,~~ Medoc Mountain State Park, Merchants Millpond State Park, Mount Mitchell State Park, Occoneechee Mountain State Natural Area, Pettigrew State Park, Pilot Mountain State Park, Pineola Bog State Natural Area, Raven Rock State Park, Run Hill State Natural Area, Sandy Run Savannas State Natural Area, Singletary Lake State Park, Sugar Mountain State Natural Area, Theodore Roosevelt State Natural Area, Weymouth Woods-Sandhills State Natural Area, and Yellow Mountain State Natural Area.

(2) All lands and waters within the boundaries of William B. Umstead State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of Tract Number 65, containing 22.93140 acres as shown on a survey prepared by John S. Lawrence (RLS) and Bennie R. Smith (RLS), entitled "Property of The State of North Carolina William B. Umstead State Park", dated January 14, 1977 and filed in the State Property Office, which was removed from the State Nature and Historic Preserve by Chapter 450, Section 1 of the 1985 Session Laws. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of William B. Umstead State Park or sell and use the proceeds for that purpose. The State of North Carolina may not otherwise sell or exchange this land.

(3) Repealed by Session Laws 1999-268, s. 2.

(4) All lands within the boundaries of Morrow Mountain State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tract: That certain tract or parcel of land at Morrow Mountain State Park in Stanly County, North Albemarle Township, containing 0.303 acres, more or less, as surveyed and platted by Thomas W. Harris R.L.S., on a map dated August 27, 1988, and filed in the State Property Office, reference to which is hereby made for a more complete description.

(5) Repealed by Session Laws 1999-268, s. 2.

(6) All land within the boundaries of Crowders Mountain State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Crowders Mountain State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

a. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, Crowders Mountain Township, described in Deed Book 1939, page 800, and containing 757.28 square feet and as shown in a survey by Tanner and McConnaughey, P.A. dated July 22, 1988 and filed in the State Property Office.

b. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, east of and including the right-of-way along and across Old Peach Orchard Road, as shown in

a survey by the City of Gastonia, File No. 400-194, dated November 23, 1998, and filed in the State Property Office.

c. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Cleveland County, described in Deed Book 1286, Page No. 85, located on the north side of SR 2245 (Bethlehem Road) and containing 14,964 square feet as shown on the survey entitled "Survey for Crowders Mountain State Park, Deed Book 1103-107, Township 4 Kings Mountain, Cleveland County, N.C." by David W. Dickson, P.A. dated February 28, 2008.

d. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Cleveland County, described in Deed Book 1286, Page 85, and containing 0.06 acres and 0.515 acres as shown on the survey entitled "Boundary Survey for the State of N.C. Department of Administration, Township No. Four Cleveland County, N.C." by Carolinas Design Group, PLLC, dated November 6, 2007.

e. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, described in Deed Book 2829, page 518, and containing 0.15 acres as shown on the survey entitled "Survey Made at Request of Larry Hyde, Park Superintendent, Crowders Mountain State Park" by Gray Surveying Co., Inc., dated September 12, 2012.

(7) All lands owned in fee simple by the State within the boundaries of New River State Park as of ~~May 6, 2014.~~May 2, 2017, with the exception of the following tracts: The portion of that certain tract or parcel of land at New River State Park in Ashe County, Chestnut Hill Township, described in Deed Book 432, Page 724, and containing 44,033 square feet as shown on the survey prepared by Thomas Herman Company, PLLC and entitled "Survey for State of North Carolina, Division of Parks and Recreation; Harold Davis; and Joe Davis" dated March 24, 2017, and on file with the State Property Office.

(8) All lands and waters within the boundaries of Stone Mountain State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts: The portion of that certain tract or parcel of land at Stone Mountain State Park in Wilkes County, Traphill Township, described as parcel 33-02 in Deed Book 633-193, and more particularly described as all of the land in this parcel lying to the west of the eastern edge of the Air Bellows Road, as shown on the National Park Service Land Status Map 33 dated March 24, 1981 and filed in the State Property Office, containing approximately 72 acres. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54.

(9) All lands and waters located within the boundaries of the following State Historic Sites as of ~~May 6, 2014:~~ May 2, 2017: Alamance Battleground, Charles B. Aycock Birthplace, Historic Bath, Bennett Place, Bentonville Battleground, Brunswick Town/Fort Anderson, C.S.S. Neuse and Governor Caswell Memorial, Charlotte Hawkins Brown Memorial, Duke Homestead, Historic Edenton, Fort Dobbs, Fort Fisher, Historic Halifax, Horne Creek Living Historical Farm, House in the Horseshoe, North Carolina Transportation Museum, President James K. ~~Polk Memorial,~~ Polk, Reed Gold Mine, Somerset Place, Historic Stagville, State Capitol, Town Creek Indian Mound, Tryon Palace Historic Sites & Gardens, Zebulon B. Vance Birthplace, Endor Iron Furnace, and Thomas Wolfe Memorial.

(10), (11) Repealed by Session Laws 2001-217, s. 2, effective June 15, 2001.

(12) All lands and waters located within the boundaries of Hanging Rock State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tract: The portion of that tract or property at Hanging Rock State Park in Stokes County, Danbury Township, described in Deed Book 360, Page 160, for a 30-foot wide right-of-way beginning approximately 183 feet south of SR 1001 and extending in a southerly direction approximately 1,479 feet to the southwest corner of the Bobby Joe Lankford tract and more particularly shown on a survey entitled, "J. Spot Taylor Heirs Survey, Danbury Township, Stokes County, N.C.", by Grinski Surveying Company, dated June 1985, and filed in the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54.

(13) All lands and waters located within the boundaries of South Mountains State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 143B-135.54.

a, b. Repealed by Session Laws 2007-307, s. 1, effective July 28, 2007.

c. The portions of land at South Mountains State Park that lie south of the centerline of the CCC road as shown on the drawing entitled "Land Trade between South Mountains State Park and Adjacent Game Lands along CCC Road" prepared by the Wildlife Resources Commission in January 2013 and filed in the State Property Office and that lie within: (i) the tract or property in Burke County, Lower Fork Township, described in Deed Book 495, Page 501; (ii) the tract or property in Burke County, Lower Fork and Upper Fork Townships, described in Deed Book 715, Page 719; (iii) within the tracts or property in Burke County, Upper Fork Township, described in Deed Book 860, Page 341, and Deed Book 884, Page 1640; (iv) within that tract or property in Burke County, Silver Creek Township, described in Deed Book 1847, Page 287; (v) within that tract or property in Burke County, Upper Creek Township, described in Deed Book 882, Page 2347; (vi) within that tract or property in Burke County, Upper Creek Township, described in Deed Book 882, Page 2352; (vii) within that tract or property in Burke County, Upper Fork Township, described in Deed Book 886, Page 1964; (viii) within that tract or property in Burke County, Upper Fork Township, Deed Book 767, Page 1360; (ix) within that tract or property in Burke County, Upper Fork Township, Deed Book 884, Page 1648; or (x) within that tract or property in Burke County, Upper Fork Township, Book 886, Page 2228. The State of North Carolina may only exchange this land for other land for the expansion of South Mountains State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

d. Repealed by Session Laws 2007-307, s. 1, effective July 28, 2007.

(14) Repealed by Session Laws 2003-234, s. 1, effective June 19, 2003.

(15) All lands and waters within the boundaries of Jockey's Ridge State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts: The portion of those certain tracts or parcels of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 227, Page 499, and Deed Book 227, Page 501, and containing 33,901 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw

Water Well Site 13 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; the portion of that certain tract or parcel of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 222, Page 726, and containing 42,909 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw Water Well Site 14 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; ~~and~~ the portion of that certain tract or parcel of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 224, Page 790, and Deed Book 224, Page 794, and containing 34,471 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw Water Well Site 15 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; and the portion of those certain tracts or parcels of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 227, Page 501, and Deed Book 230, Page 525, and containing 12,655 square feet as shown on the preliminary plat entitled "Easement Survey for Town of Nags Head" prepared by Seaboard Surveying & Planning, Inc., dated August 29, 2012.

(16) All lands and waters located within the boundaries of Mount Jefferson State Natural Area as of ~~May 6, 2014.~~May 2, 2017. With respect to the communications tower site on the top of Mount Jefferson and located on that certain tract or parcel of land at Mount Jefferson State Natural Area in Ashe County, West Jefferson Township, described in Deed Book F-3, Page 94, the State may provide space at the communications tower site to State public safety and emergency management agencies for the placement of antennas, repeaters, and other communications devices for public communications purposes. ~~Notwithstanding~~ In conformance with G.S. 146-29.2, the State may lease space at the communications tower site to local governments in Ashe County for the placement of antennas, repeaters, and other communications devices for public communications purposes. State agencies and local governments that are authorized to place communications devices at the communications tower site pursuant to this subdivision may also locate at or near the communications tower site communications equipment that is necessary for the proper operation of the communications devices. The use of the communications tower site pursuant to this subdivision is authorized by the General Assembly as a purpose other than the public purposes specified in Article XIV, Section 5, of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Part 32 of Article 7 [Article 2] of Chapter 143B of the General Statutes.

(17) All lands and waters within the Eno River State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts:

a. The portion of that certain tract or parcel of land at Eno River State Park in Durham County, Durham Outside Township, described in Deed Book 435, Page 673, and Plat Book 87, Page 66, containing 11,000 square feet and being the portion of Lot No. 2 shown as the existing scenic easement hereby removed on the drawing prepared by Sear-Brown entitled "Recombination Plat Eno Forest Subdivision" bearing the preparer's file name 00-208-07.dwg, and filed with State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System pursuant to G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Eno River State Park or sell this land and use the

proceeds for that purpose. The State may not otherwise sell or exchange this land.

b. The portion of that certain tract or parcel of land at Eno River State Park in Orange County, described in Deed Book 3878, Page 461, and Plat Book 98, Page 11, containing 5,313 square feet and required for the permanent easements for bridge replacement project B-4216 on SR 1002 (St. Mary's Road), as shown in the drawing entitled "Preliminary Plans, Project Reference No. B-4216" prepared for North Carolina Department of Transportation by Mulkey Engineers and Consultants dated March 10, 2009, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Eno River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(18) All land and waters within the boundaries of Hemlock Bluffs State Natural Area as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts: The portion of that certain tract or parcel of land at Hemlock Bluffs State Natural Area in Wake County, Swift Creek Township, described in Deed Book 2461, Page 037, containing 2,025 square feet and being the portion of this tract shown as proposed R/W on the drawing prepared by Titan Atlantic Group entitled "Right of Way Acquisition Map for Town of Cary Widening of Kildaire Farm Road (SR 1300) from Autumgate Drive to Palace Green" sheet 1 of 3 bearing the preparer's file name Town of Cary Case File No. TOC 01-37, dated 26 September 2003, and filed with the State Property Office; and the portion of those certain tracts or parcels of land at Hemlock Bluffs State Natural Area in Wake County, Swift Creek Township, described in Deed Book 4670, Page 420, containing 24,092 square feet and being the portion of these tracts shown as proposed R/W on the drawing prepared by Titan Atlantic Group entitled "Right of Way Acquisition Map for Town of Cary Widening of Kildaire Farm Road (SR 1300) from Autumgate Drive to Palace Green" sheet 3 of 3 bearing the preparer's file name Town of Cary Case File No. TOC 01-37, dated 26 September 2003, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System pursuant to G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Hemlock Bluffs State Natural Area or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(19) All lands and waters within the boundaries of Lake James State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts:

a. The portion of that certain tract or parcel of land at Lake James State Park containing 13.85 acres, and being 100 feet to the east and 150 feet to the west of a centerline shown on a survey by Witherspoon Surveying PLLC, dated February 9, 2007, and filed in the State Property Office. The State of North Carolina may grant a temporary easement to Duke Energy Corporation across this tract to facilitate the Catawba Dam Embankment Seismic Stability Improvements Project. The grant of the easement within Lake James State Park to Duke Energy Corporation under this sub-subdivision constitutes authorization by the General Assembly that the described tract of land may be used for a purpose other than the public purposes

specified in Article XIV, Section 5, of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Part 32 of Article 7 [Article 2] of Chapter 143B of the General Statutes. The State of North Carolina may use the proceeds from the easement only for the expansion or improvement of Lake James State Park or another State park. The State may not otherwise sell or exchange this land.

b. The portion of that certain tract or parcel of land at Lake James State Park in McDowell County, Nebo Township, described in Deed Book 377, Page 423, and also shown as Tract B on the plat of survey prepared by Kenneth D. Suttles, RLS, dated December 4, 1987, entitled "Lake James State Park," Sheet 1 of 2, recorded in Plat Book 4, Page 275 of the McDowell County Registry, for a 40-foot right-of-way beginning at the southwest corner of Tract B and continuing along the southern boundary 86 38' 51" E for 400 feet to the now or former John D. Walker property. The State of North Carolina may grant an easement across this tract to extinguish prescriptive easements on Tract B to improve management of the State park property. The State may not otherwise sell or exchange this land. The easement excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System pursuant to G.S. 143B-135.54.

c. That portion of that certain tract or parcel of land at Lake James State Park in Burke County, Linville Township, described in Deed Book 1431, Page 859, and shown on the survey prepared by Suttles Surveying, PA dated May 2, 2014, entitled "Survey for State of North Carolina," containing 3.41 acres and on file with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Lake James State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(20) All lands and waters within the boundaries of Lake Waccamaw State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts: The portions of that certain tract or parcel of land at Lake Waccamaw State Park in Columbus County described in Deed Book 835, Page 590, containing 48,210 square feet and being the portion of this tract shown as new R/W and permanent utility easement on drawing prepared by State of North Carolina Department of Transportation entitled "Map of Proposed Right of Way Property of State of North Carolina (Parks and Recreation) Columbus County" for Tip B-3830 on SR 1947 (Bella Coola Road) done by John E. Kaukola, PLS No. 3999 and compiled 1-18-2008, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Lake Waccamaw State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(21) All lands and waters within the boundaries of Chimney Rock State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts:

a. The portion of that certain tract or parcel of land at Chimney Rock State Park in Rutherford County being a portion of Parcel 2 as described in Deed Book 933, Page 598, containing 346 square feet and being shown as proposed right-of-way for bridge replacement project B-4258 on U.S. 64 over the Broad River on drawing prepared by Kimley-Horn and Associates for the North Carolina Department of Transportation and revised October 26, 2007, and filed with the State Property Office. The portion of that certain tract or parcel of land at Chimney Rock State Park in Polk County, Cooper Gap Township, Deed Book 393, Page 1402, containing 6.5 acres more or less and shown on the survey entitled "Plat of Survey for The State of North Carolina" prepared by Stacy Kent Rhodes dated May 15, 2014, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Chimney Rock State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

b. With respect to the communications tower site on Chimney Rock Mountain located on a portion of that certain tract or parcel of land at Chimney Rock State Park in Rutherford County, Chimney Rock Township, described in Deed Book 933, Page 598, the State may provide space at the communications tower site to State public safety, emergency management, local governments in Rutherford County, and public television agencies for the placement of antennas, repeaters, and other communications devices for public communications purposes. State agencies and local governments that are authorized to place communications devices at or near the communications tower site pursuant to this subdivision may also locate at or near the communications tower site communications equipment necessary for the proper operation of the communications devices. The use of the communications tower site pursuant to this subdivision is authorized by the General Assembly as a purpose other than the public purposes specified in Section 5 of Article XIV of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Article 2 of Chapter 143B of the General Statutes.

(22) All State-owned land and waters within the boundaries of the Mountains-to-Sea Trail as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tract: The portion of that certain tract or parcel in Johnston County described in Deed Book 3634, Page 278, containing 4.72 acres and being described as proposed easement area for Piedmont Natural Gas Company transmission line on drawing entitled "Easement Survey Prepared for Piedmont Natural Gas Company, Line 142, Easement to be Acquired from the State of North Carolina" by McKim & Creed and dated July 31, 2008, and revised March 11, 2009. The State of North Carolina may grant an easement to Piedmont Natural Gas Company across this tract to facilitate the transmission of natural gas. The grant of the easement within the Mountains-to-Sea Trail to Piedmont Natural Gas Company under this section constitutes authorization by the General Assembly that the described tract of land may be used for a purpose other than the public purposes specified in Section 5 of Article XIV of the North Carolina Constitution,

Article 25B of Chapter 143 of the General Statutes, and Part 32 of Article 7 [Article 2] of Chapter 143B of the General Statutes. The State of North Carolina may use the proceeds from the easement only for the expansion or improvement of the Mountains-to-Sea Trail or another State park. The State may not otherwise sell or exchange this land.

(23) All State-owned land and waters within the boundaries of Gorges State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts: The portions of that certain tract or parcel of land in Transylvania County, described in Deed Book 267, Page 838, containing a total of 7.26 acres for the North Carolina Department of Transportation project TIP R-2409C US 64 Safety Improvements. As shown on right-of-way drawing from the North Carolina Department of Transportation dated May 22, 2014, for TIP R-2409C, Parcel 002, on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Gorges State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(24) All State-owned land and waters within the boundaries of Lower Haw State Natural Area as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tract: the portion of that certain tract or parcels in Chatham County, described in Deed Book 1319, Page 1047, containing 12,501 square feet and shown on a survey entitled "Recombination Survey for the North Carolina Division of Parks and Recreation and PK Ventures I LTD Partnership" prepared by S.D. Puckett and Associates dated April 22, 2014, and on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Lower Haw State Natural Area or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(25) All State-owned land and waters within the boundaries of Lumber River State Park as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tracts:

a. The portions of those certain tracts or parcels of land in Robeson County, described in Deed Book 919, Page 862, Deed Book 1097, Page 837, Deed Book 935, Page 170, Deed Book 1125, Page 562, and Deed Book 1117, Page 680, containing a total of 3.39 acres for the North Carolina Department of Transportation secondary road project 6C.078030 SR 2245 (VC Britt Road) and shown on the survey entitled "Survey of Tracts 1A and 1B, VC Britt Rd, Orrum NC" prepared by the North Carolina Department of Transportation. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Lumber River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

b. The portions of that certain tract or parcel of property at Lumber River State Park in Robeson County, described in Deed Book 575, Page 523, and containing approximately 1.08 acre (Tract A) and 0.12 acre (Tract C) as shown in a survey by Jerry W. Lee entitled "Survey

for State of North Carolina" dated June 28, 2016. The land described in this sub-subdivision is deleted from the State Park System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of Lumber River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

c. The portion of those certain tracts or parcels of land at Lumber River State Park in Robeson County, Pembroke Township, described in Deed Book 575, Page 523 and Deed Book 931, Page 415 and containing a total of approximately 2.12 acres as shown in surveys prepared by McKim and Creed and labeled Drawing Number 2017-041 and 2017-042 dated April 24, 2017, and on file with the State Property Office.

(26) All State-owned land and waters within the boundaries of Mitchells Millpond State Natural Area as of ~~May 6, 2014,~~ May 2, 2017, with the exception of the following tract: the portions of that certain tract or parcel in Wake County, described in Deed Book 2445, Page 62, containing approximately 0.215 acres as shown on the right-of-way plan for SR 2224 (Mitchell Mill Road) bridge No. 162 replacement project and on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 143B-135.54. The State of North Carolina may only exchange this land for other land for the expansion of the State Parks system or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(27) All lands and waters within the boundaries of Carvers Creek State Park as of May 2, 2017, with the exception of the following tract: the portion of that certain tract or parcel of land at Carvers Creek State Park in Cumberland County, described in Deed Book 8466, Page 67, and containing 0.33 acres, more or less, as shown on the survey entitled "Ingress-Egress Easement for Stone Mountain Farm, LLC & William C. Elliott, Estate & The State of North Carolina" by George L. Lott, PLS, dated November 2013, and revised in May 2015 and filed with the State Property Office.

(28) All lands and waters within the boundaries of Mayo River State Park as of May 2, 2017, with the exception of the following tracts, to allow construction of an access bridge from a tract or parcel of land owned by the State of North Carolina over the Mayo River, which bridge shall be of sufficient width to allow emergency vehicle and State Park vehicle access for the purpose of addressing public safety issues and service vehicle access to monitor, maintain, repair, or replace the existing sewer line traversing portions of Mayo River State Park:

a. The portion of that certain tract or parcel of land at Mayo River State Park in Rockingham County described in Deed Book 1244, Page 1392, and containing 6.62 acres.

b. The portion of that certain tract or parcel of land at Mayo River State Park in Rockingham County described in Deed Book 1244, Page 1390, and containing .62 acres.

c. The portion of that certain tract or parcel of land at Mayo River State Park in Rockingham County described in Deed Book 1353, Page 2214, and containing .61 acres.

d. The portion of that certain tract or parcel of land at Mayo River State Park in Rockingham County described in Deed Book 1353, Page 2216, and containing .52 acres.

e. The portion of that certain tract or parcel of land at Mayo River State Park in Rockingham County described in Deed Book 1353, Page 2216, and containing 1.54 acres."

SECTION 2.(a) The State of North Carolina shall grant any easements necessary to the Town of Mayodan for construction of the bridge described in subdivision (28) of G.S. 143-260.10, as enacted by Section 1 of this act, and ancillary parking facilities and for maintenance and repair of existing sewer lines traversing land at Mayo River State Park in Rockingham County. Notwithstanding any other provision of law, no fee, royalty, or other cost shall be imposed for the grant of the easements.

SECTION 2.(b) No later than May 1, 2017, the State shall cause to be performed a survey of State lands necessary for construction of the bridge described in subdivision (28) of G.S. 143-260.10, as enacted by Section 1 of this act, and maintenance and repair of existing sewer lines traversing land at Mayo River State Park in Rockingham County and shall file said survey with the State Property Office.

SECTION 3. The facility authorized under this act shall be constructed in accordance with the provisions of general law applicable to the construction of State facilities, except as otherwise provided in this section. Notwithstanding any other provision of law, construction of the facilities authorized by this act shall be exempt from the following statutes and rules implementing those statutes: Articles 3 and 8 of Chapter 143, Articles 1 and 4 of Chapter 113A. Notwithstanding G.S. 146-11 and Article 16 of Chapter 146 of the General Statutes, the approval of the Council of State shall not be required for the granting of easements for the facility authorized under this act. With respect to any other environmental permits required for construction of the facility, the Department of Environmental Quality is directed to expedite permitting of the project to the extent allowed by law and shall waive any application fees that would be otherwise applicable to applications for permits required for the facilities and, where possible under applicable law, issue all permits within 40 days of receipt of a complete application.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-114 **H.B. 30**

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PRODUCE A COLORECTAL CANCER AWARENESS SPECIAL REGISTRATION PLATE, A BIG ROCK BLUE MARLIN TOURNAMENT SPECIAL REGISTRATION PLATE, AND A KICK CANCER FOR KIDS SPECIAL REGISTRATION PLATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives ~~at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.~~the required number of applications set forth in G.S. 20-79.3A(a).

…

(54) Colorectal Cancer Awareness.

(55) Big Rock Blue Marlin Tournament.

(56) Order of the Long Leaf Pine."

SECTION 2. G.S. 20-79.4(b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

…

() Big Rock Blue Marlin Tournament. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the words "Big Rock Blue Marlin Tournament" and include a representation of a blue marlin.

…

() Colorectal Cancer Awareness. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear (i) the phrase "It Takes a Warrior to Battle Cancer!" across the top of the plate, (ii) a symbol on the left side of the plate of a blue ribbon with two wings that are colored blue, grey, and black, (iii) the phrase "Blue Ribbon Warrior" above the symbol, (iv) the phrase "Colorectal Cancer Awareness" below the symbol, and (v) the letters "CC" on the right side of the plate. The plate authorized under this subdivision is not subject to G.S. 20-79.3A(c) or the deadline set forth in G.S. 20-79.3A(b).

…

() Kick Cancer for Kids. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the words "Kick Cancer for Kids" and a representation of a gold ribbon with children's handprints surrounding the ribbon.

…."

SECTION 3. G.S. 20-79.7 reads as rewritten:

"**§ 20-79.7. Fees for special registration plates and distribution of the fees.**

…

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
…	
Back Country Horsemen of NC	Expired July 1, 2016
Big Rock Blue Marlin Tournament	$30.00
Boy Scouts of America	Expired July 1, 2016
…	
Coastal Land Trust	$30.00
Colorectal Cancer Awareness	$30.00
Crystal Coast	Expired July 1, 2016
…	
In God We Trust	$30.00
Kick Cancer for Kids	$30.00

…

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

Special Plate	SRPA	CCAPA	CWMTF	PRTF
…				
Big Rock Blue Marlin Tournament	$10	$20	0	0
…				
Coastal Land Trust	$10	$20	0	0
Colorectal Cancer Awareness	$10	$20	0	0

Concerned Bikers Association/ ABATE of North Carolina – Expired July 1, 2016				
…				
Kick Cancer for Kids	$10	$20	0	0

…."

SECTION 4. G.S. 20-81.12 reads as rewritten:

"**§ 20-81.12. Collegiate insignia plates and certain other special plates.**

…

(b155) Colorectal Cancer Awareness. – The Division must receive 300 or more applications for a Colorectal Cancer Awareness plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Colorectal Cancer Awareness plates to the Colon Cancer Coalition to be used to promote prevention and early detection of colorectal cancer and to provide support to persons affected.

(b156) Kick Cancer for Kids. – The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Kick Cancer for Kids plates as follows:

(1) Fifty percent (50%) to The Children's Oncology Group Foundation to be used to provide support for the mission and goals of the Foundation.

(2) Fifty percent (50%) to Riley's Army, Inc., to be used to provide support to children with cancer and their families.

(b157) Big Rock Blue Marlin Tournament. – The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Big Rock Blue Marlin Tournament plates to the Big Rock Blue Marlin Tournament to be used to fund charities in North Carolina."

SECTION 5. The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-115 **H.B. 464**

AN ACT REVISING THE SCHEDULE OF CONTROLLED SUBSTANCES TO ADD SYNTHETIC FENTANYLS, DESIGNER HALLUCINOGENICS, SYNTHETIC CANNABINOIDS, SYSTEM DEPRESSANTS, AND OTHER SUBSTANCES AND MAKING CONFORMING CHANGES; AND CREATING THE TASK FORCE ON SENTENCING REFORMS FOR OPIOID DRUG CONVICTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known and may be cited as the "Synthetic Opioid and Other Dangerous Drug Control Act."

SECTION 2. G.S. 90-87 reads as rewritten:

"**§ 90-87. Definitions.**

As used in this Article:

…

(14a) The term "isomer" ~~means, except as used in G.S. 90-87(17)(d), G.S. 90-89(c), G.S. 90-90(1)d., and G.S. 90-95(h)(3), the optical isomer. As used in G.S. 90-89(c) the term "isomer" means the optical, position, or geometric isomer. As used in G.S. 90-87(17)(d), G.S. 90-90(1)d., and G.S. 90-95(h)(3) the term "isomer" means the optical isomer or~~

~~diastereoisomer.~~means any type of isomer, including structural, geometric, or optical isomers, and stereoisomers.

…

(17) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

a. ~~Opium and opiate,~~Opium, opiate and opioid, and any salt, compound, derivative, or preparation of ~~opium or opiate.~~opium, opiate, or opioid.

b. Any salt, compound, isomer, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause a, but not including the isoquinoline alkaloids of opium.

c. Opium poppy and poppy straw.

d. Cocaine and any salt, isomer, salts of isomers, compound, derivative, or preparation thereof, or coca leaves and any salt, isomer, salts of isomers, compound, derivative or preparation of coca leaves, or any salt, isomer, salts of isomers, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, except that the substances shall not include decocanized coca leaves or extraction of coca leaves, which extractions do not contain cocaine or ecgonine.

(18) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under G.S. 90-88, the dextrorotatory isomer of 3-methoxy-n-methyl-morphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

(18a) "Opioid" means any synthetic narcotic drug having opiate-like activities but is not derived from opium.

…."

SECTION 3. G.S. 90-89 reads as rewritten:

"**§ 90-89. Schedule I controlled substances.**

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a high potential for abuse, no currently accepted medical use in the United States, or a lack of accepted safety for use in treatment under medical supervision. The following controlled substances are included in this schedule:

(1) Opiates. – Any of the following ~~opiates,~~ opiates or opioids, including the isomers, esters, ethers, salts and salts of isomers, esters, and ethers, unless specifically excepted, or listed in another schedule, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation:

a. Acetyl-alpha-methylfentanyl (N[1-(1-methyl-2-phenethyl)-4/y-piperidinyl]-N-phenylacet amide).

b. Acetylmethadol.

c. Repealed by Session Laws 1987, c. 412, s. 2.

d. Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl/y-4/y-piperidinyl]-N-phenylpropana mide).

e. Allylprodine.
f. ~~Alphacetylmethadol.~~Alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate and LAAM).
g. Alphameprodine.
h. Alphamethadol.
i. Alpha-methylfentanyl (N-(1-(alpha-methyl-beta-phenyl) ethyl-4-piperidyl) propionalilide; 1(1-methyl-2-phenyl-ethyl)-4-(N-propanilido) piperidine).
j. Benzethidine.
k. Betacetylmethadol.
l. Beta-hydroxfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide).
m. Beta-hydroxy-3-methylfentanyl (N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4-piperidinyl]-N-pheny lpropanamide).
n. Betameprodine.
o. Betamethadol.
p. Betaprodine.
q. Clonitazene.
r. Dextromoramide.
s. Diampromide.
t. Diethylthiambutene.
u. Difenoxin.
v. Dimenoxadol.
w. Dimepheptanol.
x. Dimethylthiambutene.
y. Dioxaphetyl butyrate.
z. Dipipanone.
aa. Ethylmethylthiambutene.
bb. Etonitazene.
cc. Etoxeridine.
dd. Furethidine.
ee. Hydroxypethidine.
ff. Ketobemidone.
gg. Levomoramide.
hh. Levophenacylmorphan.
ii. 1-methyl-4-phenyl-4-propionoxypiperidine (MPPP).
jj. 3-Methylfentanyl (N-[3-methyl-1-(2-Phenylethyl)-4-Pi- peridyl]-N-Phenylpropanamid e).
kk. 3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl/y-4-piperidinyl]-N-phenylpropanam ide).
ll. Morpheridine.
mm. Noracymethadol.
nn. Norlevorphanol.
oo. Normethadone.
pp. Norpipanone.
qq. Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phen-ethyl)-4-piperidinyl]-propanamide .

rr. Phenadoxone.
ss. Phenampromide.
tt. 1-(2-phenethyl)-4-phenyl-4-acetoxypiperidine (PEPAP).
uu. Phenomorphan.
vv. Phenoperidine.
ww. Piritramide.
xx. Proheptazine.
yy. Properidine.
zz. Propiram.
aaa. Racemoramide.
bbb. Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide.
ccc. Tilidine.
ddd. Trimeperidine.
eee. Acetyl Fentanyl.
fff. Trans-3,4-dichloro-N-(2(dimethylamino)cyclohexyl) N-methyl-benzamide (U47700).
ggg. 3,4-dichloro-N([1(dimethylamino)cyclohexyl]methyl)benzamide; 1-(3,4-dichlorobenzamidomethyl)cyclohexyldimethylamine) (also known as AH-7921).
hhh. 3,4-dichloro-N-([diethylamino)cyclohexyl]-N-methylbenzamide (also known as U-49900).
iii. U-77891.
jjj. 1-phenylethylpiperidylidene-2-(4-chlorphenyl)sulfonamide; 1-(4-nitrophenylethyl)piperidylidene-2-(4-chlorophenyl)sulfonamide; 4-chloro-N-[1-[2-(4-nitrophenyl)ethyl]-2-piperidinylidene]-benzenes ulfonamide (also known as W-18).
kkk. 1-phenylethylpiperidylidene-2-(4-chlorophenyl)sulfonamide; 4-chloro-N-[1-(2-phenylethyl)-2-piperidinylidene]-benzenesulfonami de (also known as W-15).
lll. 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine (also known as MT-45).

(1a) Fentanyl derivatives. – Any compounds structurally derived from N-[1-(2-phenylethyl)-4-piperidinyl]-N-phenylpropanamide (Fentanyl) by any substitution on or replacement of the phenethyl group, any substitution on the piperidine ring, any substitution on or replacement of the propanamide group, any substitution on the anilido phenyl group, or any combination of the above unless specifically excepted or listed in another schedule to include their salts, isomers, and salts of isomers. Fentanyl derivatives include, but are not limited to, the following:

a. N-(1-phenylethylpiperidin-4-yl)-N-phenylfuran-2-carboxamide (also known as Furanyl Fentanyl).
b. N-(1-phenethylpiperidin-4-yl)-N-phenylbutyramide; N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide (also known as Butyryl Fentanyl).
c. N-[1-[2-hydroxy-2-(thiophen-2-yl)ethyl]piperidin-4-yl]-N-phenyl propionamide; N-[1-[2-hydroxy-2-(2-thienyl)ethyl]-4-piperidinyl]-N-phenylpropana mide (also known as Beta-Hydroxythiofentanyl).
d. N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]-2propenamide (also known as Acrylfentanyl).

e. N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl]-pentanamide (also known as Valeryl Fentanyl).
f. N-(2-fluorophenyl)-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide (also known as 2-fluorofentanyl).
g. N-(3-fluorophenyl)-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide (also known as 3-fluorofentanyl).
h. N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran 2-carboxamide (also known as tetrahydrofuran fentanyl).
i. N-(4-fluorophenyl)-2-methyl-N-[1-(2-phenylethyl) 4-piperidinyl]-propanamide (also known as 4-fluoroisobutyryl fentanyl, 4-FIBF).
j. N-(4-fluorophenyl)-N-[1-(2-phenylethyl)-4-piperidinyl]-butanamide (also known as 4-fluorobutyryl fentanyl, 4-FBF).

(2) Opium derivatives. – Any of the following opium derivatives, including their salts, isomers, and salts of isomers, unless specifically excepted, or listed in another schedule, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:
a. Acetorphine.
b. Acetyldihydrocodeine.
c. Benzylmorphine.
d. Codeine methylbromide.
e. Codeine-N-Oxide.
f. Cyprenorphine.
g. Desomorphine.
h. Dihydromorphine.
i. Etorphine (except hydrochloride salt).
j. Heroin.
k. Hydromorphinol.
l. Methyldesorphine.
m. Methyldihydromorphine.
n. Morphine methylbromide.
o. Morphine methylsulfonate.
p. Morphine-N-Oxide.
q. Myrophine.
r. Nicocodeine.
s. Nicomorphine.
t. Normorphine.
u. Pholcodine.
v. Thebacon.
w. Drotebanol.

(3) Hallucinogenic substances. – Any material, compound, mixture, or preparation which contains any quantity of the following hallucinogenic substances, including their salts, isomers, and salts of isomers, unless specifically excepted, or listed in another schedule, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:
a. 3, 4-methylenedioxyamphetamine.
b. 5-methoxy-3, 4-methylenedioxyamphetamine.
c. 3, 4-Methylenedioxymethamphetamine (MDMA).
d. 3,4-methylenedioxy-N-ethylamphetamine (also known as N-ethyl-alpha-methyl-3,4-(methylenedioxy) phenethylamine, N-ethyl MDA, MDE, and MDEA).

e. N-hydroxy-3,4-methylenedioxyamphetamine (also known as N-hydroxy/y-alpha-methyl-3,4-(methylenedioxy) phenethylamine, and N-hydroxy MDA).
f. 3, 4, 5-trimethoxyamphetamine.
g. Alpha-ethyltryptamine. Some trade or other names: etryptamine, Monase, alpha-ethyl-1H-indole-3-ethanamine, 3-(2-aminobutyl) indole, alpha-ET, and AET.
h. Bufotenine.
i. Diethyltryptamine.
j. Dimethyltryptamine.
k. 4-methyl-2, 5-dimethoxyamphetamine.
l. Ibogaine.
m. Lysergic acid diethylamide.
n. Mescaline.
o. Peyote, meaning all parts of the plant presently classified botanically as Lophophora Williamsii Lemaire, whether growing or not; the seeds thereof; any extract from any part of such plant; and every compound, manufacture, salt, derivative, mixture or preparation of such plant, its seed or extracts.
p. N-ethyl-3-piperidyl benzilate.
q. N-methyl-3-piperidyl benzilate.
r. Psilocybin.
s. Psilocin.
t. 2, 5-dimethoxyamphetamine.
u. 2, 5-dimethoxy-4-ethylamphetamine. Some trade or other names: DOET.
v. 4-bromo-2, 5-dimethoxyamphetamine.
w. 4-methoxyamphetamine.
x. Ethylamine analog of phencyclidine. Some trade or other names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethylamine, N-(1-phenylcyclohexyl) ethylamine, cyclohexamine, PCE.
y. Pyrrolidine analog of phencyclidine. Some trade or other names: 1-(1-phenylcyclohexyl)-pyrrolidine, PCPy, PHP.
z. Thiophene analog of phencyclidine. Some trade or other names: 1-[1-(2-thienyl)-cyclohexyl]-piperidine, 2-thienyl analog of phencyclidine, TPCP, TCP.
aa. 1-[1-(2-thienyl)cyclohexyl]pyrrolidine; Some other names: TCPy.
bb. Parahexyl.
cc. 4-Bromo-2, 5-Dimethoxyphenethylamine.
dd. Alpha-Methyltryptamine.
ee. 5-Methoxy-n-diisopropyltryptamine.
ff. Methoxetamine (other names: MXE, 3-MeO-2-Oxo-PCE).
gg. BTCP (Benzothiophenylcyclohexylpiperidine).
hh. Deschloroketamine.
jj. 3-MeO-PCP (3-methoxyphencyclidine).
kk. 4-hydroxy-MET.
ll. 4-OH-MiPT (4-hydroxy-N-methyl-N-isopropyltryptamine).
mm. 5-methoxy-N-methyl-N-propyltryptamine (5-MeO-MiPT).

(4) Systemic depressants. – Any material compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is

possible within the specific chemical designation, unless specifically excepted or unless listed in another schedule:

a. Mecloqualone.
b. Methaqualone.
c. Gamma hydroxybutyric acid; Some other names: GHB, gamma-hydroxybutyrate, 4-hydroxybutyrate, 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate.
d. Etizolam.
e. Flubromazepam.
f. Phenazepam.

(5) Stimulants. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

a. Aminorex. Some trade or other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or 4,5-dihydro-5-phenyl-2-oxazolamine.
b. Cathinone. Some trade or other names: 2-amino-1-phenyl-1-propanone, alpha-aminopropiophenone, 2-aminopropiophenone, and norephedrone.
c. Fenethylline.
d. Methcathinone. Some trade or other names: 2-(methylamino)- propiophenone, alpha-(methylamino)propiophenone, 2-(methy- lamino)-1-phenylpropan-1-one, alpha-N-methylamino- propiophenone, monomethylproprion, ephedrone, N-methylcathinone, methylcathinone, AL-464, AL-422, AL-463, and UR1432.
e. (+-)cis-4-methylaminorex [(+-)cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine] (also known as 2-amino-4-methyl-5-phenyl-2-oxazoline).
f. N,N-dimethylamphetamine. Some other names: N,N,alpha-tri- methylbenzeneethaneamine; N,N,alpha-trimethylphenethylamine.
g. N-ethylamphetamine.
h. 4-methylmethcathinone (also known as mephedrone).
i. 3,4-Methylenedioxypyrovalerone (also known as MDPV).
j. Substituted cathinones. A compound, other than bupropion, that is structurally derived from 2-amino-1-phenyl-1-propanone by modification in any of the following ways: (i) by substitution in the phenyl ring to any extent with alkyl, alkoxy, alkylenedioxy, haloalkyl, or halide substituents, whether or not further substituted in the phenyl ring by one or more other univalent substituents; (ii) by substitution at the 3-position ~~with an alkyl substituent;~~ to any extent; or (iii) by substitution at the nitrogen atom with ~~alkyl or dialkyl~~ alkyl, dialkyl, benzyl, or methoxybenzyl groups or by inclusion of the nitrogen atom in a cyclic structure.
k. N-Benzylpiperazine.
l. 2,5 – Dimethoxy-4-(n)-propylthiophenethylamine.

(6) ~~NBOMe Compounds. –~~ NBOMe compounds. – Any material compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the

specific chemical designation unless specifically excepted or unless listed in another schedule:

a. 25B-NBOMe (2C-B-NBOMe)-2-(4-Bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
b. 25C-NBOMe (2C-C-NBOMe)-2-(4-Chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
c. 25D-NBOMe (2C-D-NBOMe)-2-(2,5-dimethoxy-4-methylphenyl)-N-(2-methoxybenzyl)ethanamine.
d. 25E-NBOMe (2C-E-NBOMe)-2-(4-Ethyl-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
e. 25G-NBOMe (2C-G-NBOMe)-2-(2,5-dimethoxy-3,4-dimethylphenyl)-N-(2-methoxybenzyl)ethanamine.
f. 25H-NBOMe (2C-H-NBOMe)-2-(2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
g. 25I-NBOMe (2C-I-NBOMe)-2-(4-Iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
h. 25N-NBOMe (2C-N-NBOMe)-2-(2,5-dimethoxy-4-nitrophenyl)-N-(2-methoxybenzyl)ethanamine.
i. 25P-NBOMe (2C-P-NBOMe)-2-(4-Propyl-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
j. 25T2-NBOMe (2C-T2-NBOMe)-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-(methylthio)-benzeneethanamine.
k. 25T4-NBOMe (2C-T4-NBOMe)-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-[(1-methylethyl)thio]-benzeneethanamine.
l. 25T7-NBOMe (2C-T7-NBOMe)-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-(propylthio)-benzeneethanamine.

(7) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound that (i) is a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (ii) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedules I through V, and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in sub-subdivisions a. through p. of this subdivision and any substance that contains any quantity of their salts, isomers (whether optical, positional, or geometric), homologues, and salts of isomers and homologues, unless specifically excepted, whenever the existence of these salts, isomers, homologues, and salts of isomers and homologues is possible within the specific chemical designation. The following substances are examples of synthetic cannabinoids and are not intended to be inclusive of the substances included in this Schedule:

a. Naphthoylindoles. Any compound containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Some trade or other names: JWH-015, JWH-018, JWH-019, JWH-073, JWH-081, JWH-122, JWH-200, JWH-210, JWH-398, AM-2201, and WIN 55-212.

b. Naphthylmethylindoles. Any compound containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent.

c. Naphthoylpyrroles. Any compound containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the pyrrole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Another name: JWH-307.

d. Naphthylmethylindenes. Any compound containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indene ring to any extent and whether or not substituted in the naphthyl ring to any extent.

e. Phenylacetylindoles. Any compound containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Some trade or other names: SR-18, RCS-8, JWH-250, and JWH-203.

f. Cyclohexylphenols. Any compound containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not substituted in the cyclohexyl ring to any extent. Some trade or other names: CP 47,497 (and homologues), cannabicyclohexanol.

g. Benzoylindoles. Any compound containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Some

trade or other names: AM-694, Pravadoline (WIN 48,098), and RCS-4.

h. 2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]-1, 4-benzoxazin-6-yl]-1-napthalenylmethanone. Some trade or other name: WIN 55,212-2.

i. (6aR,10aR)-9-(hydroxymethyl)-6, 6-dimethyl-3-(2-methyloctan-2-yl) – 6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol 7370. Some trade or other name: HU-210.

j. 3-(cyclopropylmethanone) indole or 3-(cyclobutylmethanone) indole or 3-(cyclopentylmethanone) indole by substitution at the nitrogen atom of the indole ring, whether or not further substituted in the indole ring to any extent, whether or not further substituted on the cyclopropyl, cyclobutyl, or cyclopentyl rings to any extent. Substances in this class include, but are not limited to: UR-144, fluoro-UR-144, XLR-11, A-796,260, and A-834,735.

k. Indole carboxaldehydes. Any compound structurally derived from 1H-indole-3-carboxaldehyde or 1H-indole-2-carboxaldehyde substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and

2. At the carbon of the carboxaldehyde by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group;

whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) anitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: AB-001.

l. Indole carboxamides. Any compound structurally derived from 1H-indole-3-carboxamide or 1H-indole-2-carboxamide substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and

2. At the nitrogen of the carboxamide by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group;

whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: SDB-001 and STS-135.

m. Indole carboxylic acids. Any compound structurally derived from 1H-indole-3-carboxylic acid or 1H-indole-2-carboxylic acid substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the nitrogen of the carboxamide by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group;

whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: PB-22 and fluoro-PB-22.

n. Indazole carboxaldehydes. Any compound structurally derived from 1H-indazole-3-carboxaldehyde or 1H-indazole-2-carboxaldehyde substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the carbon of the carboxaldehyde by a phenyl, benzyl,

whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring.

o. Indazole carboxamides. Any compound structurally derived from 1H-indazole-3-carboxamide or 1H-indazole-2-carboxamide substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the nitrogen of the carboxamide by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group;

whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: AKB-48, fluoro-AKB-48, APINCACA, AB-PINACA, AB-FUBINACA, ADB-FUBINACA, and ADB-PINACA.

p. Indazole carboxylic acids. Any compound structurally derived from 1H-indazole-3-carboxylic acid or 1H-indazole-2-carboxylic acid substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the hydroxyl group of the carboxylic acid by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group; whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring.

q. Carbazoles. Any compound containing a carbazole ring system with a substituent on the nitrogen atom and bearing an additional substituent at the 1, 2, or 3 position of the carbazole ring system, with a linkage connecting the ring system to the substituent:

1. Where the linkage connecting the carbazole ring system to the substituent if its 1, 2, or 3 position is any of the following: Alkyl, Carbonyl, Ester, Thione, Thioester, Amino, Alkylamino, Amido, or Alkylamido.
2. Where the substituent at the 1, 2, or 3 position of the carbazole ring system, disregarding the linkage, is any of the following groups: Naphthyl, Quinolinyl, Adamantyl, Phenyl, Cycloalkyl (limited to cyclopropyl, cyclobutyl, cyclopentyl, or cyclohexyl), Biphenyl, Alkylamido (limited to ethylamido, propylamido, butanamido, pentamido), Benzyl, Carboxylic acid, Ester, Ether, Phenylpropylamido, or Phenylpropylamino; whether or not further substituted in either of the following ways: (i) the substituent at the 1, 2, or 3 position of the carbazole ring system, disregarding the linkage, is further substituted to any extent (ii) further substitution on the carbazole ring system to any extent. This class includes, but is not limited to, the following: MDMB CHMCZCA, EG-018, and EG-2201.

r. Naphthoylnaphthalenes. Any compound structurally derived from naphthalene-1-yl-(naphthalene-1-yl) methanone with substitutions on

either of the naphthalene rings to any extent. Substances in this class include, but are not limited to: CB-13."

SECTION 4. G.S. 90-90 reads as rewritten:

"**§ 90-90. Schedule II controlled substances.**

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a high potential for abuse; currently accepted medical use in the United States, or currently accepted medical use with severe restrictions; and the abuse of the substance may lead to severe psychic or physical dependence. The following controlled substances are included in this schedule:

(1) Any of the following substances whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, unless specifically excepted or unless listed in another schedule:

a. ~~Opium and~~ Opium, opiate, or opioid and any salt, compound, derivative, or preparation of opium and opiate, excluding apomorphine, nalbuphine, dextrorphan, naloxone, naltrexone and nalmefene, and their respective salts, but including the following:

1. Raw opium.
2. Opium extracts.
3. Opium fluid extracts.
4. Powdered opium.
5. Granulated opium.
6. Tincture of opium.
7. Codeine.
8. Ethylmorphine.
9. Etorphine hydrochloride.
10. ~~Hydrocodone.~~Any material, compound, mixture, or preparation which contains any quantity of hydrocodone.
11. Hydromorphone.
12. Metopon.
13. Morphine.
14. Oxycodone.
15. Oxymorphone.
16. Thebaine.
17. Dihydroetorphine.

b. Any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in paragraph 1 of this subdivision, except that these substances shall not include the isoquinoline alkaloids of opium.

c. Opium poppy and poppy straw.

d. Cocaine and any salt, isomer, salts of isomers, compound, derivative, or preparation thereof, or coca leaves and any salt, isomer, salts of isomers, compound, derivative, or preparation of coca leaves, or any salt, isomer, salts of isomers, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, except that the substances shall not include decocanized coca leaves or extraction of coca leaves, which extractions do not contain cocaine or ecgonine.

e. Concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid or powder form which contains the phenanthrine alkaloids of the opium poppy).

(2) Any of the following ~~opiates,~~ opiates or opioids, including their isomers, esters, ethers, salts, and salts of isomers, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation unless specifically exempted or listed in other schedules:

a. Alfentanil.
b. Alphaprodine.
c. Anileridine.
d. Bezitramide.
e. Carfentanil.
f. Dihydrocodeine.
g. Diphenoxylate.
h. Fentanyl.
i. Isomethadone.
j. Levo-alphacetylmethadol. Some trade or other names: levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM.
k. Levomethorphan.
l. Levorphanol.
m. Metazocine.
n. Methadone.
o. Methadone – Intermediate, 4-cyano-2-dimethylamino-4, 4/y- diphenyl butane.
p. Moramide – Intermediate, 2-methyl-3-morpholino-1, 1-diphenyl-propane-carboxylic acid.
q. Pethidine.
r. Pethidine – Intermediate – A, 4-cyano-1-methyl-4/y-phenylpiperidine.
s. Pethidine – Intermediate – B, ethyl-4-phenylpiperidine-4-carboxylate.
t. Pethidine – Intermediate – C, 1-methyl-4-phenylpiperidine-4-carboxylic acid.
u. Phenazocine.
v. Piminodine.
w. Racemethorphan.
x. Racemorphan.
y. Remifentanil.
z. Sufentanil.
aa. Tapentadol.

…."

SECTION 5. G.S. 90-91 reads as rewritten:

"**§ 90-91. Schedule III controlled substances.**

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a potential for abuse less than the substances listed in Schedules I and II; currently accepted medical use in the United States; and abuse may lead to moderate or low physical dependence or high psychological dependence. The following controlled substances are included in this schedule:

…

(d) Any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof unless specifically exempted or listed in another schedule:

1. Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit with an equal or greater quantity of an isoquinoline alkaloid of opium.

2. Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.
3. ~~Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit with a four-fold or greater quantity of an isoquinoline alkaloid of opium.~~
4. ~~Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.~~
5. Not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.
6. Not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.
7. Not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.
8. Not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.
9. Buprenorphine.

…

(k) Anabolic steroids. The term "anabolic steroid" means any drug or hormonal substance, chemically and pharmacologically related to testosterone (other than estrogens, progestins, and corticosteroids) that promotes muscle growth, including, but not limited to, the following:

1. Methandrostenolone,
2. Stanozolol,
3. Ethylestrenol,
4. Nandrolone phenpropionate,
5. Nandrolone decanoate,
6. Testosterone propionate,
7. Chorionic gonadotropin,
8. Boldenone,

8a. Boldione,

9. Chlorotestosterone (4-chlorotestosterone),
10. Clostebol,
11. Dehydrochlormethyltestosterone,

11a. Desoxymethyltesterone (17[alpha]-methyl-5[alpha]-androst-2-en-17[beta]-ol) (also known as madol),

12. Dibydrostestosterone (4-dihydrotestosterone),
13. Drostanolone,
14. Fluoxymesterone,
15. Formebulone (formebolone),
16. Mesterolene,
17. Methandienone,
18. Methandranone,
19. Methandriol,

19a. Methasterone,

20. Methenolene,
21. Methyltestosterone,

22. Mibolerone,
23. Nandrolene,
24. Norethandrolene,
25. Oxandrolone,
26. Oxymesterone,
27. Oxymetholone,
28. Stanolone,
29. Testolactone,
30. Testosterone,
31. Trenbolone, ~~and~~

31a. 19-nor-4,9(10)-androstadienedione (estra-4,9(10)-diene-3,17-dione), and

32. Any salt, ester, or isomer of a drug or substance described or listed in this subsection, if that salt, ester, or isomer promotes muscle growth. Except such term does not include (i) an anabolic steroid which is expressly intended for administration through implants to cattle or other nonhuman species and which has been approved by the Secretary of Health and Human Services for such administration or (ii) chorionic gonadotropin when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent. If any person prescribes, dispenses, or distributes such steroid for human use, such person shall be considered to have prescribed, dispensed, or distributed an anabolic steroid within the meaning of this subsection.

…."

SECTION 6. G.S. 90-92 reads as rewritten:

"**§ 90-92. Schedule IV controlled substances.**

(a) This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a low potential for abuse relative to the substances listed in Schedule III of this Article; currently accepted medical use in the United States; and limited physical or pyschological dependence relative to the substances listed in Schedule III of this Article. The following controlled substances are included in this schedule:

(1) Depressants. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

a. Alprazolam.
b. Barbital.
c. Bromazepam.
d. Camazepam.
d1. Carisoprodol.
e. Chloral betaine.
f. Chloral hydrate.
g. Chlordiazepoxide.
h. Clobazam.
i. Clonazepam.
j. Clorazepate.
k. Clotiazepam.
l. Cloxazolam.
m. Delorazepam.
n. Diazepam.
n1. Dichloralphenazone.

o. Estazolam.
p. Ethchlorvynol.
q. Ethinamate.
r. Ethyl loflazepate.
s. Fludiazepam.
t. Flunitrazepam.
u. Flurazepam.
u1. Fospropol.
v. Repealed by Session Laws 2000, c. 140, s. 92.2(c).
w. Halazepam.
x. Haloxazolam.
y. Ketazolam.
z. Loprazolam.
aa. Lorazepam.
bb. Lormetazepam.
cc. Mebutamate.
dd. Medazepam.
ee. Meprobamate.
ff. Methohexital.
gg. Methylphenobarbital (mephobarbital).
hh. Midazolam.
ii. Nimetazepam.
jj. Nitrazepam.
kk. Nordiazepam.
ll. Oxazepam.
mm. Oxazolam.
nn. Paraldehyde.
oo. Petrichloral.
pp. Phenobarbital.
qq. Pinazepam.
rr. Prazepam.
ss. Quazepam.
tt. Temazepam.
uu. Tetrazepam.
vv. Triazolam.
ww. Zolpidem.
xx. Zaleplon.
yy. Zopiclone.

…

(5) Narcotic Drugs. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof:

a. Not more than 1 milligram of difenoxin and not less than 25 micrograms of atropine sulfate per dosage unit.
b. ~~Buprenorphine.~~
c. Tramadol."

SECTION 7. G.S. 90-93(a) is amended by adding a new subdivision to read:

"**§ 90-93. Schedule V controlled substances.**

(a) This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a low potential for abuse relative to the substances listed in Schedule IV of this Article; currently accepted medical use in the United States; and limited physical or psychological dependence

relative to the substances listed in Schedule IV of this Article. The following controlled substances are included in this schedule:

…

(4) Anticonvulsants. – Unless specifically exempted or excluded or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

a. Ezogabine.
b. Lacosamide.
c. Brivaracetam.
d. Pregabalin."

SECTION 8. G.S. 90-94(3) is repealed.

SECTION 9. G.S. 14-17 reads as rewritten:

"**§ 14-17. Murder in the first and second degree defined; punishment.**

…

(b) A murder other than described in subsection (a) of this section or in G.S. 14-23.2 shall be deemed second degree murder. Any person who commits second degree murder shall be punished as a Class B1 felon, except that a person who commits second degree murder shall be punished as a Class B2 felon in either of the following circumstances:

…

(2) The murder is one that was proximately caused by the unlawful distribution of ~~opium or~~ any opium, opiate, or opioid; any synthetic or natural salt, compound, derivative, or preparation of opium, or opiate, or opioid; cocaine or other substance described in ~~G.S. 90-90(1)d., or methamphetamine,~~G.S. 90-90(1)d.; methamphetamine; or a depressant described in G.S. 90-92(a)(1), and the ingestion of such substance caused the death of the user.

…."

SECTION 10.(a) Creation. – There is established the Task Force on Sentencing Reforms for Opioid Drug Convictions. The Task Force shall have 22 members. The Attorney General, Secretary of Health and Human Services, Secretary of Public Safety, Chief Deputy Secretary of Adult Correction and Juvenile Justice, Director of the Administrative Office of the Courts, and Executive Director of the North Carolina Sentencing and Advisory Commission or their designees shall be ex officio members of the Task Force and shall serve with the same rights and privileges, including voting rights, as other members. Appointments to the Task Force shall be made as follows:

(1) The Speaker of the House of Representatives shall appoint the following members:
   a. Two members of the House of Representatives.
   b. A sitting or former superior court judge of the General Court of Justice.
   c. A sitting or former district court judge of the General Court of Justice.
   d. A person who is a substance abuse treatment and recovery professional.
   e. A representative from the North Carolina Conference of District Attorneys.
   f. A person who is a criminal defense attorney.
   g. One member at large.

(2) The President Pro Tempore of the Senate shall appoint the following members:
   a. Two members of the Senate.

b. A sitting or former superior court judge of the General Court of Justice.
c. A sitting or former district court judge of the General Court of Justice.
d. A person who is a substance abuse and recovery professional.
e. A representative from the North Carolina of District Attorneys.
f. A person who is a criminal defense attorney.
g. One member at large.

SECTION 10.(b) Study. – The purpose of the Task Force shall be to study and review cases of inmates who are incarcerated solely for convictions of opioid drug offenses that require active sentences under structured sentencing; to consider how to identify inmates who would be able to successfully reintegrate into society; and to develop and consider options for modifying existing statutes. Specifically, the Task Force shall do all of the following:

(1) Study the advisability of reducing sentences imposed under structured sentencing for opioid drug convictions based on the case facts and records of incarcerated inmates.
(2) Study the potential cost-savings and fiscal impact of an early release process for inmates convicted of opioid drug offenses.
(3) Identify and consider sentencing options that will help restore the ability of judges to use judgment, logic, and facts when imposing a sentence for a conviction of an opioid drug offense.
(4) Consider whether the mandatory sentences imposed under structured sentencing for convictions of opioid drug offenses serve as a deterrent.
(5) Consider options such as reclassifying opioid drug offenses, allowing courts to divert convicted offenders into treatment programs in lieu of imposing a sentence of active time in prison, increasing weight thresholds for trafficking in opioids or changing how quantities are measured, aligning minimum mandatory sentence lengths with those for most other drug offenses.
(6) Consider establishing a "pardon and parole board" that may recommend pardons and paroles for inmates convicted of opioid drug offenses.
(7) Consider any other options the Task Force deems relevant to this study.

SECTION 10.(c) Cochairs; Quorum; Vacancies. – The Speaker of the House of Representatives shall designate one representative to serve as cochair, and the President Pro Tempore of the Senate shall designate one senator to serve as cochair. A majority of the Task Force shall constitute a quorum for the transaction of its business. A vacancy on the Task Force shall be filled by the original appointing authority using the criteria set out in this act for the original appointment.

SECTION 10.(d) Per Diem, Travel, and Expenses. – Members of the Task Force shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 120-3.1, 138-5, and 138-6, as applicable.

SECTION 10.(e) Powers. – The Task Force, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Task Force may meet at any time upon the call of the chair. The Committee may meet in the Legislative Building or in the Legislative Office Building.

SECTION 10.(f) Staffing. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Task Force in its work. The Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Task Force and the expenses relating to the clerical employees shall be borne by the Task Force.

SECTION 10.(g) Report. – The Task Force shall submit an interim report to the 2017 General Assembly when it reconvenes in 2018. The Task Force shall submit a final report, including findings and legislative recommendations, to the 2019 General Assembly. The Task Force shall terminate upon filing its final report.

SECTION 11. G.S. 90-95 reads as rewritten:

"**§ 90-95. Violations; penalties.**

…

(b) Except as provided in subsections (h) and (i) of this section, any person who violates G.S. 90-95(a)(1) with respect to:

(1) A controlled substance classified in Schedule I or II shall be punished as a Class H felon, except as follows: (i) the sale of a controlled substance classified in Schedule I or II shall be punished as a Class G felony, and (ii) the manufacture of methamphetamine shall be punished as provided by subdivision (1a) of this subsection.

(1a) The manufacture of methamphetamine shall be punished as a Class C felony unless the offense was one of the following: packaging or repackaging methamphetamine, or labeling or relabeling the methamphetamine container. The offense of packaging or repackaging methamphetamine, or labeling or relabeling the methamphetamine container shall be punished as a Class H felony.

(2) A controlled substance classified in Schedule III, IV, V, or VI shall be punished as a Class I felon, except that the sale of a controlled substance classified in Schedule III, IV, V, or VI shall be punished as a Class H felon. The transfer of less than 5 grams of marijuana ~~or less than 2.5 grams of a synthetic cannabinoid or any mixture containing such substance~~ for no remuneration shall not constitute a delivery in violation of G.S. 90-95(a)(1).

…

(d) Except as provided in subsections (h) and (i) of this section, any person who violates G.S. 90-95(a)(3) with respect to:

…

(4) A controlled substance classified in Schedule VI shall be guilty of a Class 3 misdemeanor, but any sentence of imprisonment imposed must be suspended and the judge may not require at the time of sentencing that the defendant serve a period of imprisonment as a special condition of probation. If the quantity of the controlled substance exceeds one-half of an ounce (avoirdupois) of marijuana ~~7 grams of a synthetic cannabinoid or any mixture containing such substance,~~ or one-twentieth of an ounce (avoirdupois) of the extracted resin of marijuana, commonly known as hashish, the violation shall be punishable as a Class 1 misdemeanor. If the quantity of the controlled substance exceeds one and one-half ounces (avoirdupois) of marijuana, ~~21 grams of a synthetic cannabinoid or any mixture containing such substance,~~ or three-twentieths of an ounce (avoirdupois) of the extracted resin of marijuana, commonly known as hashish, or if the controlled substance consists of any quantity of synthetic tetrahydrocannabinols or tetrahydrocannabinols isolated from the resin of marijuana, the violation shall be punishable as a Class I felony.

…."

SECTION 12. Sections 1-9 and 11 of this act become effective December 1, 2017, and apply to offenses committed on or after that date. The remainder of this act becomes effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-116 **H.B. 466**

AN ACT RELATING TO THE REGULATION OF PHARMACY BENEFIT MANAGERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-56A-1 reads as rewritten:

"**§ 58-56A-1. Definitions.**

The following definitions apply in this Article:

(1) Health benefit plan. – As defined in G.S. 58-50-110(11). This definition specifically excludes the State Health Plan for Teachers and State Employees.

(2) Insured. – An individual covered by a health benefit plan.

(3) Insurer. – Any entity that provides or offers a health benefit plan.

~~(3)~~(4) Maximum allowable cost price. – The maximum per unit reimbursement for multiple source prescription drugs, medical products, or devices.

(5) Pharmacist. – A person licensed to practice pharmacy under Article 4A of Chapter 90 of the General Statutes.

~~(4)~~(6) Pharmacy. – A pharmacy registered with the North Carolina Board of Pharmacy.

~~(5)~~(7) Pharmacy benefits manager. – An entity who contracts with a pharmacy on behalf of an insurer or third-party administrator to administer or manage prescription drug benefits.

~~(6)~~(8) Third-party administrator. – As defined in G.S. 58-56-2."

SECTION 2. Article 56A of Chapter 58 of the General Statutes is amended by adding two new sections to read:

"**§ 58-56A-3. Consumer protections.**

(a) A pharmacy or pharmacist shall have the right to provide an insured information regarding the amount of the insured's cost share for a prescription drug. Neither a pharmacy nor a pharmacist shall be penalized by a pharmacy benefits manager for discussing any information described in this section or for selling a lower-priced drug to the insured if one is available.

(b) A pharmacy benefits manager shall not, through contract, prohibit a pharmacy from offering and providing direct and limited delivery services to an insured as an ancillary service of the pharmacy, as delineated in the contract between the pharmacy benefits manager and the pharmacy.

(c) A pharmacy benefits manager shall not charge, or attempt to collect from, an insured a co-payment that exceeds the total submitted charges by the network pharmacy.

(d) Any contract for the provision of a network to deliver health care services between a pharmacy benefits manager and insurer shall be made available for review by the Department.

(e) The Department shall report to the Attorney General any violations of this section or G.S. 58-56A-4 in accordance with G.S. 58-2-40(5).

"**§ 58-56A-4. Pharmacy and pharmacist protections.**

A pharmacy benefits manager may only charge a fee or otherwise hold a pharmacy responsible for a fee relating to the adjudication of a claim if the fee is reported on the remittance advice of the adjudicated claim or is set out in contract between the pharmacy benefits manager and the pharmacy. This section shall not apply with respect to claims under an employee benefit plan under the Employee Retirement Income Security Act of 1974 or Medicare Part D."

SECTION 3. The Commissioner of Insurance may adopt rules to implement this act.

SECTION 4. This act becomes effective October 1, 2017, and applies to all contracts entered into, renewed, or amended on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-117 **H.B. 532**

AN ACT TO MODIFY THE GOVERNANCE AND OPERATION OF THE UNIVERSITY OF NORTH CAROLINA LABORATORY SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 29A of Chapter 116 of the General Statutes reads as rewritten:

"Article 29A.

"University of North Carolina Laboratory Schools.

"**§ 116-239.5. University of North Carolina laboratory schools; purpose.**

(a) The Board of Governors, ~~in consultation with~~upon recommendation by the ~~constituent institutions of The University of North Carolina with educator preparation programs,~~President, shall designate ~~eight~~at least nine constituent institutions to submit proposals to establish laboratory schools to serve public school students in accordance with the provisions of this Article. The Board of Governors shall select ~~eight~~ constituent institutions with ~~quality~~ high-quality educator preparation programs as demonstrated by the annual performance measures reported by the constituent institutions in accordance with G.S. 115C-296.13. The Board of Governors' Subcommittee on Laboratory Schools established under G.S. 116-239.7 shall review the proposals and approve at least nine of the proposals to establish laboratory schools. The Subcommittee shall oversee the operations of those laboratory schools to meet the purposes set forth in this Article.

(b) The mission of a laboratory school shall be to improve student performance in local school administrative units with low-performing schools by providing an enhanced education program for students residing in those units and to provide exposure and training for teachers and principals to successfully address challenges existing in high-needs school settings. A laboratory school shall provide an opportunity for research, demonstration, student support, and expansion of the teaching experience and evaluation regarding management, teaching, and learning.

(c) Each laboratory school shall expand student opportunities for educational success through high-quality instructional programming and innovative instruction and research by using the resources available to the constituent institution. Each constituent institution operating a laboratory school shall incorporate best practices gained from State initiatives focused on leadership development for both teachers and principals in low-performing schools and local school administrative units.

(d) Except as otherwise provided in this Article, ~~a~~the Subcommittee, the chancellor of each constituent institution that operates a laboratory school, and the laboratory school ~~is~~are exempt from statutes and rules applicable to a local board of education or local school administrative unit.

"**§ 116-239.6. Definitions.**

The following definitions apply in this Article:

(1) Advisory board. – An advisory board established by ~~the board of trustees~~a chancellor under G.S. 116-239.8.

(2) Board of trustees. – The board of trustees of a constituent ~~institution that is the governing body of the lab school established under this Article.~~institution.

(2a) Chancellor. – The chancellor of a constituent institution who operates a laboratory school approved by the Subcommittee on Laboratory Schools under G.S. 116-239.7 or the chancellor's designee.

(3) Constituent institution. – A constituent institution of The University of North Carolina with an educator preparation program that has ~~been designated by the Board of Governors to establish~~ a laboratory school ~~under G.S. 116-239.5.~~operated in accordance with this Article.

(4) Laboratory ~~school or lab~~ school. – A public school created under G.S. 116-239.7 that (i) except as otherwise provided in G.S. 116-239.7(a2), is located in a qualifying local school administrative unit that has twenty five percent (25%) or more of the schools located in the unit identified as low-performing under G.S. 115C-105.37 and (ii) serves students in at least

three consecutive grade levels in the range of kindergarten through eighth grade.

(4a) President. – The President of The University of North Carolina.

(5) Principal. – The principal of a ~~lab~~laboratory school.

(6) Subcommittee. – The Subcommittee on Laboratory Schools.

"**§ 116-239.7. ~~Plan for the location lab~~The Board of Governors' Subcommittee on Laboratory Schools; selection of laboratory schools; creation of a ~~lab~~laboratory school; dissolution.**

(a) The Board of Governors' Subcommittee on Laboratory Schools. – The Board of Governors shall establish the Subcommittee on Laboratory Schools to oversee the establishment and operation of laboratory schools in accordance with this Article. The President of The University of North Carolina shall serve on the Subcommittee. Within the funds appropriated each fiscal year to the Board of Governors to be used to support the operations of the Board, the Board may establish a full-time equivalent position to coordinate and support the work of the Subcommittee.

(a1) ~~Plan for the Location~~Approval of ~~Lab~~Laboratory Schools. – The Board of ~~Governors, in collaboration with the boards of trustees of the constituent institutions,~~Governors, upon the recommendation of the President, shall designate at least nine constituent institutions to establish and operate laboratory schools. The chancellor of each constituent institution shall adopt and submit to the Subcommittee a ~~plan~~proposal ~~for the location of the lab schools~~ to operate a laboratory school in a local school administrative ~~units~~unit that ~~meet~~meets the minimum threshold for the number of low-performing schools located in the ~~units~~unit under G.S. 116-239.6(4). The ~~plan~~proposal shall include the governance structure of the laboratory school. The Subcommittee shall evaluate the proposals for approval or disapproval by considering the design components and the strategic focus of the laboratory school and any other standards developed by the Subcommittee to be applicable to all laboratory schools. The Subcommittee shall also consider the location of each laboratory school so that, to the extent possible, there is a geographically diverse distribution of the ~~lab~~laboratory schools throughout the State and a maximum of one ~~lab~~laboratory school located in a qualifying local school administrative unit. ~~The Board of Governors shall update the plan as necessary to reflect any changes to the status of a constituent institution operating a lab school and the status of qualifying local school administrative units at the end of the term of operation of a lab school. A constituent institution shall not adopt a resolution to create a lab school under this section prior to receiving approval from the Board of Governors on the location of the lab school. At least 90 days prior to implementation, the Board of Governors shall submit the plan and any revisions to the plan to the Joint Legislative Commission on Governmental Operations.~~ From the proposals submitted to the Subcommittee, the Subcommittee shall approve the establishment of at least nine laboratory schools.

(a2) Waiver for Certain Local School Administrative Units. – Notwithstanding subsection (a1) of this section, a chancellor may submit a proposal to the Subcommittee to locate a laboratory school in a local school administrative unit that does not meet the minimum threshold for the number of low-performing schools located in the unit under G.S. 116-239.6(4) if the proposal demonstrates that the laboratory school shall primarily serve students who did not meet expected growth in the prior school year in accordance with G.S. 116-239.9(c1). The Subcommittee may waive the requirement for the number of low-performing schools in a local school administrative unit for the location of a laboratory school, for up to a total of three laboratory schools established under this Article, only if both of the following conditions are met for the laboratory school:

(1) The proposal has been submitted jointly by the chancellor and the local school administrative unit in which the laboratory school will be located.

(2) The Subcommittee determines that the proposed location would satisfy the purposes set forth in G.S. 116-239.5.

(b) Resolution by the Subcommittee to ~~Create~~Approve a ~~Lab~~Laboratory School. – The ~~board of trustees of a constituent institution~~Subcommittee shall adopt a resolution ~~stating its intent to create a lab~~upon the approval of each laboratory school, which shall include the following:

(1) Name of the ~~lab~~laboratory school.

(2) The local school administrative unit in which the ~~lab~~laboratory school shall be located. ~~The local school administrative unit in which the lab school is located shall meet the requirement under G.S. 116-239.6(4) that twenty-five percent (25%) or more of the schools located in the unit are identified as low-performing under G.S. 115C-105.37 at the time the resolution is adopted. However, the board of trustees shall continue to operate the lab school within the local school administrative unit for at least five years as provided under subdivision (3) of this subsection regardless of whether the local school administrative unit continues to qualify under G.S. 116-239.6(4).~~

(3) A term of operation for the ~~lab~~laboratory school of five years from the date of initial operation. At the end of five years of operation, if the ~~lab~~laboratory school is still located in a local school administrative unit that has twenty-five percent (25%) or more of the schools located in the unit identified as low-performing under G.S. 115C-105.37, or if the Subcommittee renews a waiver of this requirement under subsection (a2) of this section, the resolution may be renewed by the ~~constituent institution~~Subcommittee at the end of the term for an additional five years. If the ~~lab~~laboratory school is no longer (i) located in a qualifying local school administrative unit or (ii) meeting the purposes of this Article under a waiver at the end of five years, the ~~board of trustees~~Subcommittee shall notify the Board of Governors of the end of the term of operation and ~~to~~ request ~~consultation on determining the location of creating a new lab school in accordance with subsection (a) of this section and~~ designation of additional constituent institutions with educator preparation programs to establish a laboratory school in accordance with the provisions of this Article.

(c) Recognition of a ~~Lab~~Laboratory School. – ~~Each board of trustees that adopts a resolution as provided in this section~~The Subcommittee shall file a copy of ~~the~~each resolution to approve a laboratory school with the ~~State Board of Education.~~Department of Public Instruction. Upon receipt of a resolution from ~~a board of trustees for a named lab school,~~the Subcommittee and upon the recommendation of the Superintendent of Public Instruction, the State Board of Education shall approve the creation of the ~~lab~~laboratory school.

(d) Dissolution or Assumption of a ~~Lab~~Laboratory School. – In the event of the potential dissolution of a ~~lab~~laboratory school at the end of the term of the school's operation or due to the termination of an educator preparation program at the constituent institution, ~~subject to approval by the Board of Governors, the board of trustees~~the chancellor shall ~~adopt~~propose a plan in conjunction with the local school administrative unit in which the laboratory school is located for the dissolution or the assumption of the ~~lab~~laboratory school by a new ~~entity.~~entity and shall submit the plan to the Subcommittee for prior approval. ~~A local board of education of the local school administrative unit in which the lab school is located may transition the lab school to a public school under the governance of the local board or, if the local school administrative unit still qualifies under G.S. 116-239.6(4), the board of trustees of another constituent institution with an educator preparation program may assume operation of the lab school. If the lab school is dissolved or a local board of education assumes operation of the school, all net assets of the lab school purchased with public funds shall be deemed property of the local school administrative unit in which the lab school is located.~~ The ~~State Board of Education~~Board of Governors and the Department of Public Instruction shall be notified in the

event of the dissolution or assumption of a ~~lab~~laboratory school, including the identity of the entity assuming operation of the school.

"**§ 116-239.8. ~~Board of trustees;~~Chancellor; powers and duties.**

(a) The chancellor of a constituent institution designated by the Board of Governors to establish a laboratory school shall submit a proposal in accordance with G.S. 116-239.7 that is consistent with any requirements established by the Subcommittee on Laboratory Schools in accordance with this Article.

(b) The chancellor shall be the administrative head of a laboratory school approved by the Subcommittee and shall provide general direction for the establishment and operation of a laboratory school. The chancellor, with advice and input from the advisory board established in subdivision (1) of this subsection, shall adopt policies, operating procedures, and the courses of study to govern the operation of the laboratory school. The chancellor may designate the duties required by this Article to other personnel as necessary. The ~~board of trustees~~chancellor shall also have the following powers and duties:

(1) Advisory board. – ~~A board of trustees~~The chancellor shall ~~appoint~~establish an advisory board to provide ~~general oversight~~advice and guidance to the ~~board of trustees of the lab school~~chancellor as follows:

a. Composition of the advisory board. – The advisory board shall consist of up to 10 members who shall be appointed by the chancellor or serve ex officio as follows:

1. The dean of the constituent institution's educator preparation ~~program shall be a standing member of the advisory board and the board of trustees, upon recommendation of the president of the constituent institution,~~program.
2. A member of the board of trustees of the constituent institution.~~shall appoint four~~
3. Two faculty members from the ~~institution, at least two of whom are from the educator preparation program, one public member who resides in the local school administrative unit in which the lab school is located, two parents or guardians of students who attend the lab school, and one lab school student appointed by the principal to serve on the advisory board.~~institution. At least one of the faculty members shall be faculty from the constituent institution's educator preparation program.
4. The superintendent of the local school administrative unit in which the laboratory school is located.
5. A member of the community who resides in the local school administrative unit in which the laboratory school is located.
6. Up to four other members that the chancellor deems necessary.

a1. Terms of members. – The term of each member shall be for ~~two~~four years, and any vacancy shall be filled with a person of the same classification as his or her predecessor for the balance of the unexpired term. No advisory board member shall serve more than two complete consecutive terms. The ~~board of trustees~~chancellor shall stagger the terms of the initial appointees in a manner that results in the expiration of terms of no more than ~~two~~three members in any year.

a2. Organization; meetings; expenses. – The ~~board of trustees~~chancellor shall call the organizational meeting of the advisory board. The advisory board shall meet at least quarterly. The advisory board shall annually elect a chair and a vice-chair. There shall be no limitation

on ~~successive appointments to the advisory board or~~ successive terms that may be served by a chair or vice-chair. The advisory board shall adopt internal organizational procedures or bylaws necessary for efficient operation. Advisory board members shall not receive per diem or travel expenses for the performance of their duties.

b. Duties. – The advisory board ~~shall meet at least quarterly and~~ shall have the following duties:

1. Monitor the operations of the ~~lab~~laboratory school and the distribution of moneys allocated for such operations.
2. Recommend to the ~~board of trustees~~chancellor necessary policy, program, and administration modifications.
3. Evaluate biennially the performance of the principal and recommend corresponding action to the ~~board of trustees.~~chancellor.
4. Annually review evaluations of the ~~lab~~laboratory school's operation and research findings.

(2) ~~Academic program. –~~ Laboratory school course of study. –

a. The ~~board of trustees~~chancellor shall establish the standard course of study for the ~~lab~~laboratory school. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade. The ~~board of trustees~~chancellor shall design its programs to meet at least the student performance standards adopted by the State Board of Education and the student performance standards contained in Chapter 115C of the General Statutes.

b. The ~~board of trustees~~chancellor shall conduct student assessments required by the State Board of Education.

c. The ~~board of trustees~~chancellor shall adopt a school calendar consisting of a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

(3) Standards of performance and conduct. – The ~~board of trustees~~chancellor shall establish policies and standards for academic performance, attendance, and conduct for students of the ~~lab~~laboratory school. The policies of the ~~board of trustees~~chancellor shall comply with Article 27 of Chapter 115C of the General Statutes.

(4) Food and transportation services. – The local school administrative unit in which the ~~lab~~laboratory school is located shall continue to provide food services and transportation to students attending the ~~lab~~laboratory school. The ~~board of trustees~~chancellor shall arrange for the provision of these services from the local school administrative unit.

(5) School attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the ~~lab~~laboratory school and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time that the ~~lab~~laboratory school shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the ~~lab~~laboratory school. Any person who aids or abets a student's unlawful absence from the ~~lab~~laboratory school shall, upon conviction, be guilty of a Class 1 misdemeanor. The principal shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the ~~board of trustees,~~chancellor, including regulations concerning lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.

(6) Reporting. – The ~~board of trustees~~chancellor shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

(7) Assessment results. – The ~~board of trustees~~chancellor shall provide data to the local school administrative unit on the performance of ~~that student~~students on any testing required by the State Board of Education.

(8) Education of children with disabilities. – The ~~board of trustees~~chancellor shall require compliance with laws and policies relating to the education of children with disabilities.

(9) Health and safety. – The ~~board of trustees~~chancellor shall require that the ~~lab~~laboratory school meet the same health and safety standards required of a local school administrative unit. The Department of Public Instruction shall ensure that ~~lab~~laboratory schools comply with G.S. 115C-375.2A. The ~~board of trustees of a lab school~~chancellor shall provide the laboratory school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(10) School Risk Management Plan. – Each ~~lab~~laboratory school, in coordination with local law enforcement agencies, is encouraged to adopt a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, a ~~lab~~laboratory school may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(11) Schematic diagrams and school crisis kits. – ~~Lab~~Laboratory schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in G.S. 115C-105.52.

(12) School safety exercises. – At least once a year, a ~~lab~~laboratory school is encouraged to hold a full schoolwide lockdown exercise with local law enforcement and emergency management agencies that are part of the ~~lab~~laboratory school's SRMP.

(13) Safety information provided to the Department of Public Safety, Division of Emergency Management. – A ~~lab~~laboratory school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(14) North Carolina school report cards. – A ~~lab~~laboratory school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A ~~lab~~laboratory school shall ensure that the overall school performance score and grade earned by the ~~lab~~laboratory school for the current and previous four school years is prominently displayed on the school Web site. If a ~~lab~~laboratory school is awarded a grade of D or F, the ~~lab~~laboratory school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school.

(15) Policy against bullying. – A ~~lab~~laboratory school is encouraged to adopt a policy against bullying or harassing behavior, including cyberbullying, that is consistent with the provisions of Article 29C of Chapter 115C of the General Statutes. If a ~~lab~~laboratory school adopts a policy to prohibit

bullying and harassing behavior, the ~~lab~~laboratory school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

(16) Access for youth groups. – ~~Lab~~Laboratory schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education.

"**§ 116-239.9. Student admissions and assignment.**

(a) Any child who is residing in a local school administrative unit in which a ~~lab~~laboratory school is located and (i) is enrolled in a low-performing school, as defined by G.S. 115C-105.37 at the time of the student's application, or (ii) did not meet expected growth in the prior school year based on one or more indicators listed in subsection (c1) of this section is eligible to~~may~~ attend the ~~lab~~laboratory school.

(b) No local board of education shall require any student enrolled in the local school administrative unit to attend a ~~lab~~laboratory school.

(c) During each period of enrollment, the ~~lab~~laboratory school shall enroll an eligible student under subsection (a) of this section who submits a timely application, ~~with priority enrollment given in the order in which applications are received to~~up to the capacity of a program, class, grade level, or building, in the order in which applications are received. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(c1) For the purposes of this Article, any of the following shall serve as indicators that a student ~~who~~ did not meet expected student growth in the prior school ~~year based on any of the following:~~year: (i) grades, (ii) observations, (iii) diagnostic and formative assessments, (iv) State assessments, or (v) other factors, including reading on grade level. ~~If the number of applications from other eligible students exceeds the capacity of a program, class, grade level, or building, those students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.~~

(d) Notwithstanding any law to the contrary, a ~~lab~~laboratory school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

"**§ 116-239.10. Employees.**

The ~~board of trustees~~chancellor shall appoint all licensed and nonlicensed staff in accordance with the following:

(1) Principal. – The constituent institution shall employ and contract with a principal for a term not to exceed three years. The principal shall meet the requirements for licensure set out in G.S. 115C-284, unless ~~waived~~waived, upon the recommendation of the Superintendent of Public Instruction, by the State Board of Education upon submission of a request by the ~~board of trustees.~~chancellor that is approved by the Subcommittee. The principal shall be responsible for school operations and shall exercise those duties and powers delegated by the ~~board of trustees.~~chancellor.

(2) Faculty members. – Faculty members may serve simultaneously as instructional personnel for the ~~lab~~laboratory school and ~~the~~a constituent institution.

(3) Teachers. – The constituent institution shall employ and contract with necessary teachers to perform the particular service for which they are employed in the school. At least fifty percent (50%) of teachers employed by

the constituent institution shall hold teacher licenses, unless ~~waived~~waived, upon the recommendation of the Superintendent of Public Instruction, by the State Board of Education upon submission of a request by the ~~board of trustees.~~chancellor that is approved by the Subcommittee.

(4) Leave of absence from local school administrative unit. – If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at the ~~lab~~laboratory school, the local school administrative unit shall grant the leave for one year. For the initial year of the ~~lab~~laboratory school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of the ~~lab~~laboratory school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that local board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at the ~~lab~~laboratory school may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the ~~lab~~laboratory school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers in accordance with G.S. 115C-325(e)(2).

(5) Nonlicensed employees. – The constituent institution also may employ necessary employees who are not required to hold teacher licenses to perform duties other than teaching and may contract for other services.

(6) Employment dismissal. – An employee of the constituent institution is not an employee of the local school administrative unit in which the ~~lab~~laboratory school is located. The constituent institution may discharge licensed and nonlicensed employees according to the terms of the employment contract.

(7) Employee benefits. – Employees of the constituent institution who work in laboratory schools shall be considered State employees and shall participate in the Teachers' and State Employees' Retirement System and the State Health Plan on the same terms as other State employees employed by the constituent institution.

(8) Exemptions. – Employees of the constituent institution shall be exempt from Chapter 126 of the General Statutes, except Articles 6 and 7.

"**§ 116-239.11. State and local funds.**

(a) The State Board of Education shall allocate to a ~~lab~~laboratory school the following:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the school is located for each child attending the ~~lab~~laboratory school, except for the allocation for children with disabilities, for the allocation for children with limited English proficiency, and for the allocation for transportation services.

(2) An additional amount for each child attending the ~~lab~~laboratory school who is a child with disabilities. In the event a child with disabilities leaves the ~~lab~~laboratory school and enrolls in a public school during the first 60 school days in the school year, the ~~lab~~laboratory school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities

enrolls in the ~~lab~~laboratory school during the first 60 school days in the school year, the State Board shall allocate to the ~~lab~~laboratory school the pro rata amount of additional funds for children with disabilities.

(3) An additional amount for children with limited English proficiency attending the ~~lab~~laboratory school, based on a formula adopted by the State Board.

(b) The State Board shall allow for annual adjustments to the amount allocated to the ~~lab~~laboratory school based on its enrollment growth in school years subsequent to the initial year of operation.

(c) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for ~~lab~~laboratory schools and may be used for payments on loans made to ~~lab~~laboratory schools for facilities, equipment, or operations. However, State funds allocated under this section shall not be used to obtain any other interest in real property or mobile classroom units.

(d) If a student attends a ~~lab~~laboratory school, the local school administrative unit in which the child resides shall transfer to the ~~lab~~laboratory school an amount equal to the per pupil share of the local current expense fund of the local school administrative unit for the fiscal year. The per pupil share of the local current expense fund shall be transferred to the ~~lab~~laboratory school within 30 days of the receipt of monies into the local current expense fund. The local school administrative unit and ~~lab~~laboratory school may use the process for mediation of differences provided in G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share of the local current expense fund. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a ~~lab~~laboratory school located in the tax district for which these taxes are levied and in which the student resides.

(e) The local school administrative unit shall also provide each ~~lab~~laboratory school to which it transfers a per pupil share of its local current expense fund with all of the following information within the 30-day time period provided in subsection (d) of this section:

(1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

(2) The student membership numbers used to calculate the per pupil share of the local current expense fund.

(3) How the per pupil share of the local current expense fund was calculated.

(4) Any additional records requested by a ~~lab~~laboratory school from the local school administrative unit in order for the ~~lab~~laboratory school to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

(f) Prior to commencing an action under subsection (d) of this section, the complaining party shall give the other party 15 days' written notice of the alleged violation. The court shall award the prevailing party reasonable attorneys' fees and costs incurred in an action under subsection (d) of this section. The court shall order any delinquent funds, costs, fees, and interest to be paid in equal monthly installments and shall establish a time for payment in full that shall be no later than one year from the entry of any judgment.

"**§ 116-239.12. Criminal history record checks.**

(a) As used in this section:

(1) "Criminal history" means a county, state, or federal criminal history of conviction of a crime, whether a misdemeanor or a felony, that indicates an individual (i) poses a threat to the physical safety of students or personnel or (ii) has demonstrated that he or she does not have the integrity or honesty to fulfill his or her duties as school personnel. These crimes include the following North Carolina crimes contained in any of the following Articles of Chapter 14 of the General Statutes: Article 5A, Endangering Executive and Legislative, and Court Officers; Article 6, Homicide; Article 7B, Rape

and Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material; Article 14, Burglary and Other Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny; Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretense and Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means; Article 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots and Civil Disorders; Article 39, Protection of Minors; and Article 60, Computer-Related Crime. These crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol-related offenses such as sale to underage persons in violation of G.S. 18B-302 or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5. In addition to the North Carolina crimes listed in this subdivision, such crimes also include similar crimes under federal law or under the laws of other states.

(2) "School personnel" means any of the following:

a. Member of ~~the board of trustees or~~ the advisory board.

b. ~~Employee~~Staff of the ~~lab~~laboratory school.

c. Independent contractor or employee of an independent contractor of the ~~lab~~laboratory school if the independent contractor carries out duties customarily performed by school personnel, whether paid with federal, State, local, or other funds, who has significant access to students or who has responsibility for the fiscal management of the ~~lab~~laboratory school.

(b) The ~~board of trustees~~chancellor shall adopt a ~~policy~~policy, with advice and input from the advisory board, that requires an applicant for a school personnel position to be checked for a criminal history as provided in subsection (c) of this section. The ~~board of trustees~~chancellor shall apply ~~its~~the policy uniformly in requiring applicants for school personnel positions to be checked for a criminal history. The ~~board of trustees~~chancellor may grant conditional approval of an application while the ~~board of trustees~~chancellor is checking a person's criminal history and making a decision based on the results of the check. An applicant for a school personnel position shall not be required to be checked for a criminal history if he or she has received a license within six months of employment that required a criminal history check equivalent to the criminal history check required in subsection (c) of this section.

The ~~board of trustees~~chancellor shall not require an applicant to pay for the criminal history record check authorized under this section.

(c) The ~~board of trustees~~chancellor shall require the person to be checked by the Department of Public Safety (i) to be fingerprinted and to provide any additional information required by the Department of Public Safety to a person designated by the ~~board of trustees~~chancellor or to the local sheriff or the municipal police, whichever is more convenient for the person and (ii) to sign a form consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the repositories. The ~~board of trustees~~chancellor shall consider refusal to consent when making employment decisions and decisions with regard to independent contractors. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Public Safety shall provide to the ~~board of trustees~~chancellor the criminal history from the State and

National Repositories of Criminal Histories of any school personnel for which the ~~board of trustees~~chancellor requires a criminal history record check.

The ~~board of trustees~~chancellor shall not require school personnel to pay for fingerprints authorized under this section.

(d) The ~~board of trustees~~chancellor shall review the criminal history it receives on an individual. The ~~board of trustees~~chancellor shall determine whether the results of the review indicate that the individual (i) poses a threat to the physical safety of students or personnel or (ii) has demonstrated that he or she does not have the integrity or honesty to fulfill his or her duties as school personnel and shall use the information when making employment decisions and decisions with regard to independent contractors. The ~~board of trustees~~chancellor shall make written findings with regard to how it used the information when making employment decisions and decisions with regard to independent contractors. The ~~board of trustees~~chancellor may delegate any of the duties in this subsection to the principal.

(e) The ~~board of trustees, or the principal if designated by the board of trustees,~~ chancellor shall provide to the State Board of Education the criminal history it receives on a person who is certificated, certified, or licensed by the State Board of Education. The State Board of Education shall review the criminal history and determine whether the person's certificate or license should be revoked in accordance with State laws and rules regarding revocation.

(f) All the information received by the ~~board of trustees~~chancellor through the checking of the criminal history or by the State Board of Education in accordance with this section is privileged information and is not a public record but is for the exclusive use of the ~~board of trustees~~chancellor or the State Board of Education. The ~~board of trustees~~chancellor or the State Board of Education may destroy the information after it is used for the purposes authorized by this section after one calendar year.

(g) There shall be no liability for negligence on the part of the ~~board of trustees, or its employees,~~chancellor, the constituent institution, the advisory board, the Subcommittee, the Department of Public Instruction, or the State Board of Education, or ~~its~~their employees, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes.

(h) Any applicant for employment who willfully furnishes, supplies, or otherwise gives false information on an employment application that is the basis for a criminal history record check under this section shall be guilty of a Class A1 misdemeanor.

"**§ 116-239.13. Review of ~~lab~~laboratory schools.**

The ~~Board of Governors of The University of North Carolina, in conjunction with the constituent institutions operating lab schools and the State Board of Education,~~Subcommittee on Laboratory Schools shall review and evaluate the educational effectiveness of the ~~lab~~laboratory schools authorized under this Article for both public school students and students enrolled in educator preparation ~~programs.~~programs according to standards and protocols established by the Subcommittee. The ~~Board of Governors~~Subcommittee shall report by November 15 of each year to the Joint Legislative Education Oversight Committee on the following:

(1) Information on public school student enrollment in each ~~lab~~laboratory school, including student demographics.

(2) The public school student admissions process and the number of students enrolled ~~under the priority admissions~~under the category of (i) students who were previously enrolled in a low-performing school and (ii) students who

did not meet expected student growth in the school year prior to enrollment at each ~~lab~~laboratory school.

(3) Public school student achievement data, including school performance grades and student achievement scores and student growth, at each ~~lab~~laboratory school.

(4) Public school student academic progress in each ~~lab~~laboratory school as measured against the previous school year and against other schools located in the local school administrative unit and statewide.

(5) Information on the student outcomes for students who are enrolled in each educator preparation program who obtained clinical experience in school leadership and teaching in the ~~lab~~laboratory schools, including the performance elements reported under G.S. 115C-296.13(b).

(6) Best practices resulting from ~~lab~~laboratory school operations.

(7) Other information the ~~Board~~Subcommittee considers appropriate."

SECTION 2. G.S. 14-458.2(a) reads as rewritten:

"(a) The following definitions apply in this section:

(1) School employee. – The term means any of the following:

a. An employee of a local board of education, a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a ~~lab~~laboratory school created under G.S. 116-239.7, or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes.

b. An independent contractor or an employee of an independent contractor of a local board of education, a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a ~~lab~~laboratory school created under G.S. 116-239.7, or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, if the independent contractor carries out duties customarily performed by employees of the school.

(2) Student. – A person who has been assigned to a school by a local board of education as provided in G.S. 115C-366 or has enrolled in a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a ~~lab~~laboratory school created under G.S. 116-239.7, or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, or a person who has been suspended or expelled from any of those schools within the last year."

SECTION 3. G.S. 143B-931 is amended by adding a new subsection to read:

"(b1) The Department of Public Safety may provide a criminal history record check to the chancellor operating a University of North Carolina laboratory school of a person who is employed at a laboratory school or of a person who has applied for employment at a laboratory school if the employee or applicant consents to the record check. The Department may also provide a criminal history record check of school personnel, as defined in G.S. 116-239.12, by fingerprint card to the chancellor operating the laboratory school from the National Repositories of Criminal Histories, in accordance with G.S. 116-239.12. The information shall be kept confidential by the chancellor operating the laboratory school as provided in G.S. 116-239.12."

SECTION 4. Section 11.6 of S.L. 2016-94 reads as rewritten:

"**UNC TEACHER AND PRINCIPAL PREPARATION PROGRAM ~~LAB~~LABORATORY SCHOOL FOR K-8 STUDENTS**

…

"**SECTION 11.6.(d)** Notwithstanding G.S. 116-239.5, ~~four lab~~at least nine laboratory schools shall be established pursuant to Article 29A of Chapter 116 of the General Statutes, as enacted by this section, ~~to begin operation in~~and in operation by the beginning of the ~~2017-2018~~2019-2020 school year. ~~Four additional lab schools shall be established to begin operation in the 2018-2019 school year.~~

"**~~SECTION 11.6.(e)~~** ~~Notwithstanding G.S. 116-239.7(a), as enacted by this section, by November 1, 2016, the Board of Governors of The University of North Carolina shall submit the plan for the location of the eight lab schools, including identifying the constituents institutions that will be operating the lab schools, to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 116-239.7(a).~~

~~Notwithstanding Article 29A of Chapter 116 of the General Statutes, as enacted by this section, no earlier than April 1, 2017, a constituent institution of The University of North Carolina with an educator preparation program that has been designated by the Board of Governors to establish a lab school shall adopt a resolution to create the lab school under G.S. 116-239.7 and in accordance with subsection (d) of this section.~~

"**SECTION 11.6.(f)** The nonrecurring funds in the amount of one million dollars ($1,000,000) appropriated by this act to the Board of Governors for the UNC Teacher and Principal Preparation Laboratory School Program for the 2016-2017 fiscal year shall be ~~allocated to The University of North Carolina General Administration~~used for the work of the Board of Governors' Subcommittee on Laboratory Schools, including to provide administrative and technical assistance to constituent institutions with educator preparation programs to support the establishment of ~~lab~~laboratory schools in accordance with this section.

"**SECTION 11.6.(g)** By November 15, 2017, the ~~Board of Governors~~Subcommittee shall submit a report to the Joint Legislative Education Oversight Committee on the progress of establishing the ~~lab~~laboratory schools, including information on student enrollment numbers and the admissions ~~process~~process, if applicable, and any other information the ~~Board~~Subcommittee deems relevant. By November 15, 2018, the ~~Board of Governors~~Subcommittee shall submit the initial report required by G.S. 116-239.13 to the Joint Legislative Education Oversight Committee."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-118 **S.B. 100**

AN ACT TO REQUIRE AERIAL ADVENTURE PARKS TO MAINTAIN CERTAIN MINIMUM INSURANCE COVERAGES, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION COMMITTEE ON REGULATORY AND RATE ISSUES IN INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 66 of the General Statutes is amended by adding a new Article to read:

"Article 47.

"Zip Line and Challenge Course Financial Responsibility.

"**§ 66-450. Definitions.**

The following definitions apply in this Article:

(1) Aerial adventure/trekking park. – A self-guided challenge course that is supervised and open to the public, where access is controlled.

(2) Canopy tour. – An aerial exploration or transit of the forest canopy, most commonly by means of a series of zip lines or aerial walkways with platforms.

(3) Challenge course. – A facility or facilities consisting of one or more devices that challenge participants. Examples of a challenge course include an aerial adventure/trekking park, a canopy tour, and a zip line tour.

(4) Commissioner. – The Commissioner of Insurance.

(5) Device. – An apparatus provided for a unit of activity on a challenge course. Examples of a device include items designed to simulate rock climbing, beams, bridges, cable traverses, climbing walls, nets, platforms, ropes, swings, towers, zip lines, and jump systems. Devices may be installed on or in trees, poles, portable structures, or buildings, or as part of a self-supporting structure.

(6) Person. – An individual, association, partnership, limited liability company, firm, corporation, or private organization.

(7) Zip line. – A lifeline suspended between support structures that enables a person attached to a pulley to traverse from one point to another propelled by the force of gravity or a passive method of controlled acceleration.

(8) Zip line tour. – An aerial exploration or transit of a landscape by means of a series of zip lines and platforms generally supported by man-made structures.

"**§ 66-451. Liability insurance.**

(a) Insurance Required. – A person cannot own or operate a challenge course, zip line, or other similar device unless the person carries insurance coverage provided by an accepted insurer of at least one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate against liability for injury to persons or property arising out of the operation of such facility or use of such device. The insurance contract cannot include per person sublimits to liability. A person required to be insured under this section must immediately notify the Commissioner upon receipt of notice of cancellation, suspension, or nonrenewal of the policy.

(b) Proof of Insurance. – A person operating a challenge course, zip line, or other similar device must provide proof of insurance coverage upon request by the Commissioner. Upon failure of the person to provide proof of insurance, the Commissioner must prevent or stop operation of the facility or other similar device until the person provides proof of the required insurance coverage.

(c) Acceptable Insurer. – The insurance contract must be provided by an insurer or surety that is acceptable to the Commissioner and authorized to transact business in this State. The Commissioner cannot accept any commercial general liability insurance policy unless it obligates the insurer to give written notice to the person at least 30 days before any proposed cancellation, suspension, or nonrenewal of the policy.

"**§ 66-452. Exceptions.**

This Article does not apply to any one or more of the following:

(1) A challenge course or zip line installed at a private residence that is not open to the public and for which no fee is charged.

(2) A challenge course or zip line owned or operated by the State, a unit of local government, or any political subdivision thereof.

"**§ 66-453. Rule-making authority.**

The Commissioner must adopt rules to implement this Article."

SECTION 2. The rule-making authority set out in G.S. 66-453, as enacted by Section 1 of this act, is effective when this act becomes law. The remainder of this act becomes effective June 1, 2018.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-119 **S.B. 338**

AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2017.

The General Assembly of North Carolina enacts:

SECTION 1. If Senate Bill 257 of the 2017 Regular Session becomes law, one hundred million dollars ($100,000,000) reserved as Supplemental Disaster Recovery Funds in that act shall be allocated as follows:

(1) Housing. – Twenty-five million dollars ($25,000,000) to be allocated to the following agencies and entities for housing-related matters:
   a. Twenty million dollars ($20,000,000) to the Department of Public Safety, Division of Emergency Management, for the following:
      1. For repair of owner-occupied low- to moderate-income housing not covered by Community Development Block Grant Disaster Recovery Program funding.
      2. For repair of low- to moderate-income rental housing not covered by Community Development Block Grant Disaster Recovery Program funding.
      3. To be used for housing elevation, acquisition, and mitigation reconstruction for homes not covered by Hazard Mitigation Grant Program.
      4. To provide State Acquisition Relocation funds, which enable low- to moderate-income homeowners to purchase homes.
      5. To provide flood insurance subsidies.
      6. To provide temporary housing for storm victims.
      7. To hire Community Development Specialists to administer programs authorized under this act and under S.L. 2016-124.
      8. To provide repairs to public housing in Princeville and Lumberton.
   b. Five million dollars ($5,000,000) to the Lumber River Council of Government to be used to develop and construct low-income multifamily housing units in the Town of Fair Bluff as provided in subdivision (7) of Section 3 of this act.

(2) Infrastructure. – Thirty million dollars ($30,000,000) to the Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to local governments and to 501(c)(3) nonprofit corporations for assistance and relief from Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine. For purposes of this subdivision, infrastructure includes nonresidential buildings that serve the public, water, sewer, sidewalks, storm drainage, and other, similar projects. Funds shall be used for the following:
   a. To repair or replace existing infrastructure and tangible personal property.
   b. To replace or improve existing infrastructure to support hazard mitigation.
   c. To construct infrastructure to support (i) hazard mitigation and (ii) the development of new residential structures in area outside the 100-year floodplain.

(3) Agricultural. – Twenty million dollars ($20,000,000) to the Department of Agriculture and Consumer Services, Division of Soil and Water Conservation, for stream debris removal and nonfield farm road repairs and for supplemental funding of the Agricultural Water Resources Assistance Program to support disaster-related farm pond and dam repairs. The Department may allocate up to one million dollars ($1,000,000) to be used for drought relief in the counties identified in subsection (b) of Section 2 of this act.

(4) Community colleges. – Two million seven hundred thousand dollars ($2,700,000) to the Community College System Office for the 2017-2018 fiscal year. The Community College System Office shall transfer the entire sum into a budget stabilization reserve in Budget Code 16800 to be used to offset the impact of community college enrollment declines related to Hurricane Matthew. When calculating the enrollment growth budget request for the 2018-2019 fiscal year, the North Carolina Community College System Office shall adjust the full-time equivalent (FTE) enrollment to reflect the FTE lost due to Hurricane Matthew.

(5) Federal match. – Twenty-two million three hundred thousand dollars ($22,300,000) to the State Emergency Response and Disaster Relief Fund to provide the State match for federal disaster assistance programs.

SECTION 2. Applicability. – (a) Except as provided in subsection (b) of this section, this act applies in the North Carolina counties that were any of the following:

(1) Declared a major disaster by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.

(2) Part of the emergency area set forth in any of the following gubernatorial executive orders: Executive Order No. 97 (September 1, 2016), Executive Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3, 2016), Executive Order No. 115 (November 16, 2016), or Executive Order No. 116.

SECTION 2.(b) The funds allocated for drought relief under subdivision (3) of Section 1 of this act apply to 20 counties in western North Carolina that have been declared a federal disaster by the Secretary of the United States Department of Agriculture due to the prolonged drought.

SECTION 3. Implementation. – The following actions and policy shall be taken to implement this section:

(1) The Governor may establish part-time and full-time personnel positions to implement this act. Positions established under this section are time limited and exempt from the State Human Resources Act.

(2) The Governor shall establish advisory councils to advise relevant State agencies on hurricane relief and recovery efforts and to ensure input from representatives of affected communities and groups.

(3) If a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any insurance coverage for the damage to the home and any monies received from the insurance coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division of Emergency Management shall ensure that those potentially affected by this section are notified of, and adhere to, its requirements.

(4) It is the intent of the General Assembly to continue to review the funds appropriated by Congress and to consider actions needed to address any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of the measures funded in this act and S.L. 2016-124.

(5) No State funds appropriated in this act may be expended for the construction of any new residence within the 100-year floodplain unless the construction is in an area regulated by a unit of local government pursuant to a floodplain management ordinance and the construction complies with the ordinance. As used in this section, "100-year floodplain" means any area subject to inundation by a 100-year flood, as indicated on the most recent Flood

Insurance Rate Map prepared by the federal Emergency Management Agency under the National Flood Insurance Program.

(6) Homeowners in the 100-year floodplain who receive homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance, if available, as a precondition to receipt of State homeowner's housing assistance for losses resulting from future flooding.

(7) All the following shall apply to the funds allocated to the Lumber River Council of Government as provided in sub-subdivision (1)b. of Section 1 of this act:

a. The Housing Finance Agency (HFA) shall coordinate with the Lumber River Council of Government (COG) to create a 30- to 35-unit multifamily affordable housing complex (housing complex) within the Fair Bluff Town limits. All funds allocated to the COG under this act shall be used solely for the development, management, maintenance, and preservation of the housing complex. When filling units in the affordable housing complex, priority shall be given to low-income residents of Fair Bluff affected by the flooding and damage caused by Hurricane Matthew.

b. The COG shall create an entity that shall hold the ownership interest in the housing complex (ownership entity) and the HFA shall advise the COG on the creation of the ownership entity. The ownership entity shall determine the exact number of units to be constructed for the housing complex. The HFA shall advise the ownership entity regarding the bidding process for the selection of a builder to construct the housing complex.

c. The ownership entity shall follow guidelines developed by the HFA when establishing qualifications for residents that will achieve the goals established by the ownership entity. The HFA shall assist the ownership entity in the selection of a management company to operate the housing complex and the HFA shall have approval authority over the management agreement. Additionally, the HFA shall approval authority regarding any changes in the management agreement for the housing complex for a period of 15 years beginning after the initial date of occupancy.

d. All funds generated by the housing complex through fees and rents shall remain with the ownership entity for the maintenance, repair, upkeep, and continuation of the housing complex and the ownership entity shall provide the Town of Fair Bluff and the HFA biannual reports on the status of the housing complex.

e. On or before April 1 of each year, the HFA shall report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on the housing complex. The report shall include at least all of the following information:

1. The average number of tenants occupying the housing complex.
2. The amount of rent collected.
3. A summary of repairs and general maintenance conducted on units in the housing complex.
4. Any suggestions to improve the housing complex.

SECTION 4. Limitation. – The Governor may not use the funds described in this act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the Governor from

exercising the Governor's authority under these statutes with respect to funds other than those described in this act.

The Governor shall also ensure that funds allocated in this act are expended in a manner that does not adversely affect any person's or entity's eligibility for federal funds that are made available, or that are anticipated to be made available, as a result of Hurricane Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be, or likely will be, covered by federal funds.

SECTION 5. No Reversion of Funds. – Funds described in Section 1 of this act shall remain available to implement the provisions of this act until the General Assembly directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall not apply to funds described in Section 1 of this act.

SECTION 6. Reporting Requirements. – The Office of State Budget and Management shall report to the chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division of the General Assembly on the implementation of this section on a monthly basis and shall also provide any additional reports or information requested by the Fiscal Research Division. Each report required by this section shall include information about all funds expended or encumbered pursuant to this act as of the date of the report, regardless of which State agency or non-State entity administers the funds. Non-State entities that administer or receive any funds appropriated in this act shall assist and fully cooperate with the Office of State Budget and Management in meeting the Office's obligations under this section.

SECTION 7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-120 **S.B. 391**

AN ACT TO AUTHORIZE THE CREATION OF A FERRY TRANSPORTATION AUTHORITY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 160A of the General Statutes is amended by adding a new Article to read:

"Article 29.

"Ferry Transportation Authority.

"**§ 160A-680. Title and purpose.**

This Article shall be known and may be cited as the "Ferry Transportation Authority Act." The purpose of this Article is to authorize creation of an Authority to provide reliable and safe public ferry transportation services in its service area.

"**§ 160A-681. Definitions.**

The following definitions apply in this Article:

(1) Authority. – The Ferry Transportation Authority.

(2) Board of Trustees. – The governing board of the Authority.

(3) Ferry Transportation Authority. – A public body corporate and politic organized in accordance with the provisions of this Article for the purposes, with the powers, and subject to the restrictions hereinafter set forth.

(4) Ferry transportation service. – Transportation of passengers or freight by any means of conveyance, including a ferry, barge, vehicle, or tram.

(5) Ferry transportation system. – A combination of real and personal property, structures, improvements, buildings, equipment, maritime vessels, vehicles, vehicle parking, trams, shuttle buses, docks, terminals, and other facilities necessary for the maintenance and operation of a ferry transportation service. The term does not include public streets, roads, or highways.

(6) Unit of local government. – A county, city, town, or municipality of this State, and any other political subdivision, public corporation, authority, or district in this State, that is or may be authorized by law to acquire, establish, construct, enlarge, improve, maintain, own, or operate a ferry transportation system.

(7) Unit of local government's chief administrative official. – The county manager, city manager, town manager, or other person in whom the responsibility for the unit of local government's administrative duties is vested.

(8) Vessel. – Watercraft or other artificial contrivance used, or capable of being used, as a means of transportation of passengers or freight on water.

"**§ 160A-682. Service area of Authority.**

The boundaries of the service area of the Authority shall be determined by the Board of Trustees, consistent with the purpose of the Authority. The service area of an authority created pursuant to this Article may include, but cannot exceed, all of the following:

(1) The area of a tidal river, and adjoining estuaries, in the vicinity of a municipality that is only accessible by vessel.

(2) Terminals, parking, maintenance facilities, facilities utilized for tram and bus service, and other related facilities in or in the vicinity of the same tidal river and a municipality that is only accessible by vessel.

(3) Terminals, parking, maintenance facilities, facilities utilized for tram and bus service, and other related facilities in or in the vicinity of the same tidal river and a municipality in which the mainland terminal used to provide ferry transportation service is located.

"**§ 160A-683. Creation of Authority.**

(a) Resolution of Creation. – An Authority may be organized under the provisions of this Article upon the adoption of a resolution to create such an Authority by each of the following:

(1) The elected board of a municipality only accessible by vessel.

(2) The elected board of a municipality where any mainland terminal of the Authority is located.

(3) The board of commissioners of the county where the Authority is located.

(b) Public Hearing. – A resolution to form an Authority under this Article shall be adopted after a public hearing. Notice of the public hearing must be given at least once, not less than 10 days prior to the date fixed for the hearing, in a newspaper having a general circulation in the county. The notice must contain a brief statement of the substance of the proposed resolution, the proposed articles of incorporation of the Authority, and the time and place of the public hearing.

(c) Articles of Incorporation. – A resolution to form an Authority under this Article must include articles of incorporation that set forth all of the following:

(1) The name of the Authority.

(2) A statement that the Authority is organized under this Article.

(3) The name of each organizing entity.

(d) Certificate of Incorporation. – A certified copy of each resolution organizing an Authority under the provisions of this Article shall be filed with the Secretary of State, together with proof of publication of the notice of hearing. If the Secretary of State finds that each resolution, including the articles of incorporation, conform to the provisions of this Article and that the notice of hearing was properly published, then the Secretary must issue a certificate of incorporation under the seal of the State and record the same in an appropriate book of record. The issuance of the certificate of incorporation by the Secretary of State shall constitute the Authority, a public body and body politic and corporate of the State of North Carolina. The certificate of incorporation is conclusive evidence of the fact that the Authority has been duly created and established under the provisions of this Article.

(e) Officers. – When the Authority has been duly organized and its officers elected, the secretary of the Authority shall certify to the Secretary of State the names and addresses of the officers as well as the address of the principal office of the Authority.

"**§ 160A-684. Board of Trustees.**

(a) Members. – The Board of Trustees consists of 11 members. The Mayor and Mayor Pro Tempore of the municipality only accessible by vessel serve as ex officio voting members. The remaining nine members serve staggered three-year terms and are appointed as provided in subsection (b) of this section. Members of the Board of Trustees shall receive the sum of fifty dollars ($50.00) as compensation for attendance at each duly conducted meeting of the Authority.

(b) Appointment. – Nine members of the Board of Trustees are appointed as provided in this subsection. The members must be residents of this State at the time of appointment and must maintain their residency during the duration of their term. Appointed members serve at the pleasure of the appointing authority. A vacancy in a term prior to the expiration of the term must be filled by the appropriate appointing authority. The members are appointed as follows:

(1) One member by the Governor.

(2) Two members by the General Assembly under G.S. 120-121, one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate and one of whom is appointed upon the recommendation of the Speaker of the House of Representatives.

(3) Three members appointed by the Secretary of the Department of Transportation, at least one of whom must be a resident of the service area of the Authority, as determined under G.S. 160A-682, and at least one of whom must be a member of the Board of Transportation.

(4) One member by the board of commissioners of the county where the Authority is located, who must be a resident of the county but not a resident of the municipality only accessible by vessel.

(5) One member by the elected board of a municipality where the mainland terminal of the Authority is located, who must be a resident of that municipality.

(6) One member appointed by the elected board of a municipality only accessible by vessel, who must be a resident of the municipality only accessible by vessel.

(c) Terms. – A term begins on July 1 of the year of appointment and ends on June 30 of the third year. A member appointed under subsection (b) of this section may not serve more than two consecutive terms on the Board of Trustees. In calculating the number of terms served, a partial term that is less than 18 months in length will not be included.

(d) Meetings. – The Board of Trustees must meet at least once every three months. A majority of the members of the Board of Trustees constitute a quorum for the transaction of business. The Board of Trustees must annually elect from its membership a chair and vice-chair. The Board of Trustees may elect from its membership or appoint a nonmember to serve as secretary or treasurer.

(e) Ethics. – Members of the Board of Trustees are subject to the provisions of G.S. 136-13, 136-13.1, and 136-14.

(f) Reports. – The Board of Trustees must submit an annual report of its activities, holdings, and finances, including an audit of its accounts by a certified public accountant, to the Secretary of the Department of Transportation and to the Joint Legislative Commission on Governmental Operations. The report must be submitted by October 1 of each year.

"**§ 160A-685. Ferry Transportation Authority.**

(a) Financial Accountability. – An Authority created under this Article is a public authority subject to the provisions of Chapter 159 of the General Statutes.

(b) Funds. – The establishment and operation of an Authority are governmental functions and constitute a public purpose. The State or any unit of local government may, but is

not obligated to, appropriate funds to support the establishment and operation of the Authority. The State or any unit of local government may also dedicate, sell, convey, donate, or lease any of their interests in any property to the Authority. An Authority may apply for grants or any other type of financing from the State, the United States, or any department, agency, or instrumentality thereof.

(c) General Powers. – The general powers of the Authority include any one or more of the following:

(1) To sue and be sued.

(2) To have a seal.

(3) To make rules and regulations, not inconsistent with this Article, for its organization and internal management.

(4) To employ persons deemed necessary to carry out the functions and duties assigned to them by the Authority and to fix their compensation within the limit of available funds.

(5) With the approval of the unit of local government's chief administrative official, to use officers, employees, agents, and facilities of the unit of local government for such purposes and upon such terms as may be mutually agreeable.

(6) To retain and employ counsel, auditors, engineers, and private consultants on an annual salary, contract basis, or otherwise for rendering professional or technical services and advice.

(7) To acquire, lease as lessee with or without option to purchase, hold, own, and use any property, real or personal, tangible or intangible, or any interest therein, and to sell, lease as lessor with or without option to purchase, transfer, or dispose thereof, whenever the same is no longer required for purposes of the Authority, or exchange same for other property or rights that are useful for the Authority's purposes, including, but not necessarily limited to, barge service, marine maintenance, ferry terminals, and parking facilities.

(8) To acquire by gift, purchase, lease as lessee with or without option to purchase or otherwise to construct, improve, maintain, repair, operate, or administer any component parts of a ferry transportation system or to contract for the maintenance, operation, or administration thereof, or to lease as lessor the same for maintenance, operation, or administration by private parties, including, but not necessarily limited to, barge service, marine maintenance, ferry terminals, and parking facilities.

(9) To accept gifts or grants of money, real or personal property, or services from a person, the State, the federal government, or a unit of local government.

(10) To make or enter into contracts, agreements, deeds, leases with or without option to purchase, conveyances or other instruments, including contracts and agreements with the United States, the State of North Carolina, and units of local government.

(11) To purchase or finance real or personal property in the manner provided for cities and counties under G.S. 160A-20.

(12) To surrender to the State of North Carolina, upon the approval of the Secretary of the Department of Administration, any property no longer required by the Authority.

(13) To develop and make data, plans, information, surveys, and studies within the service area of the Authority and to prepare and make recommendations in regard thereto.

(14) To enter in a reasonable manner lands, waters, or premises for the purpose of making surveys, soundings, drillings, and examinations whereby such entry

shall not be deemed a trespass except that the Authority shall be liable for any actual and consequential damages resulting from such entries.

(15) To make, enter into, and perform contracts with private parties and transportation companies with respect to the management and operation of ferry transportation services.

(16) To make, enter into, and perform contracts with other entities for the joint use of property or rights, for the establishment of connecting routes, joint fares, or transfer of passengers.

(17) To make, enter into, and perform agreements with governmental entities for payments to the Authority for the transportation of persons for whom the governmental entities desire transportation.

(18) With the consent of the unit of local government that would otherwise have jurisdiction to exercise the powers enumerated in this subdivision, to issue certificates of public convenience and necessity, and to grant franchises and enter into franchise agreements, and in all respects to regulate the operation of ferries, buses, trams, taxicabs, and other methods of public passenger transportation that originate and terminate within the service area of the Authority as fully as the unit of local government is now or hereafter empowered to do within the jurisdiction of the unit of local government.

(19) To operate a ferry transportation system and to enter into and perform contracts to provide and operate ferry transportation services and facilities, and to own or lease property, facilities, and equipment necessary or convenient therefor, and to rent, lease, or otherwise sell the right to do so to any person, public or private; further, to obtain grants, loans, and assistance from the United States, the State of North Carolina, any public body, or any private source whatsoever, but may not operate or contract for the operation of a ferry transportation system outside the service area of the Authority.

(20) To enter into and perform contracts and agreements with other public transportation authorities, regional public transportation authorities, or units of local government pursuant to the provisions of Part 1 of Article 20 of this Chapter; further, to enter into contracts and agreements with private transportation companies, but this subdivision does not authorize the operation of, or contracting for the operation of, service of a ferry transportation system outside the service area of the Authority.

(21) To operate public transportation systems extending service into any political subdivision of the State of North Carolina, unless a particular unit of local government operating its own public transportation system or franchising the operation of a public transportation system by majority vote of its governing board shall deny consent, but such service may not extend more than 10 miles outside of the service area of the Authority.

(22) To do all things necessary or convenient to carry out its purpose and to exercise the powers granted to the Authority.

(23) To facilitate the coordination of transportation plans in the service area.

(24) To maintain databases for the projection of future travel demands in the service area.

(25) To provide other transportation related services within the service area of the Authority, as determined by the Board of Trustees in its discretion.

(26) To contract for, or to provide and maintain, with respect to the facilities and property owned, leased, operated, or under the control of the Authority, and within the service area thereof, a security force to protect persons and property, dispense unlawful or dangerous assemblages and assemblages that obstruct full and free passage, control pedestrian and vehicular traffic, and otherwise preserve and protect the public peace, health, and safety. A

member of the security force shall be a peace officer and, as such, shall have authority equivalent to the authority of a police officer of the city or county in which the member is discharging those duties.

(27) Except as restricted by covenants in bonds, notes, or equipment trust certificates, to set in its sole discretion rates, fees, and charges for use of its ferry transportation system.

(28) To issue bonds and bond anticipation notes under the Local Government Revenue Bond Act, Articles 5 and 9 of Chapter 159 of the General Statutes, or as otherwise provided by law, for the purpose of acquiring, constructing, improving, maintaining, operating, or financing a ferry transportation system or any part thereof and to refund, whether or not in advance of maturity or the earliest redemption date, any such bonds or notes. As provided in G.S. 159-94, the principal of and interest on the bond is payable solely from the revenues pledged to its payment and neither the State nor the municipality is obligated to pay the principal or interest, except from such revenues.

"**§ 160A-686. Rates, fees, charges, routes, and schedules.**

(a) Notice. – The Board of Trustees must give at least 30 days' public notice of any change to rates, fees, charges, routes, or schedules, except as necessitated by an emergency situation. The Board of Trustees must report any change to rates, fees, charges, routes, or schedules to the Secretary of the Department of Transportation and to the Joint Legislative Commission on Governmental Operations.

(b) Regulation. – Notwithstanding G.S. 62-3(23)a.3. and 4., the North Carolina Utilities Commission shall not have jurisdiction over the provision of ferry transportation service within the Authority's service area.

"**§ 160A-687. Competition.**

(a) Prohibition. – No equipment of the Authority may be used for charter, tour, or sight-seeing service, except as provided by this section.

(b) Charter Services. – Equipment of the Authority may be used for occasional charter service events, if all of the following conditions are met:

(1) The use of the equipment for the charter service is approved in writing by the Board of Trustees.

(2) The revenues received by the Authority from the provision of the charter service exceed fully allocated expenses.

(3) The charter service does not adversely affect regularly scheduled ferry transportation services provided by the Authority.

"**§ 160A-688. Power of eminent domain.**

The Authority shall have continuing power to acquire, by gift, grant, devise, exchange, purchase, lease with or without option to purchase, or any other lawful method, including the power of eminent domain, the fee or any lesser interest in real or personal property for use by the Authority. Exercise of the power of eminent domain by the Authority shall be in accordance with Chapter 40A of the General Statutes.

"**§ 160A-689. Termination.**

The Board of Trustees may terminate the existence of the Authority at any time when it has no outstanding indebtedness. In the event of such termination, all property and assets of the Authority not otherwise encumbered shall automatically become the property of the State of North Carolina, and the State of North Carolina shall succeed to all rights, obligations, and liabilities of the Authority."

SECTION 2. G.S. 62-3(23) reads as rewritten:

"**§ 62-3. Definitions.**

As used in this Chapter, unless the context otherwise requires, the term:

…

(23) …

m. The term "public utility" shall not include a Ferry Transportation Authority created pursuant to Article 29 of Chapter 160A of the General Statutes."

SECTION 3. G.S. 159-81(1) reads as rewritten:

"**§ 159-81. Definitions.**

The words and phrases defined in this section shall have the meanings indicated when used in this Article:

(1) "Municipality" means a county, city, town, incorporated village, sanitary district, metropolitan sewerage district, metropolitan water district, metropolitan water and sewerage district, county water and sewer district, water and sewer authority, hospital authority, hospital district, parking authority, special airport district, special district created under Article 43 of Chapter 105 of the General Statutes, regional public transportation authority, regional transportation authority, regional natural gas district, regional sports authority, airport authority, joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes, a joint agency authorized by agreement between two cities to operate an airport pursuant to G.S. 63-56, ~~and~~ the North Carolina Turnpike Authority described in Article 6H of Chapter 136 of the General Statutes and transferred to the Department of Transportation pursuant to G.S. 136-89.182(b), and a Ferry Transportation Authority created pursuant to Article 29 of Chapter 160A of the General Statutes, but not any other forms of State or local government."

SECTION 4. G.S. 160A-20(h) is amended by adding a new subdivision to read:

"(15) A Ferry Transportation Authority created pursuant to Article 29 of this Chapter."

SECTION 5.(a) To achieve the staggered terms for the nine members of the Board of Trustees in accordance with G.S. 160A-684(b), as enacted by Section 1 of this act, and notwithstanding the term of office provisions in G.S. 160A-684(c), as enacted by Section 1 of this act, the terms of the individuals serving on the initial Board of Trustees will be as provided below:

(1) The appointee of the Governor shall serve for a one-year term, expiring June 30 in the year following the creation of the Authority.

(2) The appointee of the President Pro Tempore of the Senate shall serve for a one-year term, expiring June 30 in the year following the creation of the Authority.

(3) The appointee of the Speaker of the House of Representatives shall serve for a one-year term, expiring June 30 in the year following the creation of the Authority.

(4) The appointees of the Secretary of the Department of Transportation shall each serve for a two-year term, expiring June 30 in the second year following the creation of the Authority.

(5) The appointee of the board of commissioners described in G.S. 160A-684(b)(4), as enacted by Section 1 of this act, shall serve for a three-year term, expiring June 30 in the third year following the creation of the Authority.

(6) The appointee of the elected board of the municipality described in G.S. 160A-684(b)(5), as enacted by Section 1 of this act, shall serve for a three-year term, expiring June 30 in the third year following the creation of the Authority.

(7) The appointee of the elected board of the municipality described in G.S. 160A-684(b)(6), as enacted by Section 1 of this act, shall serve for a three-year term, expiring June 30 in the third year following the creation of the Authority.

SECTION 5.(b) This section becomes effective upon the issuance of a certificate of incorporation by the Secretary of State for a Ferry Transportation Authority created under Article 29 of Chapter 160A of the General Statutes, as enacted by Section 1 of this act.

SECTION 6.(a) If (i) a Ferry Transportation Authority is created pursuant to Article 29 of Chapter 160A of the General Statutes, as enacted by Section 1 of this act, and (ii) an existing, privately owned ferry transportation service is currently operating a ferry transportation system in the service area of the Authority, as described in G.S. 160A-682, as enacted by Section 1 of this act, pursuant to a Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission in effect as of the effective date of this act, then the assets used and useful for the ferry transportation system, as defined in G.S. 160A-681, as enacted by Section 1 of this act, and owned by the private ferry transportation service or its affiliates shall be acquired, by purchase, gift, lease, or otherwise, by that Authority at or below their appraised value, such purchase to be financed by bonds or notes issued by the Authority or other financing mechanisms permitted under Article 29 of Chapter 160A of the General Statutes, as enacted by Section 1 of this act. Upon the purchase of these assets by that Authority, the Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission to such privately owned ferry transportation service shall be terminated and all franchise rights to operate a ferry transportation system utilizing these assets will be transferred at that time to the Authority without further action by the North Carolina Utilities Commission.

SECTION 6.(b) If (i) a Ferry Transportation Authority is created pursuant to Article 29 of Chapter 160A of the General Statutes, as enacted by Section 1 of this act, (ii) an existing, privately owned ferry transportation service is currently operating a ferry transportation system in the service area of the Authority, as described in G.S. 160A-682, as enacted by Section 1 of this act, and (iii) the Ferry Transportation Authority acquires the assets used and useful for the ferry transportation system, as defined in G.S. 160A-681, as enacted by Section 1 of this act, from the privately owned ferry transportation service, then the initial rates, fees, charges, routes, and schedules of the Ferry Transportation Authority must be the same rates, fees, charges, routes, and schedules in effect for such existing, privately owned ferry transportation service as of the date of its acquisition by the Authority.

SECTION 6.(c) This section becomes effective upon the issuance of a certificate of incorporation by the Secretary of State for a Ferry Transportation Authority created pursuant to Article 29 of Chapter 160A of the General Statutes, as enacted by Section 1 of this act.

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-121 **S.B. 450**

AN ACT TO ADOPT THE NORTH CAROLINA UNIFORM TRUST DECANTING ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 36C of the General Statutes is amended by adding a new Article to read:

"Article 8B.

"North Carolina Uniform Trust Decanting Act.

"**§ 36C-8B-1. Short title.**

This Article shall be known and may be cited as the North Carolina Uniform Trust Decanting Act.

"**§ 36C-8B-2. Definitions.**

The following definitions apply to this Article, unless the context clearly requires otherwise:

(1) Authorized fiduciary. – A trustee or other fiduciary, other than a settlor, that has discretion to distribute or direct a trustee to distribute part or all of the principal of the first trust to one or more current beneficiaries. The term also includes a special fiduciary appointed under G.S. 36C-8B-9 or a special-needs fiduciary under G.S. 36C-8B-13.

(2) Current beneficiary. – A beneficiary that, on the date the beneficiary's qualification is determined, is a distributee or permissible distributee of trust income or principal.

(3) Decanting power. – The power of an authorized fiduciary under this Article to distribute property of a first trust to one or more second trusts or to modify the terms of the first trust.

(4) First trust. – A trust over which an authorized fiduciary may exercise the decanting power.

(5) Second trust. – A first trust after modification pursuant to this Article or a trust to which a distribution of property from a first trust is or may be made pursuant to this Article.

"**§ 36C-8B-3. Scope.**

(a) Except as otherwise provided in this section, this Article applies to an express trust that is irrevocable or revocable by the settlor only with the consent of the trustee or a person holding an adverse interest.

(b) This Article shall not apply to a trust held solely for charitable purposes as described in G.S. 36C-4-405(a).

(c) Subject to G.S. 36C-8B-15, a trust instrument may restrict or prohibit exercise of the decanting power.

(d) This Article shall not limit the power of a trustee, power holder, or other person to distribute or appoint property in further trust or to modify a trust under the trust instrument, law of this State other than this Article, common law, a court order, or a nonjudicial settlement agreement.

(e) This Article shall not affect the ability of a settlor to provide in a trust instrument for the distribution of the trust property or appointment in further trust of the trust property or for modification of the trust instrument.

"**§ 36C-8B-4. Fiduciary duty.**

(a) In exercising the decanting power, an authorized fiduciary shall act in accordance with its fiduciary duties, including the duty to act in accordance with the purposes of the first trust.

(b) This Article does not create or imply a duty to exercise the decanting power or to inform beneficiaries about the applicability of this Article.

(c) Except as otherwise provided in the terms of the first trust, for purposes of this Article, G.S. 36C-8-801, and G.S. 36C-8-802(a), the terms of the first trust shall be deemed to include the decanting power.

"**§ 36C-8B-5. Application; governing law.**

This Article shall apply to a trust that meets any of the following criteria:

(1) The trust has its principal place of administration in this State, including a trust that has had its principal place of administration changed to this State.

(2) The trust provides by its trust instrument that it is governed by the law of this State or is governed by the law of this State for any of the following purposes:

a. Administration, including administration of a trust that has had its governing law for purposes of administration changed to this State.

b. Construction of terms of the trust.

c. Determination of the meaning or effect of terms of the trust.

"**§ 36C-8B-6. Reasonable reliance.**

A trustee or other person that reasonably relies on the validity of the exercise of a decanting power under this Article, law of this State other than this Article, or the exercise of a similar power under the law of this State or another jurisdiction shall not be liable to any person for any action or failure to act as a result of the reliance.

"**§ 36C-8B-7. Notice; exercise of decanting power.**

(a) Except as otherwise provided in this Article, an authorized fiduciary may exercise the decanting power without the consent of any person and without court approval.

(b) Except as otherwise provided in this section, an authorized fiduciary shall give written notice of the intended exercise of the decanting power at least 60 days prior to the effective date of the exercise of the decanting power to all of the following:

(1) Any settlor as to whom the second trust would be a grantor trust.

(2) Each qualified beneficiary of the first trust.

(3) Each person that currently has the right to remove or replace the authorized fiduciary.

(4) Each other fiduciary of the first trust.

(c) The notice required pursuant to subsection (b) of this section shall meet all of the following requirements:

(1) Specify the manner in which the authorized fiduciary intends to exercise the decanting power.

(2) Specify the proposed effective date for exercise of the power.

(3) Include a copy of the first trust.

(4) Include a copy of all second trusts.

(d) The decanting power may be exercised before expiration of the notice period under subsection (b) of this section if all persons entitled to receive notice waive the period in a signed written instrument.

(e) The receipt of notice, waiver of the notice period, or expiration of the notice period shall not affect the right of a person to file an application pursuant to G.S. 36C-8B-9 asserting any of the following:

(1) An attempted exercise of the decanting power is ineffective because it did not comply with this Article or was an abuse of discretion or breach of fiduciary duty.

(2) The provisions of G.S. 36C-8B-22 apply to the exercise of the decanting power.

(f) An exercise of the decanting power shall not be ineffective because of the failure to give notice to one or more persons pursuant to subsection (b) of this section if the authorized fiduciary acted with reasonable care to comply with subsection (b) of this section.

"**§ 36C-8B-8. Reserved.**

"**§ 36C-8B-9. Court involvement.**

(a) An authorized fiduciary, a beneficiary, or a person entitled to notice under G.S. 36C-8B-7(b) may commence a proceeding for any of the following purposes:

(1) To approve or disapprove a proposed exercise of the authorized fiduciary's decanting power.

(2) To appoint a special fiduciary to exercise the decanting power.

(b) Nothing in this section shall affect the right of a person to file an action in the superior court division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1 of the General Statutes, including, but not limited to, an action to determine the extent to which G.S. 36C-8B-22 applies to a prior exercise of the decanting power.

"**§ 36C-8B-10. Formalities.**

An exercise of the decanting power shall be made in a written instrument signed by an authorized fiduciary. The signed written instrument shall identify, directly or by reference to the notice required by G.S. 36C-8B-7, the first trust and the second trust or trusts and state the

property of the first trust being distributed to each second trust and the property, if any, that remains in the first trust.

"**§ 36C-8B-11. Decanting power.**

(a) The following definitions apply to this section:

(1) Noncontingent right. – A right that is not subject to the exercise of discretion or the occurrence of a specified event that is not certain to occur. The term does not include a right held by a beneficiary if any person has discretion to distribute property subject to the right to any person other than the beneficiary or the beneficiary's estate.

(2) Vested interest. – An interest where any of the following exist:

a. A right to a mandatory distribution that is a noncontingent right as of the date of the exercise of the decanting power.

b. A current and noncontingent right, annually or more frequently, to a mandatory distribution of (i) income, (ii) a specified dollar amount, or (iii) a percentage of value of some or all of the trust property.

c. A current and noncontingent right, annually or more frequently, to withdraw (i) income, (ii) a specified dollar amount, or (iii) a percentage of value of some or all of the trust property.

d. A power of withdrawal.

e. A right to receive an ascertainable part of the trust property on the trust's termination which is not subject to the exercise of discretion or to the occurrence of a specified event that is not certain to occur.

(b) With the exception of a special-needs trust, as provided in G.S. 36C-8B-13, an authorized fiduciary that has distributive discretion over the principal of a first trust for the benefit of one or more current beneficiaries may exercise the decanting power over the principal or income of the first trust, subject to the following limitations:

(1) A second trust may not include as a current beneficiary a person that is not a current beneficiary of the first trust, except as provided in subsection (c) of this section.

(2) The beneficiaries of a second trust may include only beneficiaries of the first trust, except as provided in subsection (c) of this section.

(3) A second trust may not reduce or eliminate a vested interest.

(4) If an authorized fiduciary has distributive discretion over principal that is subject to an ascertainable standard, then the powers to distribute income or principal to current beneficiaries in a second trust or trusts shall be subject to the same ascertainable standard as in the first trust and, in the aggregate, shall be exercisable in favor of the same current beneficiaries to whom such distributions could be made in the first trust.

(c) Subject to the limitation provided in subdivision (3) of subsection (b) of this section, a second trust may do all of the following:

(1) Retain a power of appointment granted in the first trust.

(2) Omit a power of appointment granted in the first trust, other than a power of withdrawal.

(3) Create or modify a power of appointment if the power holder is a current beneficiary of the first trust who is not the authorized fiduciary and the authorized fiduciary has distributive discretion to distribute principal to the beneficiary.

(4) Create or modify a power of appointment if the power holder is a remainder beneficiary of the first trust who is not the authorized fiduciary, but the exercise of the power may take effect only after the power holder becomes, or would have become, if then living, a current beneficiary.

(d) A power of appointment described in subsection (c) of this section may be general or nongeneral. The class of permissible appointees in favor of which the power may be exercised may be broader than or different from the beneficiaries of the first trust.

(e) If an authorized fiduciary has distributive discretion over part, but not all, of the principal of a first trust, the fiduciary may exercise the decanting power under this section over that part of the principal over which the authorized fiduciary has distributive discretion.

(f) For purposes of G.S. 36C-8-814, the first trust shall be deemed to include the decanting power.

"**§ 36C-8B-12. Reserved.**

"**§ 36C-8B-13. Trust for beneficiary with disability.**

(a) The following definitions apply in this section:

(1) Beneficiary with a disability. – A beneficiary of a first trust who the special-needs fiduciary believes may qualify, now or in the future, for governmental benefits based on disability, whether or not the beneficiary currently receives those benefits, or is an individual who has been adjudicated incompetent.

(2) Governmental benefits. – Financial aid or services from a State, federal, or other public agency.

(3) Special-needs fiduciary. – With respect to a trust that has a beneficiary with a disability, the term has any of the following meanings:

a. A trustee or other fiduciary, other than a settlor, that has discretion to distribute part or all of the principal of a first trust to one or more current beneficiaries.

b. If no trustee or fiduciary has discretion as described in sub-subdivision a. of this subdivision, a trustee or other fiduciary, other than a settlor, that has discretion to distribute part or all of the income of the first trust to one or more current beneficiaries.

c. If no trustee or fiduciary has discretion as described in sub-subdivisions a. or b. of this subdivision, a trustee or other fiduciary, other than a settlor, that is required to distribute part or all of the income or principal of the first trust to one or more current beneficiaries.

(4) Special-needs trust. – A trust that the trustee believes would not be considered a resource for purposes of determining whether a beneficiary with a disability is eligible for governmental benefits.

(b) A special-needs fiduciary may exercise the decanting power provided in G.S. 36C-8B-11 over the principal of a first trust as if the fiduciary had authority to distribute principal to a beneficiary with a disability subject to expanded distributive discretion if both of the following conditions are satisfied:

(1) A second trust is a special-needs trust that benefits the beneficiary with a disability.

(2) The special-needs fiduciary determines that exercise of the decanting power will further the purposes of the first trust.

(c) In exercising the decanting power pursuant to this section, all of the following rules apply:

(1) Notwithstanding G.S. 36C-8B-11(b)(2), the interest in the second trust of a beneficiary with a disability may have either of the following characteristics:

a. Be a pooled trust as defined by Medicaid law for the benefit of the beneficiary with a disability under 42 U.S.C. § 1396p(d)(4)(C).

b. Contain payback provisions complying with reimbursement requirements of Medicaid law under 42 U.S.C. § 1396p(d)(4)(A).

(2) The restriction contained in G.S. 36C-8B-11(b)(3) shall not apply to the interests of the beneficiary with a disability.

(3) Except as affected by any change to the interests of the beneficiary with a disability, the second trust, or if there are two or more second trusts, the second trusts in the aggregate, must grant each other beneficiary of the first trust beneficial interests in the second trusts which are substantially similar to the beneficiary's beneficial interests in the first trust.

(d) For the purposes of this section, the second trust shall not be deemed a termination of the first trust for the purpose of triggering a payback provision in the first trust provided the second trust contains a payback provision complying with the reimbursement requirement of Medicaid law under 42 U.S.C. § 1396p(d)(4).

"**§ 36C-8B-14. Reserved.**

"**§ 36C-8B-15. Trust limitation on decanting.**

(a) An authorized fiduciary shall not exercise the decanting power to the extent the terms of the first trust expressly prohibit exercise of the decanting power or a power granted by State law to the fiduciary to distribute part or all of the principal of the trust to another trust or to modify the trust.

(b) Exercise of the decanting power shall be subject to any restriction in the terms of the first trust that expressly applies to the exercise of the following powers:

(1) The decanting power, and any such restriction contained in the terms of the first trust, shall be included in the terms of the second trust.

(2) A power granted by State law to a fiduciary to distribute part or all of the principal of the trust to another trust or to modify the trust.

(c) A general prohibition of the amendment or revocation of a first trust, a spendthrift clause, or a clause restraining the voluntary or involuntary transfer of a beneficiary's interest shall not preclude exercise of the decanting power.

(d) Subject to subsections (a) and (b) of this section, an authorized fiduciary may exercise the decanting power under this Article even if the first trust permits the authorized fiduciary or another person to modify the terms of the first trust or to distribute part or all of the principal of the first trust to another trust.

"**§ 36C-8B-16. Change in compensation.**

(a) If a first trust specifies an authorized fiduciary's compensation, the fiduciary shall not exercise the decanting power to increase the fiduciary's compensation above the specified compensation unless either of the following conditions is satisfied:

(1) All qualified beneficiaries of the second trust consent to the increase in a signed written instrument.

(2) The increase is approved by the clerk of superior court pursuant to G.S. 36C-2-203(a)(3).

(b) For the purposes of this section, a change in an authorized fiduciary's compensation which is incidental to other changes made by the exercise of the decanting power shall not be deemed an increase in the fiduciary's compensation.

"**§ 36C-8B-17. Relief from liability and indemnification.**

(a) Except as otherwise provided in this section, a second trust shall not relieve an authorized fiduciary from liability for breach of trust to a greater extent than the first trust.

(b) A second trust may provide for indemnification of an authorized fiduciary of the first trust or another person acting in a fiduciary capacity under the first trust for any liability or claim that would have been payable from the first trust if the decanting power had not been exercised.

(c) A second trust shall not reduce fiduciary liability in the aggregate; provided, however, a second trust may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees, distribution advisors, investment advisors, trust protectors, or other persons, and relieve a fiduciary from liability for an act or failure to act of another fiduciary as permitted by the laws of this State other than this Article.

"**§ 36C-8B-18. Removal or replacement of authorized fiduciary.**

An authorized fiduciary may not exercise the decanting power to modify a provision in a first trust granting another person power to remove or replace the fiduciary unless one or more of the following occur:

(1) The person holding the power consents to the modification in a signed written instrument and the modification applies only to the person holding the power.

(2) The person holding the power and the qualified beneficiaries of the second trust consent to the modification in a signed written instrument and the modification grants a substantially similar power to another person.

(3) A court approves the modification and the modification grants a substantially similar power to another person.

"**§ 36C-8B-19. Tax-related limitations.**

(a) The following definitions apply in this section:

(1) Grantor trust. – A trust as to which a settlor of a first trust is considered the owner under sections 671 through 677 or section 679 of the Internal Revenue Code.

(2) Nongrantor trust. – A trust that is not a grantor trust.

(3) Qualified benefits property. – Property subject to the minimum distribution requirements of section 401(a)(9), and any applicable regulations, or to any similar requirements that refer to section 401(a)(9) of the Internal Revenue Code or the regulations.

(b) An exercise of the decanting power shall be subject to the following limitations:

(1) If a first trust contains property that qualified, or would have qualified but for the provisions of this Chapter other than this section, for a marital deduction or a charitable deduction for purposes of the gift or estate tax under the Internal Revenue Code or a State gift, estate, or inheritance tax, the second trust must include or omit any term that, if included in or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying for the marital deduction or charitable deduction, as the case may be, or would have reduced the amount of the deduction, under the same provisions of the Internal Revenue Code or State law under which the transfer qualified.

(2) If the first trust contains property that qualified, or would have qualified but for the provisions of this Chapter other than this section, for the exclusion from gift tax described in section 2503(b) of the Internal Revenue Code, or section 2503(b) by the application of section 2503(c) of the Internal Revenue Code, the second trust may not include or omit any term that, if included in or omitted from the trust instrument for the trust to which the property was transferred, would have prevented the transfer from qualifying under section 2503(b) or section 2503(c) of the Internal Revenue Code.

(3) If the property of the first trust includes shares of stock in an S Corporation, as defined in section 1361 of the Internal Revenue Code, the following provisions apply:

a. If the first trust is, or but for the provisions of this Chapter other than this section would be, a permitted shareholder under any provision of section 1361 of the Internal Revenue Code, an authorized fiduciary may exercise the power with respect to part or all of the S Corporation stock only if any second trust receiving the stock is a permitted shareholder under section 1361(c)(2) of the Internal Revenue Code.

b. If the first trust is, or but for the provisions of this Chapter other than this section would be, a qualified Subchapter-S trust within the

meaning of section 1361(d) of the Internal Revenue Code, the second trust must not include or omit a term that prevents the second trust from qualifying as a qualified Subchapter-S trust.

(4) If the first trust contains property that qualified, or would have qualified but for the provisions of this Chapter other than this section, for a zero inclusion ratio for purposes of the generation-skipping transfer tax under section 2642(c) of the Internal Revenue Code, the second trust must not include or omit a term that, if included in or omitted from the first trust, would have prevented the transfer to the first trust from qualifying for a zero inclusion ratio under section 2642(c) of the Internal Revenue Code.

(5) If the first trust is directly or indirectly the beneficiary of qualified benefits property, the second trust may not include or omit any term that, if included in or omitted from the first trust, would have increased the minimum distribution required with respect to the qualified benefits property under section 401(a)(9) of the Internal Revenue Code and any applicable regulations thereunder, or similar requirements that refer to section 401(a)(9) of the Internal Revenue Code or the regulations thereunder. If an attempted exercise of the decanting power violates this subdivision, the trustee is deemed to have held the qualified benefits property and any reinvested distributions of the property as a separate share from the date of the exercise of the power and G.S. 36C-8B-22 applies to the separate share.

(6) The following provisions apply to a grantor trust:

a. If the first trust qualifies as a grantor trust because of the application of section 672(f)(2)(A) of the Internal Revenue Code, the second trust may not include or omit a term that, if included in or omitted from the first trust, would have prevented the first trust from qualifying under section 672(f)(2)(A) of the Internal Revenue Code.

b. Subject to subdivision (3) of this subsection relating to S corporation stock, (i) except as otherwise provided in sub-subdivision a. of this subdivision, the second trust may be a nongrantor trust even if the first trust is a grantor trust, and (ii) except as otherwise provided in sub-subdivision c. of this subdivision, the second trust may be a grantor trust even if the first trust is a nongrantor trust.

c. An authorized fiduciary may not exercise the decanting power if the settlor objects in a signed written instrument delivered to the fiduciary within the notice period and (i) the first trust and the second trust are both grantor trusts, in whole or in part, and the first trust grants the settlor or another person the power to cause the first trust to cease to be a grantor trust, and the second trust does not grant an equivalent power to the settlor or another person, or (ii) the first trust is a nongrantor trust and the second trust is a grantor trust, in whole or in part, with respect to the settlor, unless the settlor has the power at all times to cause the trust to cease to be a grantor trust, or the first trust contains a provision granting the settlor or another person a power that would cause the first trust to cease to be a grantor trust and the second trust contains the same provision.

(7) For the purposes of this subdivision, the term "tax benefit" means a federal or State tax deduction, exemption, exclusion, or other benefit not otherwise listed in this section, except for a benefit arising from being a grantor trust. Subject to sub-subdivision b. of subdivision (6) of this subsection, a second trust may not include or omit a term that, if included in or omitted from the first trust, would have prevented qualification of the second trust for a tax benefit if both of the following apply:

a. The first trust expressly indicates an attempt to qualify for the benefit, or the first trust clearly is designed to enable the first trust to qualify for the tax benefit.

b. The transfer of property held by the first trust or the first trust qualified, or but for the provisions of this Chapter other than this section would have qualified, for the tax benefit.

"**§ 36C-8B-20. Duration of second trust.**

(a) Subject to subsection (b) of this section, a second trust may have a duration that is the same as or different from the duration of the first trust.

(b) To the extent that property of a second trust is attributable to property of the first trust, the property of the second trust is subject to any rules governing maximum perpetuity, accumulation, or suspension of the power of alienation which apply to property of the first trust.

"**§ 36C-8B-21. Need to distribute not required.**

An authorized fiduciary may exercise the decanting power whether or not under the first trust's discretionary distribution standard the fiduciary would have made or could have been compelled to make a discretionary distribution of principal at the time of exercise.

"**§ 36C-8B-22. Saving provision.**

(a) If exercise of the decanting power would be effective under this Article except that the second trust in part does not comply with this Article, the exercise of the decanting power is effective and the following rules apply with respect to the principal of the second trust attributable to the exercise of the power:

(1) A provision in the second trust which is not permitted under this Article is void to the extent necessary to comply with this Article.

(2) A provision required by this Article to be in the second trust which is not contained in the second trust is deemed to be included in the second trust to the extent necessary to comply with this Article.

(b) If a trustee of other fiduciary of a second trust determines that subsection (a) of this section applies to a prior exercise of the decanting power, the fiduciary shall take corrective action consistent with the fiduciary's duties.

"**§ 36C-8B-23. Reserved.**

"**§ 36C-8B-24. Terms of second trust.**

A reference in this Chapter to a trust instrument or terms of the trust includes a second trust and the terms of the second trust.

"**§ 36C-8B-25. Settlor.**

(a) For the purposes of the laws of this State other than this Article and subject to subsection (b) of this section, a settlor of a first trust shall be deemed to be the settlor of the second trust with respect to the portion of the principal of the first trust subject to the exercise of the decanting power.

(b) In determining settlor intent with respect to a second trust, the intent of a settlor of the first trust, a settlor of the second trust, and the authorized fiduciary may be considered.

"**§ 36C-8B-26. Later-discovered property.**

(a) Except as otherwise provided in subsection (c) of this section, if exercise of the decanting power was intended to distribute all the principal of the first trust to one or more second trusts, later-discovered property belonging to the first trust and property paid to or acquired by the first trust after the exercise of the power is part of the trust estate of the second trust or trusts.

(b) Except as otherwise provided in subsection (c) of this section, if exercise of the decanting power was intended to distribute less than all the principal of the first trust to one or more second trusts, later-discovered property belonging to the first trust or property paid to or acquired by the first trust after exercise of the power remains part of the trust estate of the first trust.

(c) An authorized fiduciary may provide in an exercise of the decanting power or by the terms of a second trust for disposition of later-discovered property belonging to the first trust or property paid to or acquired by the first trust after exercise of the power."

SECTION 2.1. G.S. 36C-1-103(17) reads as rewritten:

"(17) Settlor. – ~~A~~ Except as otherwise provided in G.S. 36C-8B-25, a person, including a testator, who creates, or contributes property to, a trust. If more than one person creates or contributes property to a trust, each person is a settlor of the portion of the trust property attributable to that person's contribution except to the extent another person has the power to revoke or withdraw that portion."

SECTION 2.2. G.S. 36C-2-203(a)(1) reads as rewritten:

"(1) To appoint or remove a trustee, including the appointment and removal of a trustee pursuant to ~~G.S. 36C-4-414(b).~~G.S. 36C-4-414(b) and the appointment of a special fiduciary pursuant to G.S. 36C-8B-9."

SECTION 2.3. G.S. 36C-2-203(f)(6) reads as rewritten:

"(6) Actions involving the exercise of the ~~trustee's special power to appoint to a second trust pursuant to G.S. 36C-8-816.1.~~decanting power pursuant to Article 8B of this Chapter."

SECTION 2.4. G.S. 36C-8-816.1 is repealed.

SECTION 3. This act is effective when it becomes law. The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Comments to the Uniform Trust Decanting Act (2015) and all explanatory comments of the drafters of this act as the Revisor may deem appropriate.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-122 **S.B. 593**

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF AN ARBITRATION AND MEDIATION PROGRAM FOR THE NORTH CAROLINA BUSINESS COURT.

The General Assembly of North Carolina enacts:

SECTION 1. In order to make North Carolina a leading jurisdiction for the resolution of business, commercial, financial, and other legal disputes, the Director of the Administrative Office of the Courts, in consultation with the Chief Justice of the Supreme Court, shall submit to the Speaker of the House of Representatives and the President Pro Tempore a report recommending whether and how to establish an arbitration program within the North Carolina Business Court, including how parties may make themselves subject to the jurisdiction of said program, required qualifications and trainings for arbitrators, and requirements for persons who may represent parties in arbitration proceedings before the Business Court. Such recommendations may include suggestions on the form of appeal for both binding and nonbinding arbitrations in cases arbitrated under such a proposal. The Director of the Administrative Office of the Courts or through the North Carolina Dispute Resolution Commission may also include recommendations for establishing a mediation program operated by the Business Court, including suggestions as to how parties may make themselves subject to the jurisdiction of said program, required qualifications for mediators, and for persons who may represent parties in mediation proceedings.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-123 **S.B. 621**

AN ACT TO VALIDATE CHOICE OF NORTH CAROLINA LAW AND FORUM PROVISIONS IN BUSINESS CONTRACTS.

The General Assembly of North Carolina enacts:

SECTION 1. The General Statutes are amended by adding a new Chapter to read:

"**Chapter 1G.**

"**North Carolina Choice of Law and Forum in Business Contracts Act.**

"**§ 1G-1. Short title.**

This Chapter may be cited as the North Carolina Choice of Law and Forum in Business Contracts Act.

"**§ 1G-2. Definitions.**

The following definitions apply in this Chapter:

(1) Business contract. – A contract or undertaking, contingent or otherwise, entered into primarily for business or commercial purposes. The term does not include a consumer contract or an employment contract.

(2) Consumer contract. – A contract or undertaking, contingent or otherwise, entered into by an individual primarily for the individual's personal, family, or household purposes.

(3) Employment contract. – A contract or undertaking, contingent or otherwise, between an individual and another party to provide labor or personal services by that individual to the other party, whether the relationship is in the nature of employer-employee or principal-independent contractor.

"**§ 1G-3. Choice of North Carolina law in business contracts.**

(a) Choice of Law. – The parties to a business contract may agree in the business contract that North Carolina law shall govern their rights and duties in whole or in part, whether or not any of the following statements are true:

(1) The parties, the business contract, or the transaction that is the subject of the business contract bear a reasonable relation to this State.

(2) A provision of the business contract is contrary to the fundamental policy of the jurisdiction whose law would apply in the absence of the parties' choice of North Carolina law.

(b) Controlling Law. – To the extent this section conflicts with G.S. 25-1-301(c), G.S. 25-1-301(c) controls.

"**§ 1G-4. Choice of North Carolina forum in business contracts.**

(a) Choice of Forum. – Notwithstanding any other provision of law, a party to a business contract may bring an action in the courts of this State for a dispute arising from the business contract if the business contract contains both of the following provisions:

(1) A provision where the parties agree that North Carolina law shall govern their rights and duties in whole or in part, pursuant to G.S. 1G-3.

(2) A provision where the parties agree to litigate a dispute arising from the business contract in the courts of this State.

(b) Personal Jurisdiction and Forum Non Conveniens. – A party that enters into a business contract that satisfies the requirements of subsection (a) of this section consents to the personal jurisdiction of the courts of this State in an action for a dispute arising from the business contract. A court shall not stay or dismiss the action pursuant to G.S. 1-75.12 or the doctrine of forum non conveniens.

(c) Choice of Venue. – Notwithstanding any other provision of law, the parties to a business contract that satisfies the requirements of subsection (a) of this section may designate in the business contract one or more counties in this State as the proper venue for a dispute arising from the business contract. If the parties do not designate a county in the business contract, a party may bring an action for a dispute arising from the business contract in any county in this State.

(d) Change of Venue. – In an action that is brought in a county in this State permitted by subsection (c) of this section, a court may change the place of trial to another county in this State pursuant to G.S. 1-83(2), 1-83(3), or 1-84 only. Nothing in this subsection allows a court to change the place of trial to another state.

"**§ 1G-5. Effect of provisions.**

Nothing in this Chapter does any of the following:

(1) Validates, invalidates, or otherwise affects the enforcement of a choice of law provision or a choice of forum provision in a contract that is not a business contract.

(2) Confers subject matter jurisdiction upon a court that would otherwise lack subject matter jurisdiction.

(3) Affects the designation of an action as a mandatory complex business case pursuant to G.S. 7A-45.4."

SECTION 2. G.S. 25-1-301 reads as rewritten:

"**§ 25-1-301. Territorial applicability; parties' power to choose applicable law.**

(a) Except as otherwise provided in this section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of ~~such~~ the other state or nation shall govern their rights and duties. Except as otherwise provided in subsection (c) of this section, the parties to a business contract as defined in G.S. 1G-2(1) may agree in the business contract that North Carolina law shall govern their rights and duties in whole or in part, pursuant to G.S. 1G-3.

(b) In the absence of an agreement effective under subsection (a) of this section, and except as provided in subsection (c) of this section, this Chapter applies to transactions bearing an appropriate relation to this State.

(c) If one of the following provisions of this Chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the ~~law so specified:~~specified law:

(1) G.S. 25-2-402;

(2) G.S. 25-2A-105 and G.S. 25-2A-106;

(3) G.S. 25-4-102;

(4) G.S. 25-4A-507;

(5) G.S. 25-5-116;

(6) G.S. 25-8-110;

(7) G.S. 25-9-301 through G.S. 25-9-307."

SECTION 3. This act is effective when it becomes law and applies to business contracts entered into before, on, or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-124 **H.B. 26**

AN ACT TO CLARIFY THAT AN INJURY NOT IDENTIFIED IN AN AWARD ARISING OUT OF G.S. 97-18(B) OR G.S. 97-18(D) IS NOT PRESUMED CAUSALLY RELATED AND TO AMEND THE WORKERS' COMPENSATION ACT REGARDING APPROVAL OF DISPUTED LEGAL FEES BY THE INDUSTRIAL COMMISSION.

Whereas, in 2011, the Workers' Compensation Act was amended by S.L. 2011-287; and

Whereas, the North Carolina Supreme Court issued a decision in *Wilkes v. City of Greenville* (No. 368PA15) on June 9, 2017; and

Whereas, prior to the Supreme Court's decision in *Wilkes*, employees were not required to prove entitlement to additional medical treatment for the injuries determined to be compensable by the Commission; and

Whereas, prior to the Supreme Court's decision in *Wilkes*, employees could seek medical treatment for future symptoms allegedly related to the original compensable injury; and

Whereas, the *Wilkes* decision held that once an employer issues direct payment to an employee pursuant to G.S. 97-82(b), the employee is entitled to a presumption that additional

medical treatment is causally related to the employee's compensable injury unless the employer rebuts this presumption with evidence that the condition or treatment is not causally related to the compensable injury; and

Whereas, an employee bears the burden of proving that the employee's future symptoms or conditions that the employee alleges are related to the compensable injury but that were not enumerated on a Form 60 or Form 63 pursuant to G.S. 97-18(b) or G.S. 97-18(d), respectively, are causally related to the compensable injury; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 97-82(b) reads as rewritten:

"(b) If approved by the Commission, a memorandum of agreement shall for all purposes be enforceable by the court's decree as hereinafter specified. Payment pursuant to G.S. 97-18(b), or payment pursuant to G.S. 97-18(d) when compensability and liability are not contested prior to expiration of the period for payment without prejudice, shall constitute an award of the Commission on the question of compensability of and the insurer's liability for the injury as reflected on a form prescribed by the Commission pursuant to G.S. 97-18(b) or G.S. 97-18(d) for which payment was made. An award of the Commission arising out of G.S. 97-18(b) or G.S. 97-18(d) shall not create a presumption that medical treatment for an injury or condition not identified in the form prescribed by the Commission pursuant to G.S. 97-18(b) or G.S. 97-18(d) is causally related to the compensable injury. An employee may request a hearing pursuant to G.S. 97-84 to prove that an injury or condition is causally related to the compensable injury. Compensation paid in these circumstances shall constitute payment of compensation pursuant to an award under this Article."

SECTION 1.(b) In enacting subsection (a) of this section, it is the intent of the General Assembly to clarify, in response to *Wilkes v. City of Greenville,* that an injury not identified in an award arising out of G.S. 97-18(b) or G.S. 97-18(d) is not presumed to be causally related to the compensable injury to reflect the intent of the General Assembly when it enacted S.L. 2011-287.

SECTION 1.(c) This section is effective when it becomes law and applies to claims accrued or pending prior to, on, or after that date.

SECTION 2. G.S. 97-90(f) reads as rewritten:

"(f) ~~The~~ If a dispute arises between an employee's current and past attorney or attorneys regarding the division of a fee as approved by the Commission pursuant to this section, the Commission shall hear ~~and determine any dispute between an employee's current and past attorney or attorneys regarding the division of a fee as approved by the Commission pursuant to this section.~~any dispute after the Commission has approved the settlement agreement. The Commission shall give notice to each of the employee's current and past attorneys of record of the total amount of the approved fee prior to determining how the fee shall be divided between those attorneys. An attorney who is ~~a~~ an interested party to an action under this subsection shall have the same rights of appeal as outlined in subsection (c) of this section."

SECTION 3. Except as otherwise provided, this act is effective when it becomes law and applies to claims pending on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-125 **H.B. 115**

AN ACT TO MAKE TECHNICAL CORRECTIONS AND OTHER CONFORMING CHANGES TO THE LAWS GOVERNING THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM, AND OTHER RELATED STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-1(5) reads as rewritten:

"(5) "Average final compensation" shall mean the average annual compensation of a member during the four consecutive calendar years of membership service producing the highest such average; but shall not include any compensation, as determined by the Board of Trustees, for the reimbursement of expenses or payments for housing or any other allowances whether or not classified as salary and wages. Payout of vacation leave shall be included in "average final compensation" only if the payout is received by the member during the four consecutive calendar years of membership service producing the highest average annual compensation of the member. In the event a member is or has been in receipt of a benefit under the provisions of G.S. 135-105 or G.S. 135-106, the compensation used in the calculation of "average final compensation" shall be the higher of compensation of the member under the provisions of this Article or compensation used in calculating the payment of benefits under Article 6 of this Chapter as adjusted for percentage increases in the post disability benefit."

SECTION 1.(b) G.S. 128-21(5) reads as rewritten:

"(5) "Average final compensation" shall mean the average annual compensation, not including any terminal payments for unused sick leave, of a member during the four consecutive calendar years of creditable service producing the highest such average; but shall not include any compensation, as determined by the Board of Trustees, for the reimbursement of expenses or payments for housing or any other allowances whether or not classified as salary and wages. Payout of vacation leave shall be included in "average final compensation" only if the payout is received by the member during the four consecutive calendar years of membership service producing the highest average annual compensation of the member."

SECTION 2.(a) G.S. 135-8(b)(5) reads as rewritten:

"(5) The Board of Trustees may approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer only for the purpose of acquiring knowledge, talents, or abilities and to increase the efficiency of service to the employer, subject to the provisions of this subdivision. A leave of absence or interrupted service may be approved for purchase under this subdivision for a period of employment as a teacher in a charter school. Any other leave of absence or interrupted service shall qualify for purchase under this subdivision only if (i) during the time of the leave or interrupted service the member is enrolled and participates in a full time degree program at an accredited institution of higher education, (ii) the member is not paid compensation, other than a stipend resulting from participation in a full-time degree program, for the activity in which he or she is acquiring knowledge, talents, or abilities, and (iii) the service is not purchased for any month in which the member performed any services for any of the organizations listed in G.S. 135 27(a) or G.S. 135 27(f), or a successor to any of those organizations. Approval by the Board under this subdivision shall be made prior to the purchase of the creditable service, is limited to a career total of six years for each member, and may be obtained in the following manner:
…."

SECTION 2.(b) G.S. 128-30(b)(4) reads as rewritten:

"(4) The Board of Trustees may approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer only for the purpose of acquiring knowledge, talents, or abilities and to increase the efficiency of service to the employer, subject to the provisions

of this subdivision. A leave of absence or interrupted service may be approved for purchase under this subdivision for a period of employment as a teacher in a charter school. Any other leave of absence or interrupted service shall qualify for purchase under this subdivision only if (i) during the time of the leave or interrupted service the member is enrolled and participates in a full-time degree program at an accredited institution of higher education, (ii) the member is not paid compensation, other than a stipend resulting from participation in a full-time degree program, for the activity in which he or she is acquiring knowledge, talents, or abilities, and (iii) the service is not purchased for any month in which the member performed any services for any of the organizations listed in G.S. 135-27(a) or G.S. 135-27(f), or a successor to any of those organizations. Approval by the Board under this subdivision shall be made prior to the purchase of the creditable service, is limited to a career total of four years for each member, and may be obtained in the following manner:

…."

SECTION 3. G.S. 135-48.12 is amended by adding a new subsection to read:

"(i) The Committee shall adopt a funding policy and shall include information about the State's contribution policy, including the basis for determining contributions in the annual actuarial valuation."

SECTION 5.(a) G.S. 147-86.72(h) reads as rewritten:

"(h) Other ~~States.~~States Contracting for North Carolina to Provide Program. – With consent of the State Treasurer, the Board may enter into agreements with other states to either (i) allow North Carolina residents to participate in a plan operated by a contracting state with a qualified ABLE program or (ii) allow residents of other states to participate in the qualified North Carolina ABLE Program Trust."

SECTION 5.(b) G.S. 147-86.72 is amended by adding a new subsection to read:

"(i) Arrangements for North Carolina Program to Be Provided in Partnership With Other States. – Notwithstanding any other provision of this Article, in addition to or in lieu of establishing a North Carolina ABLE Program and ABLE Program Trust, the Board may do either of the following:

(1) Enter into an agreement with one or more states, or a consortium of states, that has a qualified ABLE program for the provision of all services necessary to allow residents of North Carolina to participate in the qualified ABLE program of the other state, states, or consortium.

(2) Facilitate or otherwise provide access to allow residents of North Carolina to participate in qualified ABLE programs operated by another state, states, or consortium.

The Board shall take action only after due diligence that includes a fiduciary analysis that indicates the qualified ABLE program offered by the other state, states, or consortium will (i) meet all the requirements of this Article and (ii) be more efficient and cost-effective than an ABLE program provided directly by the Board. If the Board enters into an arrangement authorized by this subsection, the Board shall meet on a semiannual basis to evaluate the effectiveness of the services being provided."

SECTION 6. G.S. 147-69.2(a) is amended by adding a new subdivision to read:

"(21) The Disability Income Plan of North Carolina."

SECTION 8. G.S. 147-69.12(e) is repealed.

SECTION 9. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and, to this end, the provisions of this act are severable.

SECTION 10. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-126 **H.B. 135**

AN ACT TO MAKE ORGANIZATIONAL AND TECHNICAL CHANGES TO THE COURSES OF STUDY STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81 is repealed.

SECTION 2. G.S. 115C-81.1 is repealed.

SECTION 3. G.S. 115C-81.3 is repealed.

SECTION 4. G.S. 115C-81.4 is repealed.

SECTION 5. Part 1 of Article 8 of Chapter 115C of the General Statutes is amended by adding new sections to read:

"**§ 115C-81.5. Standard course of study.**

(a) All children can learn. It is the intent of the General Assembly that the mission of the public school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential. With that mission as its guide, the State Board of Education shall adopt a plan of education and a standard course of study as provided in G.S. 115C-12(9c) for the public schools of the State. It is the intent of the General Assembly that the focus of State educational funding shall be to ensure that each student receives a sound basic education. It is further a goal of the General Assembly to provide supplemental funds to low-wealth counties to allow those counties to enhance the instructional program and student achievement. Instruction shall be offered in the areas of arts, communication skills, physical education and personal health and safety, mathematics, media and computer skills, science, second languages, social studies, and career and technical education. In addition, instruction shall be offered in all of the areas provided in this Part.

(b) The standard course of study shall provide all of the following:

(1) A core curriculum for all students that takes into account the special needs of children.

(2) A set of competencies, by grade level, for each curriculum area.

(3) A list of textbooks for use in providing the curriculum.

(4) Standards for student performance and promotion based on the mastery of competencies, including standards for graduation, that take into account children with disabilities and, in particular, include appropriate modifications.

(5) A program of remedial education.

(6) Required support programs.

(7) A definition of the instructional day.

(8) Class size recommendations and requirements.

(9) Prescribed staffing allotment ratios.

(10) Material and equipment allotment ratios.

(11) Facilities guidelines that reflect educational program appropriateness, long-term cost efficiency, and safety considerations.

(12) Any other information the Board considers appropriate and necessary.

"**§ 115C-81.10. Career and technical education.**

(a) Instruction in career and technical education shall include the following:

(1) The integration of academic and career and technical education.

(2) A sequential course of study leading to career and college readiness.

(3) Increased student work skill attainment and job placement.

(4) Increased linkages, where geographically feasible, between public schools and community colleges, so the public schools can emphasize academic preparation and the community colleges can emphasize specific job training.

(5) Instruction and experience, to the extent practicable, in all aspects of the industry the students are prepared to enter.

"**§ 115C-81.15. Conflict resolution and mediation models.**

The State Board of Education shall develop a list of recommended conflict resolution and mediation materials, models, and curricula that address responsible decision making, the causes and effects of school violence and harassment, cultural diversity, and nonviolent methods for resolving conflict, including peer mediation, and shall make the list available to local school administrative units and school buildings. In developing this list, the Board shall emphasize materials, models, and curricula that currently are being used in North Carolina and that the Board determines to be effective. The Board shall include at least one model that includes instruction and guidance for the voluntary implementation of peer mediation programs and one model that provides instruction and guidance for teachers concerning the integration of conflict resolution and mediation lessons into the existing classroom curriculum.

"**§ 115C-81.20. Alcohol and drug use prevention education.**

(a) Instruction shall be provided in alcohol and drug use prevention education from kindergarten through high school.

(b) The State Board of Education shall develop and maintain a recommended list of alcohol and drug use prevention education materials that include components for teacher training and ongoing assessment and evaluation to verify success and ensure the use of up-to-date information and strategies.

(c) The Department of Public Instruction shall do the following:

(1) Work to strengthen instructional offerings in the content and skill areas in which alcohol and drug use prevention education is addressed.

(2) Develop curricular materials and resources that meet, extend, and supplement drug and alcohol education as outlined in the standard course of study and the teacher handbook for the competency-based curriculum.

(3) Recommend to the State Board of Education any drug use prevention education support materials that should be removed from or added to the recommended list of curricular resources developed and maintained by the State Board of Education.

(d) Local boards of education may select supplemental alcohol and drug use prevention education materials from the list maintained by the State Board of Education or develop their own supplemental materials to be approved by the State Board of Education.

(e) Local boards of education shall do the following:

(1) Implement an approved alcohol and drug use prevention education as a primary part of their comprehensive health education program.

(2) Provide for ongoing evaluation of drug use prevention education resources, to include participation in ongoing evaluations with the Department of Public Instruction.

(f) The Department of Public Instruction, in conjunction with local school administrative units, shall provide for professional development to train educators and support personnel to implement a comprehensive alcohol and drug use prevention education program.

(g) Sequential, age-appropriate instruction shall be provided that includes all of the following:

(1) Reaches all students in all grades.

(2) Presents a clear and consistent message that the use of alcohol and unlawful drugs and the misuse of other drugs are unhealthy and harmful.

(3) Reflects current research and theory.

(4) Includes all abusable substances.

(5) Utilizes information that is current and accurate.

(6) Involves students in active "hands-on" learning experiences.
(7) Integrates substance abuse education with other health and social issues and other subject and skill areas of the standard course of study.
(8) Promotes understanding and respect for the law and values of society.
(9) Encourages healthy, safe, and responsible attitudes and behaviors.
(10) Includes strategies to involve parents, family members, and the community.
(11) Includes information on intervention and treatment services.
(12) Is continually open to revision, expansion, and improvement.

"**§ 115C-81.25. Health education.**

(a) Comprehensive health education instruction shall be developed and taught to students from kindergarten through ninth grade.

(b) The State Board of Education shall do all of the following:
(1) Supervise the development and operation of the statewide comprehensive school health education program, including curriculum development, teacher professional development, promotion of training in teacher preparation programs, learning material review, and assessment and evaluation of local programs in the same manner as for other programs.
(2) Adopt objectives for the instruction of the subject areas listed in this section that are appropriate for each grade level.
(3) Approve textbooks and other materials incorporating these objectives that local school administrative units may purchase with State funds.

(c) The State Board of Education, through the Department of Public Instruction, shall, on a regular basis, review materials related to these objectives and distribute these reviews to local school administrative units for their information. This program includes age-appropriate instruction in the following subject areas, regardless of whether this instruction is described as, or incorporated into a description of, "family life education," "family health education," "health education," "family living," "health," "healthful living curriculum," or "self-esteem":
(1) Mental and emotional health.
(2) Drug and alcohol abuse prevention.
(3) Nutrition.
(4) Dental health.
(5) Environmental health.
(6) Family living.
(7) Consumer health.
(8) Disease control.
(9) Growth and development.
(10) First aid and emergency care, including the teaching of cardiopulmonary resuscitation (CPR) and the Heimlich maneuver by using hands-on training with mannequins so that students pass a test approved by the American Heart Association or American Red Cross. For the purposes of this subdivision, schools shall do all of the following:
a. Use an instructional program developed by the American Heart Association, the American Red Cross, or other nationally recognized programs that is based on the most current national evidence-based emergency cardiovascular care guidelines for CPR.
b. Maintain documentation in an electronic database that students have successfully completed CPR instruction to meet healthful living essential standards.
c. Require successful completion of instruction in CPR to be a requirement for high school graduation by the 2014-2015 school year.

(11) Preventing sexually transmitted diseases, including HIV/AIDS, and other communicable diseases. As used in this section, "HIV/AIDS" means Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome.

(12) Reproductive health and safety education.

(13) Bicycle safety.

(d) Parental Review. – The State Board of Education shall make available to all local school administrative units for review by the parents and legal guardians of students enrolled at those units any State-developed objectives for instruction, any approved textbooks, the list of reviewed materials, and any other State-developed or approved materials that pertain to or are intended to impart information or promote discussion or understanding in regard to the prevention of sexually transmitted diseases, including HIV/AIDS, to the avoidance of out-of-wedlock pregnancy, or to the reproductive health and safety education curriculum. The review period shall extend for at least 60 days before use.

(e) Duty of Local School Administrative Units. – Each local school administrative unit shall provide a comprehensive school health education program that meets all the requirements of this section and all the objectives established by the State Board. Each local board of education may expand on the subject areas to be included in the program and on the instructional objectives to be met.

"**§ 115C-81.30. Reproductive health and safety education provided by local school administrative units.**

(a) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade. Materials used in this instruction shall be age-appropriate for use with students. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with experience in sex-trafficking prevention and awareness may provide materials and information. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in any of the following fields: sexual health education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education. Reproductive health and safety instruction provided by the local school administrative units shall do the following:

(1) Teach that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.

(2) Present techniques and strategies to deal with peer pressure and offering positive reinforcement.

(3) Present reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.

(4) Teach that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems. As used in this section, "HIV/AIDS" means Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome.

(5) Teach that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.

(6) Teach the positive benefits of abstinence until marriage and the risks of premarital sexual activity.

(7) Provide opportunities that allow for interaction between the parent or legal guardian and the student.

(8) Provide factually accurate biological or pathological information that is related to the human reproductive system.

(9) Teach about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illegal drugs, and inadequate prenatal care.

(10) Teach about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

(11) Teach about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

(12) Teach awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

a. Focus on healthy relationships.

b. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.

c. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.

d. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

(13) Teach about sex trafficking prevention and awareness. Each local school administrative unit shall:

a. Collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex-trafficking prevention education, to address the threats of sex trafficking.

b. Collaborate with a diverse group of outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

(b) Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a legal guardian to withdraw his or her child from instruction required under subdivisions (10) through (13) of subsection (a) of this section.

(c) Parental Review and Consent. – Each school year, before students may participate in any portion of (i) a program that pertains to or is intended to impart information or promote discussion or understanding in regard to the prevention of sexually transmitted diseases, including HIV/AIDS, or to the avoidance of out-of-wedlock pregnancy or (ii) a reproductive health and safety education program, whether developed by the State or by the local board of education, the parents and legal guardians of those students shall be given an opportunity to review the objectives and materials as provided in G.S. 115C-81.25(d). Local boards of education shall adopt policies to provide opportunities either for parents and legal guardians to consent or for parents and legal guardians to withhold their consent to the students' participation in any or all of these programs.

(d) Information on Contraceptives and Abortion Referral Services. – Students may receive information about where to obtain contraceptives and abortion referral services only in accordance with a local board's policy regarding parental consent. Any instruction concerning the use of contraceptives or prophylactics shall provide accurate statistical information on their effectiveness and failure rates for preventing pregnancy and sexually transmitted diseases, including HIV/AIDS, in actual use among adolescent populations and shall explain clearly the difference between risk reduction and risk elimination through abstinence. The Department of

Health and Human Services shall provide the most current available information at the beginning of each school year.

(e) Prohibition on Distribution of Contraceptives. – Contraceptives, including condoms and other devices, shall not be made available or distributed on school property.

(f) School Health Coordinators. – School health coordinators may be employed to assist in the instruction of any portion of the comprehensive school health education program. Where feasible, a school health coordinator should serve more than one local school administrative unit. Each person initially employed as a State-funded school health coordinator after June 30, 1987, shall have a degree in health education.

(g) Duty of Local School Administrative Units. – Each local school administrative unit shall provide a comprehensive school health education program that meets all the requirements of this section and all the objectives established by the State Board. Each local board of education may expand on the subject areas to be included in the program and on the instructional objectives to be met.

"**§ 115C-81.35. Honors-level courses in healthful living education.**

The State Board of Education shall develop or identify academically rigorous honors-level courses in healthful living education that can be offered at the high school level. These honors-level courses shall be more rigorous than standard-level courses, include advanced content, provide multiple opportunities for students to take greater responsibility for their learning, and require higher quality work from the students than standard courses.

"**§ 115C-81.40. North Carolina history and geography.**

The standard course of study shall include the requirement that the public schools provide to all students one yearlong course of instruction on North Carolina history and geography in elementary school and one yearlong course of instruction in middle school on North Carolina history with United States history integrated into this instruction. The course of instruction shall include contributions to the history and geography of the State and the nation by the racial and ethnic groups that have contributed to the development and diversity of the State and nation. Each course of instruction may include up to two weeks of instruction relating to the local area in which the students reside.

"**§ 115C-81.45. Classes conducted in English; citizenship; and civic literacy.**

(a) Except when a board authorizes teaching in a foreign language in order to comply with federal law, local boards of education shall require all teachers and principals to conduct classes except foreign language classes in English. Any teacher or principal who refuses to do so may be dismissed.

(b) Local boards of education shall provide for the efficient teaching at appropriate grade levels of all materials set forth in the standard course of study, including integrated instruction in the areas of citizenship in the United States of America, government of the State of North Carolina, government of the United States, fire prevention, the free enterprise system, and the dangers of harmful or illegal drugs, including alcohol.

(c) Democratic Process and Citizenship Education. –

(1) The State Board of Education shall include instruction in civic and citizenship education in the standard course of study for high school social studies. The State Board of Education is strongly encouraged to include, at a minimum, the following components in the high school civic and citizenship education standard course of study:

a. That students write to a local, State, or federal elected official about an issue that is important to them.

b. Instruction on the importance of voting and otherwise participating in the democratic process, including instruction on voter registration.

c. Information about current events and governmental structure.

d. Information about the democratic process and how laws are made.

(2) The State Board of Education shall include instruction in civic and citizenship education in the standard course of study for middle school social

studies. The State Board of Education is strongly encouraged to include, at a minimum, the following components in the middle school civic and citizenship education standard course of study:

a. A tour of representative local government facilities, such as the local jail, the courthouse, or a town hall, to help students understand the way their community is governed.

b. Allowing students to choose and analyze a community problem and offer public policy recommendations on the problem to local officials.

c. Information about getting involved in community groups.

(d) Civic Literacy. –

(1) The State Board of Education shall require during the high school years the teaching of a semester course on the Founding Principles of the United States of America and the State of North Carolina. A passing grade in the course shall be required for graduation from high school, and the course shall include at least the following subjects:

a. The Creator-endowed inalienable rights of the people.

b. Structure of government, separation of powers with checks and balances.

c. Frequent and free elections in a representative government.

d. Rule of law.

e. Equal justice under the law.

f. Private property rights.

g. Federalism.

h. Due process.

i. Individual rights as set forth in the Bill of Rights.

j. Individual responsibility.

k. Constitutional limitations on government power to tax and spend, and prompt payment of public debt.

l. Strong defense and supremacy of civil authority over military.

m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.

(2) The State Board of Education shall require that any high school level curriculum-based tests for the course required in subdivision (1) of this subsection developed and administered statewide beginning with the 2016-2017 academic year include questions related to the philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.

(3) The Department of Public Instruction and the local boards of education, as appropriate, shall provide or cause to be provided curriculum content for the semester course required in subdivision (1) of this subsection and professional development to ensure that the intent and provisions of this subsection are carried out. The curriculum content established shall include a review of the contributions made by Americans of all races.

(4) The Department of Public Instruction shall submit a biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee covering the implementation of this subsection.

"**§ 115C-81.50. Student councils.**

All high schools and middle schools shall be encouraged to have elected student councils through which students have input into policies and decisions that affect them. All other schools are encouraged to have student councils.

The purpose of these student councils is to build civic skills and attitudes such as participation in elections, discussion and debate of issues, and collaborative decision making. Schools shall encourage active, broad-based participation in these student councils.

"**§ 115C-81.55. Current events.**

Schools should encourage discussions of current events in a wide range of classes, especially social studies and language arts classes. All high schools and middle schools are encouraged to have at least two classes per grade level to offer interactive current events discussions at least every four weeks.

"**§ 115C-81.60. Character education.**

(a) Each local board of education shall develop and implement character education instruction with input from the local community. The instruction shall be incorporated into the standard curriculum and should address the following traits:

(1) Courage. – Having the determination to do the right thing even when others don't and the strength to follow your conscience rather than the crowd; and attempting difficult things that are worthwhile.

(2) Good judgment. – Choosing worthy goals and setting proper priorities; thinking through the consequences of your actions; and basing decisions on practical wisdom and good sense.

(3) Integrity. – Having the inner strength to be truthful, trustworthy, and honest in all things; acting justly and honorably.

(4) Kindness. – Being considerate, courteous, helpful, and understanding of others; showing care, compassion, friendship, and generosity; and treating others as you would like to be treated.

(5) Perseverance. – Being persistent in the pursuit of worthy objectives in spite of difficulty, opposition, or discouragement; and exhibiting patience and having the fortitude to try again when confronted with delays, mistakes, or failures.

(6) Respect. – Showing high regard for authority, for other people, for self, for property, and for country; and understanding that all people have value as human beings.

(7) Responsibility. – Being dependable in carrying out obligations and duties; showing reliability and consistency in words and conduct; being accountable for your own actions; and being committed to active involvement in your community.

(8) Self-discipline. – Demonstrating hard work and commitment to purpose; regulating yourself for improvement and restraining from inappropriate behaviors; being in proper control of your words, actions, impulses, and desires; choosing abstinence from premarital sex, drugs, alcohol, and other harmful substances and behaviors; and doing your best in all situations.

(b) In addition to the instruction under subsection (a) of this section, local boards of education are encouraged to include instruction on the following responsibilities:

(1) Respect for school personnel. – In the school environment, respect includes holding teachers, school administrators, and all school personnel in high esteem and demonstrating in words and deeds that all school personnel deserve to be treated with courtesy and proper deference.

(2) Responsibility for school safety. – Helping to create a harmonious school atmosphere that is free from threats, weapons, and violent or disruptive behavior; cultivating an orderly learning environment in which students and school personnel feel safe and secure; and encouraging the resolution of conflicts and disagreements through peaceful means, including peer mediation. Instruction in this responsibility should include a consistent and age-appropriate antiviolence message and a conflict resolution component for students in kindergarten through grade 12. These messages should

include media-awareness education to help children recognize stereotypes and messages portraying violence.

(3) Service to others. – Engaging in meaningful service to their schools and their communities. Schools may teach service-learning by (i) incorporating it into their standard curriculum or (ii) involving a classroom of students or some other group of students in one or more hands-on community service projects. All schools are encouraged to provide opportunities for student involvement in community service or service-learning projects.

(4) Good citizenship. – Obeying the laws of the nation and this State; abiding by school rules; and understanding the rights and responsibilities of a member of a republic.

"**§ 115C-81.65. Financial literacy.**

(a) Instruction shall be provided in personal financial literacy for all students. In addition to the requirements in subsection (b) of this section, the State Board of Education shall determine the other components of personal financial literacy that will be covered in the curriculum. The State Board shall also review the high school standard course of study to determine into which courses and grade levels personal financial literacy shall be integrated.

(b) Each student shall receive personal financial literacy instruction that shall include:

(1) The true cost of credit.

(2) Choosing and managing a credit card.

(3) Borrowing money for an automobile or other large purchase.

(4) Home mortgages.

(5) Credit scoring and credit reports.

(6) Other relevant financial literacy issues.

"**§ 115C-81.70. Disability history and awareness.**

(a) Each local board of education shall provide instruction on disability, people with disabilities, and the disability rights movement in conjunction with Disability History and Awareness Month, established pursuant to G.S. 103-11.

(b) This instruction shall be incorporated through measures that include any of the following:

(1) Supplementing existing lesson plans.

(2) Holding school assemblies.

(3) Hosting disability-focused film festivals.

(4) Organizing other school activities.

Local boards of education are encouraged to incorporate individuals with disabilities or knowledgeable guest speakers from the disability community into the delivery of this instruction.

"**§ 115C-81.75. Cursive writing.**

The standard course of study shall include the requirement that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.

"**§ 115C-81.80. Multiplication tables.**

The standard course of study shall include the requirement that students enrolled in public schools memorize multiplication tables to demonstrate competency in efficiently multiplying numbers.

"**§ 115C-81.85. Instruction in American Sign Language.**

(a) The State Board of Education shall encourage schools to offer American Sign Language classes in high schools as a modern foreign language.

(b) The State Board of Education shall adopt and implement standards for the certification of teachers of American Sign Language and shall set standards for teacher preparation programs that prepare students for certification as American Sign Language teachers."

SECTION 6. G.S. 115C-47 is amended by adding a new subdivision to read:

"(1a) To Establish and Maintain Kindergartens. –

a. Local boards of education shall provide for their respective local school administrative unit kindergartens as a part of the public school system for all children living in the local school administrative unit who are eligible for admission pursuant to sub-subdivision c. of this subdivision provided that funds are available from State, local, federal, or other sources to operate a kindergarten program as provided in this subdivision.

b. All kindergarten programs so established shall be subject to the supervision of the Department of Public Instruction and shall be operated in accordance with the standards adopted by the State Board of Education, upon recommendation of the Superintendent of Public Instruction. Among the standards to be adopted by the State Board of Education shall be a provision that the Board will allocate funds for the purpose of operating and administering kindergartens to each school administrative unit in the State based on the average daily membership for the best continuous three out of the first four school months of pupils in the kindergarten program during the last school year in that respective school administrative unit. Such allocations are to be made from funds appropriated to the State Board of Education for the kindergarten program.

c. Any child who meets the requirements of G.S. 115C-364 shall be eligible for enrollment in kindergarten. Any child who is enrolled in kindergarten and not withdrawn by the child's parent or legal guardian shall attend kindergarten.

d. Notwithstanding any other provision of law to the contrary, subject to the approval of the State Board of Education, any local board of education may elect not to establish and maintain a kindergarten program. Any funds allocated to a local board of education which does not operate a kindergarten program may be reallocated by the State Board of Education, within the discretion of the Board, to a county or city board of education which will operate such a program."

SECTION 7. G.S. 115C-47 is amended by adding a new subdivision to read:

"(29c) To Allow and Encourage the Reading and Posting of Documents on the History of the United States and With Historical Significance for the United States. –

a. Local boards of education shall allow and may encourage any public school teacher or administrator to read or post in a public school building, classroom, or event excerpts or portions of writings, documents, and records that reflect the history of the United States, including, but not limited to:

1. The preamble to the North Carolina Constitution.
2. The Declaration of Independence.
3. The United States Constitution.
4. The Mayflower Compact.
5. The national motto.
6. The National Anthem.
7. The Pledge of Allegiance.
8. The writings, speeches, documents, and proclamations of the founding fathers and Presidents of the United States.
9. Decisions of the Supreme Court of the United States.

10. Acts of the Congress of the United States, including the published text of the Congressional Record.

b. Local boards, superintendents, principals, and supervisors shall not allow content-based censorship of American history in the public schools of this State, including religious references in these writings, documents, and records. Local boards and professional school personnel may develop curricula and use materials that are limited to specified topics, provided the curricula and materials are aligned with the standard course of study or are grade level appropriate.

c. A local school administrative unit may display on real property controlled by that local school administrative unit documents and objects of historical significance that have formed and influenced the United States legal or governmental system and that exemplify the development of the rule of law, such as the Magna Carta, the Mecklenburg Declaration, the Ten Commandments, the Justinian Code, and documents set out in sub-subdivision a. of this subdivision. Such displays are subject to the following requirements:

1. The display may include, but shall not be limited to, documents that contain words associated with a religion; provided, however, no display shall seek to establish or promote religion or to persuade any person to embrace a particular religion, denomination of a religion, or other philosophy.

2. The display of a document containing words associated with a religion shall be in the same manner and appearance generally as other documents and objects displayed and shall not be presented or displayed in any fashion that results in calling attention to it apart from the other displayed documents and objects. The display also shall be accompanied by a prominent sign quoting the First Amendment of the United States Constitution as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.""

SECTION 8. G.S. 115C-47 is amended by adding a new subdivision to read:

"(49a) To Address Science Safety Requirements. –

a. Each local board of education shall certify annually to the State Board of Education that its high school and middle school science laboratories are equipped with appropriate personal protective equipment for students and teachers.

b. Each local board of education shall ensure that its high schools and middle schools comply with all State Board of Education policies related to science laboratory safety."

SECTION 9. G.S. 115C-12(9c) reads as rewritten:

"(9c) Power to Develop Content ~~Standards and Exit~~ Standards. –

a. The Board shall develop a comprehensive plan to revise content standards and the standard course of study in the core academic areas of reading, writing, mathematics, science, history, geography, and civics. The Board shall involve and survey a representative sample of parents, teachers, and the public to help determine academic content standard priorities and usefulness of the content standards. A full

review of available and relevant academic content standards that are rigorous, specific, sequenced, clear, focused, and measurable, whenever possible, shall be a part of the process of the development of content standards. The revised content standards developed in the core academic areas shall (i) reflect high expectations for students and an in-depth mastery of the content; (ii) be clearly grounded in the content of each academic area; (iii) be defined grade-by-grade and course-by-course; (iv) be understandable to parents and teachers; (v) be developed in full recognition of the time available to teach the core academic areas at each grade level; and (vi) be measurable, whenever possible, in a reliable, valid, and efficient manner for accountability purposes.

b. High school course content standards shall include the knowledge and skills necessary to pursue further postsecondary education or to attain employment in the 21st century economy. The high school course content standards also shall be aligned with the minimum undergraduate course requirements for admission to the constituent institutions of The University of North Carolina. ~~The Board may develop exit standards that will be required for high school graduation.~~

c. The Board also shall develop and implement an ongoing process to align State programs and support materials with the revised academic content standards for each core academic area on a regular basis. Alignment shall include revising textbook criteria, support materials, State tests, teacher and school administrator preparation, and ongoing professional development programs to be compatible with content standards. The Board shall develop and make available to teachers and parents support materials, including teacher and parent guides, for academic content standards. The State Board of Education shall work in collaboration with the Board of Governors of The University of North Carolina to ensure that teacher and school administrator degree programs, ongoing professional development, and other university activity in the State's public schools align with the State Board's priorities."

SECTION 10. G.S. 115C-12 is amended by adding a new subdivision to read:

"(9d) Power to Develop Exit Standards and Graduation Requirements. –

a. The Board may develop exit standards that shall be required for high school graduation. The Board shall require the following for high school graduation:

1. Successful completion of instruction in cardiopulmonary resuscitation as provided in G.S. 115C-81.25(c)(10).
2. A passing grade in the semester course on the Founding Principles of the United States of America and the State of North Carolina described in G.S. 115C-81.45(d)(1).

b. The following restrictions apply to the Board regarding Algebra I and high school graduation projects:

1. The Board shall not adopt or enforce any rule that requires Algebra I as a graduation standard or as a requirement for a high school diploma for any student whose individualized education program (i) identifies the student as learning disabled in the area of mathematics and (ii) states that this learning disability will prevent the student from mastering Algebra I.

2. The Board shall not require any student to prepare a high school graduation project as a condition of graduation from high school; local boards of education may, however, require their students to complete a high school graduation project."

SECTION 11. G.S. 115C-12(9)c. is repealed.

SECTION 12. G.S. 115C-47(12) is repealed.

SECTION 13. G.S. 115C-105.32 reads as rewritten:

"**§ 115C-105.32. Parent involvement programs and conflict resolution programs as part of school improvement plans.**

A school is encouraged to include a comprehensive parent involvement program as part of its school improvement plan under G.S. 115C-105.27. The State Board of Education shall develop a list of recommended strategies that it determines to be effective, which building level committees may use to establish parent involvement programs designed to meet the specific needs of their schools. The Board shall make the list available to local school administrative units and school buildings by the beginning of the 1994-95 school year.

A school is encouraged to review its need for a comprehensive conflict resolution program as part of the development of its school improvement plan under G.S. 115C-105.27. If a school determines that this program is needed, it may select from the list developed by the State Board of Education under ~~G.S. 115C-81(a4)~~G.S. 115C-81.15 or may develop its own materials and curricula to be approved by the local board of education."

SECTION 14. G.S. 115C-174.11(a) reads as rewritten:

"(a) Assessment Instruments for Kindergarten, First, Second, and Third Grades. – The State Board of Education shall develop, adopt, and provide to the local school administrative units developmentally appropriate individualized assessment instruments ~~consistent with the Basic Education Program~~ aligned with the standard course of study and Part 1A of Article 8 of this Chapter for the kindergarten, first, second, and third grades. Local school administrative units shall use these assessment instruments provided to them by the State Board for kindergarten, first, second, and third grade students to assess progress, diagnose difficulties, and inform instruction and remediation needs. Local school administrative units shall not use standardized tests for summative assessment of kindergarten, first, and second grade students except as required as a condition of receiving federal grants."

SECTION 15. G.S. 115C-174.11(c)(4) reads as rewritten:

"(4) To the extent funds are made available, the State Board of Education shall plan for and require the administration of the ACT test for all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board. The State Board of Education shall require the administration of an alternate to the ACT or an alternate to the PLAN precursor test to the ACT to a student who (i) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors, including communication, daily living skills, and self-care, (ii) is following the extended content standards of the Standard Course of Study as provided in ~~G.S. 115C-81,~~G.S. 115C-81.5, or is following a course of study that, upon completing high school, may not lead to admission into a college-level course of study resulting in a college degree, and (iii) has a written parental request for an alternate assessment.

The State Board of Education shall ensure that parents of students enrolled in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ACT and the PLAN precursor test to the ACT.

Alternate assessment and ACT assessment results of students with disabilities shall be included in school accountability reports, including charter and regional schools, provided by the State Board of Education."

SECTION 16. G.S. 120-70.81(a)(2) is repealed.

SECTION 17. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-127 **H.B. 149**

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION AND LOCAL BOARDS OF EDUCATION TO DEVELOP TOOLS TO ENSURE IDENTIFICATION OF STUDENTS WITH DYSLEXIA AND DYSCALCULIA.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly that all students with specific learning disabilities, including dyslexia and dyscalculia, receive the necessary and appropriate screenings, assessments, and special education services to provide interventions for learning difficulties with language, reading, writing, and mathematics.

SECTION 2. To provide a definition to enable for the identification of and intervention for students with dyslexia and students with dyscalculia, the State Board of Education shall, as part of its policies for specific learning disabilities, define dyslexia as follows: "Dyslexia is a specific learning disability that is neurobiological in origin. It is characterized by difficulties with accurate and/or fluent word recognition and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede growth of vocabulary and background knowledge." The State Board of Education shall include the definition of dyslexia, as required by this section, in the policies for specific learning disabilities no later than June 30, 2017.

SECTION 3. Prior to the start of the 2017-2018 school year, the State Board of Education shall ensure that ongoing professional development opportunities are made available to teachers and other school personnel on the identification of and intervention strategies for students with dyslexia, dyscalculia, or other specific learning disabilities. Prior to the start of the 2017-2018 school year, the State Board of Education shall also develop and make available information electronically to parents, educators, and other concerned groups that provides further data concerning characteristics of children with dyslexia, educational methodologies, screenings, and what is available to support the work with children with dyslexia in North Carolina.

SECTION 4. Prior to the start of the 2017-2018 school year, local boards of education shall review the diagnostic tools and screening instruments used for dyslexia, dyscalculia, or other specific learning disabilities to ensure that they are age-appropriate and effective and shall determine if additional diagnostic and screening tools are needed.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-128 **H.B. 176**

AN ACT TO MAKE CHANGES THAT WILL ASSIST IN PREVENTING AND DETECTING FRAUD, WASTE, AND ABUSE AND IN ENSURING THE FISCAL INTEGRITY OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE RETIREE HEALTH BENEFIT, AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-1(7b) is recodified as G.S. 135-1(7c).

SECTION 1.(b) G.S. 135-1, as amended by Section 1(a) of this act, is amended by adding a new subdivision to read:

"(7b) "Compliance investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on a Retirement System or benefits administered by the Board of Trustees. The purpose of a compliance investigation is to help detect errors and ensure compliance and full accountability in the use of pension funds."

SECTION 1.(c) G.S. 135-1(11b) reads as rewritten:

"(11b) "Fraud investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on the Retirement System. The purpose of a fraud investigation is to help detect and prevent fraud and to ensure full accountability in the use of pension funds."

SECTION 1.(d) G.S. 135-6 reads as rewritten:

"**§ 135-6. Administration.**

…

(k) Medical Board. – The Board of Trustees shall designate a medical board to be composed of not less than three nor more than five physicians not eligible to participate in the Retirement System. The Board of Trustees may structure appointment requirements and term durations for those medical board members. If required, other physicians may be employed to report on special cases. The medical board shall arrange for and pass upon all medical examinations required under the provisions of this Chapter, and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the Board of Trustees its conclusion and recommendations upon all the matters referred to it. A person serving on the medical board shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.

(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.

(4) The person derived an improper financial benefit, either directly or indirectly, from the transaction.

(5) The person incurred the liability from the operation of a motor vehicle.

…

(q) Compliance Investigations and Fraud Investigations – Access to Persons and Records. In the course of conducting a compliance investigation or a fraud investigation, the Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall:

(1) Have ready access to persons and may examine and copy all books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of any employer. The review of State tax returns shall be limited to matters of official business, and the Division's report shall not violate the confidentiality provisions of tax laws.

(2) Have such access to persons, records, papers, reports, vouchers, correspondence, books, and any other documentation that is in the possession of any individual, private corporation, institution, association, board, or other organization that pertain to the following:

a. Amounts received pursuant to a grant or contract from the federal government, the State, or its political subdivisions.

b. Amounts received, disbursed, or otherwise handled on behalf of the federal government or the State.

(3) Have the authority, and shall be provided with ready access, to examine and inspect all property, equipment, and facilities in the possession of any employer agency or any individual, private corporation, institution, association, board, or other organization that were furnished or otherwise provided through grant, contract, or any other type of funding by the employer agency.

With respect to the requirements of sub-subdivision (2)b. of this subsection, providers of social and medical services to a beneficiary shall make copies of records they maintain for services provided to a beneficiary available to the Retirement Systems Division, or to the authorized representatives who are assisting the Retirement Systems Division staff. Copies of the records of social and medical services provided to a beneficiary will permit verification of the health or other status of a beneficiary as required for the payment of benefits under Article 1, Article 4, or Article 6 of this Chapter. The Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall request records in writing by providing the name of each beneficiary for whom records are sought, the purpose of the request, the statutory authority for the request, and a reasonable period of time for the production of record copies by the provider. A provider may charge, and the Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall, in accordance with G.S. 90-411, pay a reasonable fee to the provider for copies of the records provided in accordance with this subsection.

(r) Compliance or Fraud Investigative Reports and Work Papers. – The Director of the Retirement Systems Division shall maintain for 10 years a complete file of all compliance investigative reports, fraud investigative reports and reports of other examinations, investigations, surveys, and reviews issued under the Director's authority. Fraud or compliance investigation work papers and other evidence or related supportive material directly pertaining to the work of the Retirement Systems Division of the Department of State Treasurer shall be retained according to an agreement between the Director of Retirement and State Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of fraud and compliance investigative ~~effort,~~efforts, and notwithstanding local unit personnel policies to the contrary, pertinent work papers and other supportive material relating to issued fraud or compliance investigation reports may be, at the discretion of the Director of Retirement and unless otherwise prohibited by law, made available for inspection by duly authorized representatives of the State and federal government who desire access to and inspection of such records in connection with some matter officially before them, including criminal investigations. Except as provided in this section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding that access is necessary to a proper administration of justice, fraud and compliance investigation work papers and related supportive material shall be kept confidential, including any information developed as a part of the investigation.

…."

SECTION 1.(e) G.S. 128-21(7b) is recodified as G.S. 128-21(7c).

SECTION 1.(f) G.S. 128-21, as amended by Section 1(e) of this act, is amended by adding a new subdivision to read:

"(7b) "Compliance investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on a Retirement System or benefits administered by the Board of

Trustees. The purpose of a compliance investigation is to help detect errors and ensure compliance and full accountability in the use of pension funds."

SECTION 1.(g) G.S. 128-21(11c) reads as rewritten:

"(11c) "Fraud investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on the Retirement System. The purpose of a fraud investigation is to help detect and prevent fraud and to ensure full accountability in the use of pension funds."

SECTION 1.(h) G.S. 128-28 reads as rewritten:

"**§ 128-28. Administration and responsibility for operation of System.**

…

(*l*) Medical Board. – The Board of Trustees shall designate a Medical Board to be composed of not less than three nor more than five physicians not eligible to participate in the Retirement System. The Board of Trustees may structure appointment requirements and term durations for those medical board members. If required, other physicians may be employed to report on special cases. The Medical Board shall arrange for and pass upon all medical examinations required under the provisions of this Chapter, and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the Board of Trustees its conclusion and recommendations upon all the matters referred to it. A person serving on the medical board shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.

(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.

(4) The person derived an improper financial benefit, either directly or indirectly, from the transaction.

(5) The person incurred the liability from the operation of a motor vehicle.

…

(r) Fraud Investigations and Compliance Investigations. – Access to Persons and Records. – In the course of conducting a fraud investigation or compliance investigation, the Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall:

(1) Have ready access to persons and may examine and copy all books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of any employer. The review of State tax returns shall be limited to matters of official business, and the Division's report shall not violate the confidentiality provisions of tax laws.

(2) Have such access to persons, records, papers, reports, vouchers, correspondence, books, and any other documentation that is in the possession of any individual, private corporation, institution, association, board, or other organization which pertain to the following:

a. Amounts received pursuant to a grant or contract from the federal government, the State, or its political subdivisions.

b. Amounts received, disbursed, or otherwise handled on behalf of the federal government or the State.

(3) Have the authority, and shall be provided with ready access, to examine and inspect all property, equipment, and facilities in the possession of any employer agency or any individual, private corporation, institution,

association, board, or other organization that were furnished or otherwise provided through grant, contract, or any other type of funding by the employer agency.

With respect to the requirements of sub-subdivision (2)b. of this subsection, providers of social and medical services to a beneficiary shall make copies of records they maintain for services provided to a beneficiary available to the Retirement Systems Division, or to the authorized representatives who are assisting the Retirement Systems Division staff. Copies of the records of social and medical services provided to a beneficiary will permit verification of the health or other status of a beneficiary as required for the payment of benefits under Article 3 of this Chapter. The Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall request records in writing by providing the name of each beneficiary for whom records are sought, the purpose of the request, the statutory authority for the request, and a reasonable period of time for the production of record copies by the provider. A provider may charge, and the Retirement Systems Division, or authorized representatives who are assisting the Retirement Systems Division staff, shall, in accordance with G.S. 90-411, pay a reasonable fee to the provider for copies of the records provided in accordance with this subsection.

(s) Fraud Investigative Reports and Work Papers or Compliance Investigative Reports and Work Papers. – The Director of the Retirement Systems Division shall maintain for 10 years a complete file of all fraud investigative ~~reports~~reports, compliance investigative reports, and reports of other examinations, investigations, surveys, and reviews issued under the Director's authority. Fraud investigation work ~~papers~~papers, compliance investigation work papers, and other evidence or related supportive material directly pertaining to the work of the Retirement Systems Division of the Department of State Treasurer shall be retained according to an agreement between the Director of Retirement and State Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of fraud or compliance investigative effort, and notwithstanding local unit personnel policies to the contrary, pertinent work papers and other supportive material relating to issued fraud investigation reports or compliance investigative reports may be, at the discretion of the Director of Retirement and unless otherwise prohibited by law, made available for inspection by duly authorized representatives of the State and federal government who desire access to and inspection of such records in connection with some matter officially before them, including criminal investigations. Except as provided in this section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding that access is necessary to a proper administration of justice, fraud or compliance investigation work papers and related supportive material shall be kept confidential, including any information developed as a part of the investigation.

…."

SECTION 2.(a) G.S. 135-4(jj) reads as rewritten:

"(jj) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 128-27(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. Except as otherwise provided in this subsection, the member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from

paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the retirement system after January 1, 2015, to pay the lump-sum amount required in this subsection on an installment payment plan ~~beginning no less than 90 days after the retirement of the member and~~ under one of the following two options:

(1) Option one. – An installment payment plan ending no ~~less~~more than ~~one year~~15 months after the retirement of the member.

(2) Option two. – An installment payment plan ending no more than 27 months after the retirement of the member. Interest shall be assessed on the principal amount of the contribution-based benefit cap liability owed and applied to any installment payment plan term exceeding 12 months at a rate corresponding with the interest rate assumption based on the most recent actuarial valuation approved by the Board of Trustees.

Payment under ~~such an~~both installment ~~plan~~plans must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 2.(b) G.S. 128-26(y) reads as rewritten:

"(y) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 128-27(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. Except as otherwise provided in this subsection, the member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the retirement system after January 1, 2015, to pay the lump-sum amount required in this subsection on an installment payment plan ~~beginning no less than 90 days after the retirement of the member and~~ under one of the following two options:

(1) Option one. – An installment payment plan ending no ~~less~~more than ~~one year~~15 months after the retirement of the member.

(2) Option two. – An installment payment plan beginning no less than 90 days after the retirement of the member and ending no more than 27 months after the retirement of the member. Interest shall be assessed on the principal amount of the contribution-based benefit cap liability owed and applied to any installment payment plan term exceeding 12 months at a rate corresponding with the interest rate assumption based on the most recent actuarial valuation approved by the Board of Trustees.

Payment under ~~such an~~both installment ~~plan~~plans must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 3. G.S. 128-38.3 is amended by adding a new subsection to read:

"(c) For local employers who made arrangements with the Retirement System prior to January 1, 2017, any beneficiary who is a retiree from an employer in the Retirement System under this Article may authorize the periodic deduction from the beneficiary's retirement benefits as designated lump sum to be paid to the beneficiary's former employer for the purpose of providing health benefits. The authorization shall remain in effect until revoked by the beneficiary, and proof of the authorization must be available on request of the Department of the State Treasurer. The Department of State Treasurer is prohibited from making any arrangements to deduct from a beneficiary's retirement benefits an amount to be paid to the beneficiary's former employer for the purpose of providing health benefits."

SECTION 4.(a) G.S. 115C-436 is amended by adding a new subsection to read:

"(c) Upon receipt of a report from the North Carolina Teachers' and State Employees' Retirement System, generated pursuant to G.S. 135-8(f)(2)f., containing a list of employees for whom the local board of education made a contribution to the North Carolina Teachers' and State Employees' Retirement System that is likely to require an additional employer contribution should the employee elect to retire in the following 12 months, the school financial officer shall transmit a copy of the report to the local board of education. The school financial officer shall also notify the board of county commissioners of the county in which the local administrative unit is located that the report was received and the number of employees listed in the report."

SECTION 4.(b) G.S. 135-8 is amended by adding a new subsection to read:

"(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System generated pursuant to G.S. 135-8(f)(2)f., containing a list of employees for whom the employer made a contribution to the North Carolina Teachers' and State Employees' Retirement System that is likely to require an additional employer contribution should the employee elect to retire in the following 12 months, the employer's chief financial officer shall transmit a copy of the report to the chief executive of the employer, as well as to the governing body of the employer, including any board which exercises financial oversight of the employer, if applicable."

SECTION 4.(c) G.S. 128-30 is amended by adding a new subsection to read:

"(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System generated pursuant to G.S. 135-8(f)(2)f., containing a list of employees for whom the employer made a contribution to the North Carolina Local Governmental Employees' Retirement System that is likely to require an additional employer contribution should the employee elect to retire in the following 12 months, the employer's chief financial officer shall transmit a copy of the report to the governing body of the employer, if applicable."

SECTION 5.(a) G.S. 143-166.84 is amended by adding a new subsection to read:

"(c) For the purposes of this Article, the term "eligible service as sheriff" means membership service rendered since the person became sheriff and, if the person has sick leave standing to his or her credit accrued as a member of the Local Governmental Employees' Retirement System and, after notification to the Retirement Systems Division by the Department of Justice, elects to have all of that sick leave applied to service under this Article instead of service in the Local Governmental Employees' Retirement System, one month of credit for each 20 days or portion thereof, but not less than one hour, and subject to all the requirements and restrictions of G.S. 128-26(e)."

SECTION 5.(b) This section becomes effective July 1, 2017, and expires July 1, 2022.

SECTION 6.(a) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(39a) To furnish the Department of State Treasurer periodically upon request, the State tax return of a beneficiary, or the wage and income statement of beneficiary, or the NC-3 information of an employer, for the purpose of substantiating the beneficiary's statement required to be submitted under G.S. 135-5(e)(4), 135-109, or 128-27(e)(4); or for the purpose of assisting a fraud or compliance investigation in accordance with G.S. 135-1(7b), 135-1(11b), 135-6(q), 128-21(7b), 128-21(11c), and 128-28(r); provided that

no federal tax information may be disclosed under this subdivision unless such a disclosure is permitted by section 6103 of the Code."

SECTION 6.(b) No later than June 30, 2018, the Department of Revenue and the Department of the State Treasurer shall develop and implement an information exchange system as contemplated by subsection (a) of this section. The two departments shall enter into a confidential information sharing agreement settling transfer protocols, required security measures, audit mechanisms, and other measures designed to protect confidential information.

SECTION 7. The Executive Administrator and the Board of Trustees of the State Health Plan (Plan) shall not approve resolutions electing to cover retirees under the Plan for local government entities that were authorized under S.L. 2004-124, S.L. 2006-7, S.L. 2005-276, and S.L. 2006-249 to participate in the Plan but that did not opt to cover retirees before January 1, 2017.

SECTION 8.(a) G.S. 135-8(d) is amended by adding new subdivision to read:

"(1a) For fiscal years beginning subsequent to January 1, 2017, the sum of the "normal contribution" and the "accrued liability contribution" shall not be less than the employee contribution required under subdivision (1) of subsection (b) of this section."

SECTION 8.(b) G.S. 128-30(d) is amended by adding a new subdivision to read:

"(10) For fiscal years beginning subsequent to January 1, 2017, the sum of the "normal contribution" and the "accrued liability contribution" shall not be less than the employee contribution required under subsection (b) of this section."

SECTION 9. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and, to this end, the provisions of this act are severable.

SECTION 10. Except where otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-129 **H.B. 183**

AN ACT TO MAKE CLARIFYING AND ADMINISTRATIVE CHANGES TO THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM LAWS AND RELATED STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 58-86-90 reads as rewritten:

"**§ 58-86-90. Exemptions of pensions from attachment; rights nonassignable.**

Except for the applications of the provisions of G.S. 110-136, and in connection with a court-ordered equitable distribution under G.S. 50-20, the pensions provided are not subject to attachment, garnishments or judgments against the firefighter or rescue squad worker entitled to them, nor are any rights in the fund or the pensions or benefits assignable. Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payments to a member in a State-administered retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member who is later determined to have been ineligible for those benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions, or any other right accruing under this Article to the same person, the person's estate, or designated beneficiary."

SECTION 1.(b) G.S. 135-5(n) reads as rewritten:

"(n) No action shall be commenced against the State or the Retirement System by any retired member or beneficiary respecting any deficiency in the payment of benefits more than three years after such deficient payment was made, and no action shall be commented by the State or the Retirement System against any retired member or former member or beneficiary respecting any overpayment of benefits or contributions more than three years after such overpayment was made. This subsection does not affect the right of the Retirement System to recoup overpaid benefits as provided in G.S. 135-9."

SECTION 1.(c) G.S. 128-27(i) reads as rewritten:

"(i) No action shall be commenced against the State or the Retirement System by any retired member or beneficiary respecting any deficiency in the payment of benefits more than three years after such deficient payment was made, and no action shall be commenced by the State or the Retirement System against any retired member or former member or beneficiary respecting any overpayment of benefits or contributions more than three years after such overpayment was made. This subsection does not affect the right of the Retirement System to recoup overpaid benefits as provided in G.S. 128-31."

SECTION 2.(a) G.S. 135-8(a) reads as rewritten:

"(a) Funds to Which Assets of Retirement System Credited. – All of the assets of the Retirement System shall be credited according to the purpose for which they are held to one of ~~four funds, namely, the annuity savings fund, the annuity reserve fund, the pension accumulation fund, and the pension reserve fund.~~of two funds, namely, the annuity savings fund and the pension accumulation fund."

SECTION 2.(b) G.S. 135-8(b)(1) reads as rewritten:

"(1) ~~Prior to the first day of July, 1947, each employer shall cause to be deducted from the salary of each member on each and every payroll of such employer for each and every payroll period four per centum (4%) of his actual compensation; and the employer also shall deduct four per centum (4%) of any compensation received by any member for teaching in public schools, or in any of the institutions, agencies or departments of the State, from salaries other than the appropriations from the State of North Carolina. On and after such date the rate so deducted shall be five per centum (5%) of actual compensation except that, with respect to each member who is eligible for coverage under the Social Security Act in accordance with the agreement entered into during 1955 in accordance with the provisions of Article 2 of Chapter 135 of Volume 17 of the General Statutes, as amended, and with respect to members covered under G.S. 135-27, with such coverage retroactive to January 1, 1955, such deduction shall, commencing with the first day of the period of service with respect to which such agreement is effective, be at the rate of three per centum (3%) of the part of his actual compensation not in excess of the amount taxable to him under the Federal Insurance Contributions Act as from time to time in effect plus five per centum (5%) of the part of his earnable compensation not so taxable; provided that in the case of any member so eligible and receiving compensation from two or more employers such deductions may be adjusted under such rules as the Board of Trustees may establish so as to be as nearly equivalent as practicable to the deductions which would have been made had the member received all of such compensation from one employer. Notwithstanding the foregoing, the Board of Trustees may in its discretion cause such portion as it may determine of deductions made between January 1, 1955, and December 1, 1955, to be transferred into the contribution fund established under G.S. 135-24; such amounts so transferred shall in that event be deemed to be taxes contributed by employees as required under Article 2, Chapter 135 of Volume 17 of the General Statutes as amended,~~

~~and shall be in lieu of contributions otherwise payable in the same amount as so required.~~

~~Notwithstanding the foregoing, effective July 1, 1963, with respect to the period of service commencing on July 1, 1963, and ending December 31, 1965, the rates of such deduction shall be four per centum (4%) of the portion of compensation not in excess of forty-eight hundred dollars ($4,800) and six per centum (6%) of the portion of compensation in excess of forty-eight hundred dollars ($4,800); and with respect to the period of service commencing January 1, 1966, and ending June 30, 1967, the rate of such deductions shall be four per centum (4%) of the portion of compensation not in excess of fifty-six hundred dollars ($5,600) and six per centum (6%) of the portion of compensation in excess of fifty-six hundred dollars ($5,600); and with respect to the period of service commencing July 1, 1967, and ending June 30, 1975, the rate of such deductions shall be five per centum (5%) of the portion of compensation not in excess of fifty-six hundred dollars ($5,600) and six per centum (6%) of the portion of compensation in excess of fifty-six hundred dollars ($5,600). Such rates shall apply uniformly to all members of the Retirement System, without regard to their coverage under the Social Security Act.~~

~~Notwithstanding the foregoing, effective July 1, 1975, with~~With respect to the period of service commencing on July 1, 1975, ~~the rate of such deductions shall be~~ each participating employer shall deduct from the salary of each member on every payroll of the employer for every payroll period, six per centum (6%) of the compensation received by any member. Such rates shall apply uniformly to all members of the Retirement System, without regard to their coverage under the Social Security Act."

SECTION 2.(c) G.S. 128-30(a) reads as rewritten:

"(a) Funds to Which Assets of Retirement System Credited. – All of the assets of the Retirement System shall be credited according to the purpose for which they are held to one of ~~five~~three funds, namely, the annuity savings fund, ~~the annuity reserve fund,~~ the pension accumulation fund, ~~the pension reserve fund~~ and the expense fund."

SECTION 2.(d) G.S. 128-30(b)(1) reads as rewritten:

"(1) ~~Prior to July 1, 1951, each participating employer shall cause to be deducted from the salary of each member of each and every payroll of such employer for each and every payroll period four per centum (4%) of his earnable compensation. On and after such date the rate so deducted shall be five per centum (5%) in the case of a Class A member or a Class C member, and four per centum (4%) in the case of a Class B member; provided, however, that with respect to any member who is covered under the Social Security Act in accordance with the agreement entered into during 1955 in accordance with the provisions of Article 2 of Chapter 135 of Volume 17 of the General Statutes, as amended, such deduction shall, commencing with the first day of the period of service with respect to which such agreement is effective, be at the rate of three per centum (3%) of the part of his actual compensation not in excess of the amount taxable to him under the Federal Insurance Contributions Act as from time to time in effect plus five per centum (5%) of the part of his actual compensation not so taxable; provided that in the case of any member so eligible and receiving compensation from two or more employers such deductions may be adjusted under such rules as the Board of Trustees may establish so as to be as nearly equivalent as practicable to the deductions which would have been made had the member received all of such compensation from one employer. Notwithstanding the foregoing, the Board of Trustees may in its discretion cause such portion as it may~~

~~determine of deductions made between January 1, 1955, and December 1, 1955, to be transferred into the contribution fund established under G.S. 135-24, such amounts so transferred shall in that event be deemed to be taxes contributed by employees as required under Article 2 of Chapter 135 of Volume 17 of the General Statutes, as amended, and shall be in lieu of contributions otherwise payable in the same amount as so required. In determining the amount earned by a member whose compensation is derived partly or wholly from fees, such member shall submit a sworn statement to his employer monthly, or at least quarterly, each year as to the amount of fees received by such member as compensation during the period, and each month, or at least quarterly, such member shall pay to his employer the proper per centum of such compensation received from fees, which shall be considered as deductions by the employer as provided in subdivisions (1) and (2) of this subsection.~~

~~Notwithstanding the foregoing, effective July 1, 1965, with respect to the period of service commencing on July 1, 1965, and ending December 31, 1965, the rates of such deductions shall be four per centum (4%) of the portion of compensation not in excess of forty-eight hundred dollars ($4,800) and six per centum (6%) of the portion of compensation in excess of forty-eight hundred dollars ($4,800); and with respect to the period of service commencing January 1, 1966, and ending June 30, 1967, the rate of such deduction shall be four per centum (4%) of the portion of compensation not in excess of fifty-six hundred dollars ($5,600) and six per centum (6%) of the portion of compensation in excess of fifty-six hundred dollars ($5,600); and with respect to the period of service commencing July 1, 1967, and ending June 30, 1976, the rate of such deductions shall be five per centum (5%) of the portion of compensation not in excess of five thousand six hundred dollars ($5,600) and six per centum (6%) of the portion of compensation in excess of five thousand six hundred dollars ($5,600). Such rates shall apply uniformly to all members of the Retirement System, irrespective of class.~~

~~Notwithstanding the foregoing, effective July 1, 1976, with~~With respect to compensation paid on and after July 1, 1976, each participating employer shall deduct from the salary of each member on every payroll of the employer for every payroll period, ~~the rate of such deductions shall be~~ six per centum (6%) of the compensation received by ~~any~~ the member. Such rates shall apply uniformly to all members of the Retirement System, irrespective of class."

SECTION 2.(e) G.S. 135-8(b)(4) is repealed.

SECTION 2.(f) G.S. 135-8(c) is repealed.

SECTION 2.(g) G.S. 128-30(c) is repealed.

SECTION 2.(h) G.S. 135-8(d) reads as written:

"(d) Pension Accumulation Fund. – The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contribution made by employers and from which shall be paid all pensions and other benefits on account of members with prior service credit. Contributions to and payments from the pension accumulation fund shall be made as follows:

(1) On account of each member there shall be paid in the pension accumulation fund by employers an amount equal to a certain percentage of the actual compensation of each member to be known as the "normal contribution," and an additional amount equal to a percentage of ~~his~~the member's actual compensation to be known as the "accrued liability contribution." The rate per centum of such contributions shall be fixed on the basis of the liabilities

of the Retirement System as shown by actuarial ~~valuation. Until the first valuation the normal contribution shall be two and fifty-seven one-hundredths percent (2.57%) for teachers, and one and fifty-seven one-hundredths percent (1.57%) for State employees, and the accrued liability contribution shall be two and ninety-four one-hundredths percent (2.94%) for teachers and one and fifty-nine one-hundredths percent (1.59%) of the salary of other State employees.~~valuation, duly approved by the Board of Trustees, and shall be called the "actuarially determined employer contribution rate."

~~(2) On the basis of regular interest and of such mortality and other tables as shall be adopted by the Board of Trustees, the actuary engaged by the Board to make each valuation required by this Chapter during the period over which the accrued liability contribution is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the earnable compensation of the average new entrant throughout his entire period of active service which would be sufficient to provide for the payment of any pension payable on his account. The rate per centum so determined shall be known as the "normal contribution" rate. After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the rate per centum of the earnable salary of all members obtained by deducting from the total liabilities of the pension accumulation fund the amount of the funds in hand to the credit of that fund and dividing the remainder by one per centum of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the Board of Trustees and regular interest. The normal rate of contribution shall be determined by the actuary after each valuation.~~

(2a) The actuarially determined employer contribution rate shall be calculated annually by the actuary using assumptions and a cost method approved by the Actuarial Standards Board of the American Academy of Actuaries and selected by the Board of Trustees.

~~(3) Immediately succeeding the first valuation the actuary engaged by the Board of Trustees shall compute the rate per centum of the total annual compensation of all members which is equivalent to four percent (4%) of the amount of the total pension liability on account of all members and beneficiaries which is not dischargeable by the aforesaid normal contribution made on account of such members during the remainder of their active service. The rate per centum originally so determined shall be known as the "accrued liability contribution" rate. Such rate shall be increased on the basis of subsequent valuations if benefits are increased over those included in the valuation on the basis of which the original accrued liability contribution rate was determined. Upon certification by the actuary engaged by the Board of Trustees that the accrued liability contribution rate may be reduced without impairing the Retirement System, the Board of Trustees may cause the accrued liability contribution rate to be reduced.~~

(3a) Notwithstanding Chapter 150B of the General Statutes, the total amount payable in each year to the pension accumulation fund shall not be less than the sum of the rate per centum known as the actuarially determined employer contribution rate of the total earned compensation of all members during the preceding year as adjusted higher under a contribution rate policy adopted by the Board of Trustees and known as the "required employer contribution" rate. The Board of Trustees shall not adopt a contribution rate policy that results in a rate less than the normal contribution rate.

~~(4) The total amount payable in each year to the pension accumulation fund shall not be less than the sum of the rate per centum known as the normal contribution rate and the accrued liability contribution rate of the total actual compensation of all members during the preceding year: Provided, however, that, subject to the provisions of subdivision (3) of this subsection the amount of each annual accrued liability contribution shall be at least three percent (3%) greater than the preceding annual accrued liability payment, and that the aggregate payment by employers shall be sufficient, when combined with the amount in the fund, to provide the pensions and other benefits payable out of the fund during the year then current.~~

~~(5) The accrued liability contribution shall be discontinued as soon as the accumulated reserve in the pension accumulation fund shall equal the present value as actuarially computed and approved by the Board of Trustees, of the total liability of such fund less the present value, computed on the basis of the normal contribution rate then in force, of the prospective normal contributions to be received on account of all persons who are at the time members.~~

(6) All pensions, and benefits in lieu ~~thereof, with the exception of those payable on account of members who received no prior service allowance,~~thereof payable from contributions of employer shall be paid from the pension accumulation fund.

~~(7) Upon the retirement of a member not entitled to credit for prior service, an amount equal to his pension reserve shall be transferred from the pension accumulation fund to the pension reserve fund.~~"

SECTION 2.(i) G.S. 128-30(d) reads as rewritten:

"(d) Pension Accumulation Fund. – The pension accumulation fund shall be the fund in which shall be accumulated all reserves for the payment of all pensions and other benefits payable from contributions made by employers and from which shall be paid all pensions and other benefits on account of members with prior service credit. Contributions to and payments from the pension accumulation fund shall be made as follows:

(1) Each participating employer shall pay to the pension accumulation fund monthly, or at such other intervals as may be agreed upon with the Board of Trustees, an amount equal to a certain percentage of the actual compensation of each member, to be known as the "normal contribution" and an additional amount equal to a percentage of ~~his~~the member's actual compensation to be known as the "accrued liability contribution." The rate per centum of such contributions shall be fixed on the basis of the liabilities of the Retirement System as shown by actuarial ~~valuation. Until the first valuation for any employer whose participation commenced prior to July 1, 1951, the normal contribution shall be three percent (3%) for general employees and five percent (5%) for firemen and policemen, and the accrued liability contribution shall be three percent (3%) for general employees and six percent (6%) for firemen and policemen. Until the first valuation for any employer whose participation commenced on or after July 1, 1951, the normal contribution shall be four percent (4%) for general employees and six and two thirds percent (6 2/3%) for firemen and policemen, and the accrued liability contribution shall be four percent (4%) for general employees and eight percent (8%) for firemen and policemen.~~valuation and duly approved by the Board of Trustees, which shall be called the "actuarially determined employer contribution rate."

~~(2) On the basis of regular interest and of such mortality and other tables as shall be adopted by the Board of Trustees, the actuary engaged by the Board to make each valuation required by this Article during the period over which~~

~~the accrued liability contribution is payable, immediately after making such valuation, shall determine the uniform and constant percentage of the actual compensation of the average new entrant throughout his entire period of active service which would be sufficient to provide for the payment of any pension payable on his account and for the pro rata share of the cost of administration of the Retirement System. The rate per centum so determined shall be known as the "normal contribution" rate. After the accrued liability contribution has ceased to be payable, the normal contribution rate shall be the rate per centum of the earnable salary of all members obtained by deducting from the total liabilities of the pension accumulation fund the amount of the funds in hand to the credit of that fund and dividing the remainder by one per centum (1%) of the present value of the prospective future salaries of all members as computed on the basis of the mortality and service tables adopted by the Board of Trustees and regular interest. The normal rate of contribution shall be determined by the actuary after each valuation. A normal contribution rate shall be determined separately for general employees as a group and for law enforcement officers as a group, these rates to be applied to the respective group payrolls of each employer in determining the normal contribution required of each employer.~~

(2a) The actuarially determined employer contribution rate shall be calculated annually by the actuary using assumptions and a cost method approved by the Actuarial Standards Board of the American Academy of Actuaries and selected by the Board of Trustees.

(3) The ~~"accrued~~"past service liability contribution" shall be set for each employer on the basis of the prior service credits allowable to the employees thereof, who are entitled to prior service certificates, and shall be paid for a period of approximately 30 years, provided that the length of the period of payment for each employer after contributions begin shall be determined by the Board of Trustees as the result of actuarial valuations.

(4) ~~At the end of the first year following~~Upon the date of participation for each employer, the ~~accrued~~past service liability payable by such employer shall be set, by deducting from the present value of the total liability for all pensions payable on account of all members and pensioners of the System who became participants through service for such employer, the present value of the future normal contributions payable, and the amount of any assets resulting from any contributions previously made by such employer. ~~Then the "accrued liability contribution" rate for such employer shall be the per centum of the total annual compensation of all members employed by such employer which is equivalent to four per centum (4%) of the amount of such accrued liability. The expense of making such actuarial valuation to determine the accrued liability contribution for each employer shall be paid by such employer. The accrued liability contribution rate shall be increased on the basis of subsequent valuation if benefits are increased over those included in the valuations on the basis of which the original accrued liability contribution rate was determined.~~ Then the "past service liability contribution rate" for such employer shall be the per centum of the total annual compensation of all members employed by the employer which is estimated to extinguish the liability in 24 years.

(5) ~~The~~Notwithstanding Chapter 150B of the General Statutes, the total amount payable in each year to the pension accumulation fund shall not be less than the sum of the rate per centum known as the ~~normal~~actuarially determined employer contribution rate and the ~~accrued~~past service liability contribution rate of the total earned compensation of all members during the preceding

~~year: Provided, however, that the amount of each annual accrued liability contribution shall be at least three per centum (3%) greater than the preceding annual accrued liability payment, and that the aggregate payment by employers shall be sufficient, when combined with the amount in the fund, to provide the pensions and other benefits payable out of the fund during the year then current.~~year as adjusted under a contribution rate policy adopted by the Board of Trustees and known as the "required employer contribution rate." The Board of Trustees shall not adopt a contribution rate policy that results in a rate less than the normal contribution rate.

~~(6) The accrued liability contribution shall be discontinued as soon as the accumulated reserve in the pension accumulation fund shall equal the present value, as actuarially computed and approved by the Board of Trustees, of the total liability of such fund less the present value, computed on the basis of the normal contribution rate then in force, of the prospective normal contributions to be received on account of all persons who are at that time members, as separately determined for general employees and law-enforcement officers.~~

(7) All pensions, and benefits in lieu thereof, with the exception of those payable on account of members who received no prior service allowance, payable from contributions of employers, shall be paid from the pension accumulation fund.

~~(8) Upon the retirement of a member not entitled to credit for prior service, an amount equal to his pension reserve shall be transferred from the pension accumulation fund to the pension reserve fund.~~

(9) Notwithstanding Chapter 150B of the General Statutes and the foregoing provisions of this ~~subsection, beginning with the December 31, 1985 valuation,~~ subsection, the actuary shall determine an additional "accrued liability ~~contribution"~~contribution rate" and a "normal contribution rate" on account of the total earned compensation of each employer's law enforcement ~~officers.~~officers each year, known as the "required employer contribution for law enforcement officers rate." The required employer contribution for law enforcement officers rate may be adjusted under a contribution rate policy adopted by the Board of Trustees and added to the employers' past service liability rate. The Board of Trustees shall not adopt a contribution rate policy that results in a rate less than the normal contribution rate. ~~This contribution shall be that percentage of law enforcement officer compensation necessary to liquidate the "existing unfunded accrued liability" over a period of years to be determined by the Board of Trustees. The "existing unfunded accrued liability" for each employer shall be equal to the sum of two liabilities. The first is that portion of the unfunded accrued liability of the Law Enforcement Officers' Retirement System as of December 31, 1985, attributable to the accrued liability for each employer's law enforcement officers participating in that System, all based on actuarial assumptions and methods applicable to that System. The second is the accrued liability for additional benefits payable to each employer's law enforcement officers who are members of this Retirement System on December 31, 1985. The "accrued liability contribution" determined on the basis of this paragraph shall be added to that determined under subdivision (3) and shall be included in the total amount payable under subdivision (5).~~"

SECTION 2.(j) G.S. 135-8(e)is repealed.

SECTION 2.(k) G.S. 128-30(e) is repealed.

SECTION 2.(*l*) G.S. 135-8(f)(2)b. is repealed.

SECTION 2.(m) G.S. 135-8(f)(2)e. reads as rewritten:

"e. Each employer shall transmit monthly to the State Retirement System on account of each employee, who is a member of this System, an amount sufficient to cover ~~the normal contribution and the accrued liability~~required employer contribution of each member employed by such employer for the preceding month."

SECTION 2.(n) G.S. 135-7(f) reads as rewritten:

"(f) Retiree Health Benefit Fund. – It is the intent of the General Assembly that the Retiree Health Benefit Fund be a trust that provides an irrevocable source of funding to be used, to the extent the Fund's assets are sufficient, only for health benefits to retired and disabled employees and their applicable beneficiaries. Accordingly, the following provisions apply to the Retiree Health Benefit Fund:

(1) For the purposes of this subsection, the term "eligible Plan members" means eligible retired and disabled employees, and their applicable beneficiaries, who are members of the North Carolina State Health Plan for Teachers and State Employees as provided by this Chapter.

(2) The Retiree Health Benefit Fund is established as a trust fund in which accumulated contributions ~~from employers~~ and any earnings on those contributions shall be used only to provide health benefits to ~~retired and disabled employees and their applicable beneficiaries as provided by this Chapter.~~eligible Plan members, after payment of any accrued reasonable investment and administrative expenses. The Retiree Health Benefit Fund shall be administered in accordance with the provisions of subsection (a) of this section.

(3) Employer and non-employer contributions to the Fund and earnings on those contributions are irrevocable. The assets of the Fund are dedicated to providing health benefits to ~~retired and disabled employees and their applicable beneficiaries as provided by this Chapter~~eligible Plan members in accordance with the Plan's benefit terms, as those terms may from time to time be amended. ~~and~~The assets of the Fund are not subject to the claims of creditors of the employers and non-employers making contributions to the ~~Fund.~~Fund, are not subject to the claims of any creditors of the Fund's trustees and administrators, and are not subject to the claims of creditors of eligible Plan members.

(4) ~~However,~~ Fund assets may be used for reasonable expenses to administer benefits provided by the Fund, as approved by the Board of Trustees, including offsets to the State budget to the Retirement Systems Division for staff administration of benefits and costs to conduct required actuarial valuations of State-supported retired employees' health benefits under other post-employment benefit accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation."

SECTION 2.(o) G.S. 135-110(a) reads as rewritten:

"(a) It is the intent of the General Assembly that a trust fund be created that provides an irrevocable source of funding to be used, to the extent the fund's assets are sufficient, only for disability benefits to participants and beneficiaries. Accordingly, the following provisions apply to that trust fund:

(1) A trust ~~fund~~fund, the Disability Income Plan of North Carolina Trust Fund, is hereby created to which all receipts, transfers, appropriations, contributions, investment earnings and other income belonging to the Plan shall be deposited, and from which all ~~benefits, expenses, and other charges~~benefits and expenses against the Plan shall be disbursed. The Board of Trustees shall be the trustee of the ~~funds created by this Article.~~Fund.

(2) Employer and non-employer contributions to the Disability Income Plan of North Carolina Trust Fund and earnings on those contributions are irrevocable. The assets of the Fund are dedicated to providing benefits to participants and beneficiaries in accordance with the Plan's benefit terms. The assets of the Fund are not subject to the claims of creditors of the employers and non-employers making contributions to the Fund, are not subject to the claims of any creditors of the Fund's trustees and administrators, and are not subject to the claims of participants and beneficiaries.

(3) Disability Income Plan of North Carolina Trust Fund assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees."

SECTION 2.(p) G.S. 135-7 is amended by adding a new subsection to read:

"(g) It is the intent of the General Assembly that a master trust fund be created that provides an irrevocable source of funding to be used, to the extent the fund's assets are sufficient, only for death benefits and disability benefits to the Plans' members, participants, and beneficiaries, pursuant to G.S. 120-4.27, G.S. 128-27(*l*), subsections (*l*2) through (*l*6) of G.S. 128-27, 135-5(*l*), 135-64(k), and 143-166.60. Accordingly, the following provisions apply to the Trust:

(1) The following definitions apply in this subsection:

a. Beneficiaries. – Any person in receipt of, or eligible to receive, a benefit payable from the North Carolina Teachers' and State Employees' Benefit Trust pursuant to G.S. 120-4.27, subsections (*l*2) though (*l*6) of G.S. 128-27, 135-5(*l*), 135-64(k), and 143-166.60.

b. Plans. – The retiree group death benefit trust established under G.S. 120-4.27, the Group Life Insurance Plan established under G.S. 128-27(*l*), the retiree group death benefit trust fund established under subsections (*l*2) though (*l*6) of G.S. 128-27, the Group Life Insurance Plan established under G.S. 135-5(*l*), the retiree group death benefit trust fund established under G.S. 135-5(*l*), the retiree group death benefit trust fund established under G.S.135-64(k), and the Separate Insurance Benefits Plan established by G.S. 143-166.60.

(2) A trust fund, the North Carolina Teachers' and State Employees' Benefit Trust, is hereby created as a master trust to which all receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to the Plans shall be deposited, and from which all benefits and expenses against the Plans shall be disbursed. The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall be the trustee of the Trust. Within the Benefit Trust, the funds of the Plans shall be accounted for separately and not commingled. Assets of one plan cannot be used to pay for liabilities of another plan within the Trust.

(3) Employer and non-employer contributions to the North Carolina Teachers' and State Employees' Benefit Trust and earnings on those contributions are irrevocable. The assets of the Trust are dedicated to providing benefits to members, participants, and beneficiaries in accordance with the Plans' benefit terms. The assets of the Trust are not subject to the claims of creditors of the employers and non-employers making contributions to the Trust, are not subject to the claims of any creditors of the Trust, trustees, and administrators, and are not subject to the claims of creditors of members, participants, and beneficiaries."

SECTION 2.(q) G.S. 120-4.27 reads as rewritten:

"**§ 120-4.27. Death benefit.**

…

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of ~~his~~the member's death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust ~~fund~~fund, the North Carolina Teachers' and State Employees' Benefit Trust, administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to members and beneficiaries in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

~~This~~The death benefit payable under this subsection shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if not survived by a designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 2.(r) G.S. 128-27(*l*) reads as rewritten:

"(*l*) Death Benefit Plan. – The provisions of this subsection shall become effective for any employer only after an agreement to that effect has been executed by the employer and the Director of the Retirement System. There is hereby created a Group Life Insurance Plan (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Plan shall be part of the North Carolina Teachers' and State Employees' Benefit Trust, as established under G.S. 135-7(g). All receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to the Plan shall be deposited in the Benefit Trust. All benefits and expenses against the Plan shall be disbursed from the Benefit Trust. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to members and beneficiaries in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as ~~he~~the member shall have nominated by electronic submission prior to

completing 10 years of service in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

…."

SECTION 2.(s) G.S. 128-27(*l*6) reads as rewritten:

"(*l*6) Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of ~~his~~the member's death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust ~~fund~~fund, the North Carolina Teachers' and State Employees' Benefit Trust, administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to members and beneficiaries in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

~~This~~The death benefit payable under this subsection shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if not survived by a designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 2.(t) G.S. 135-5(*l*) reads as rewritten:

"(*l*) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Plan shall be part of the North Carolina Teachers' and State Employees' Benefit Trust, as established under G.S. 135-7(g). All receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to the Plan shall be deposited in the Benefit Trust. All benefits and expenses against the Plan shall be disbursed from the Benefit Trust. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to participants, surviving spouses, and the members' estates in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed

at least one full calendar year of membership in the Retirement System, there shall be paid to such person as ~~he~~the member shall have nominated by electronic submission prior to completing 10 years of service in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

…

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of ~~his~~the member's death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust ~~fund~~fund, the North Carolina Teachers' and State Employees' Benefit Trust, administered by the Board of Trustees Fund and Pension Accumulation Fund. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to participants, surviving spouses, and the members' estates in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if there is no surviving beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 2.(u) G.S. 135-64(k) reads as rewritten:

"(k) Upon the death of a retired member on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of ~~his~~the member's death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust ~~fund~~fund, the North Carolina Teachers' and State Employees' Benefit Trust, administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to members and beneficiaries in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

~~This~~The death benefit payable under this subsection shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if there is no surviving designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 2.(v) G.S. 143-166.60(b) reads as rewritten:

"(b) The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall jointly administer the Plan and shall, under the terms and conditions otherwise appearing in this Article, provide Plan benefits either (i) by establishing a separate trust fund in conformance with Section 501(c)(9) of the Internal Revenue Code of 1954 as amended or, (ii) by causing the Plan to affiliate with a master ~~trust~~trust, the North Carolina Teachers' and State Employees' Benefits Trust, providing the same benefits for participants. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to participants, surviving spouses, participants' estates, and persons named by the participant to receive the benefit. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of participants. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees."

SECTION 2.(w) This section becomes effective June 30, 2017.

SECTION 3.(a) G.S. 135-5(f) reads as rewritten:

"(f) Return of Accumulated Contributions. – Should a member cease to be a teacher or State employee except by death or retirement under the provisions of this Chapter, ~~he~~the member shall upon submission of an application be paid, not earlier than 60 days from the date of termination of service, ~~his~~the member's contributions, and the accumulated regular interest thereon, provided that ~~he~~the member has not in the meantime returned to service. Upon payment of such sum his or her membership in the System shall cease and, if he or she thereafter again becomes a member, no credit shall be allowed for any service previously rendered except as provided in G.S. 135-4, and such payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there shall be paid to such person or persons as ~~he~~the member or former member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of ~~his~~the member's accumulated contributions at the time of ~~his~~the member's death, unless the beneficiary elects to receive the alternate benefit under the provisions of (m) below. An extension service employee who made contributions to the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System as a result of dual employment may not be paid his or her accumulated contributions unless ~~he~~the extension service employee is eligible to be paid his or her accumulated contributions in both systems for the same period of service.

Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the Consolidated Judicial Retirement System may irrevocably elect to transfer any accumulated contributions to the Consolidated Judicial Retirement System or to the Supplemental Retirement Income Plan and forfeit any rights in or to any benefits otherwise payable hereunder.

A member who is a participant or beneficiary of the Disability Income Plan of North Carolina as is provided in Article 6 of this Chapter shall not be paid a return of accumulated contributions, notwithstanding the member's status as an employee or teacher. Notwithstanding any other provision of law to the contrary, a member who is a beneficiary of the Disability Income Plan of North Carolina as provided in Article 6 of this Chapter and who is receiving disability benefits under the transition provisions as provided in G.S. 135-112, shall not be prohibited from receiving a return of accumulated contributions as provided in this subsection."

SECTION 3.(b) G.S. 135-5(*l*), as amended by Section 2(t) of this act, reads as rewritten:

"(*l*) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Plan shall be part of the North Carolina Teachers' and State Employees' Benefit Trust, as established under G.S. 135-7(g). All receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to the Plan shall be deposited in the Benefit Trust. All benefits and expenses against the Plan shall be disbursed from the Benefit Trust. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to participants, surviving spouses, and the members' estates in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as the member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

…."

SECTION 3.(c) G.S. 135-63 reads as rewritten:

"**§ 135-63. Benefits on death before retirement.**

(a) Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member in service, there shall be paid in a lump sum to such person as the member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit equal to the sum of (i) the member's accumulated contributions, plus (ii) the member's final compensation; provided, however, that if the member has attained his or her fiftieth birthday with at least five years of membership service at ~~his~~the member's date of death, and if the designated recipient of the death benefits is the member's spouse who survives ~~him,~~him or her, and if the spouse so elects, then the lump-sum death benefit provided for herein shall consist only of a payment equal to the member's final compensation and there shall be paid to the surviving spouse an annual retirement allowance, payable monthly, which shall commence on the first day of the calendar month coinciding with or next following the death of the member and shall be continued on the first day of each month thereafter until the remarriage or death of the spouse. The amount of any such retirement allowance shall be equal to one half of the amount of the retirement allowance to which the member would have been entitled had ~~he~~the member retired under the

provisions of G.S. 135-57(a) on the first day of the calendar month coinciding with or next following ~~his~~the member's date of death, reduced by two percent (2%) thereof for each full year, if any, by which the age of the member at his or her date of death exceeds that of ~~his~~the member's spouse. If the retirement allowance to the spouse shall terminate on the remarriage or death of the spouse before the total of the retirement allowance payments made equals the amount of the member's accumulated contributions at date of death, the excess of such accumulated contributions over the total of the retirement allowances paid to the spouse shall be paid in a lump sum to such person as the member shall have nominated by electronic submission in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time such payment falls due, otherwise to the former member's legal representatives.

…

(c) Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member not in service, there shall be paid in a lump sum to such person as the member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit equal to the member's accumulated contributions.

…."

SECTION 3.(d) G.S. 128-27(f) reads as rewritten:

"(f) Return of Accumulated Contributions. – Should a member cease to be an employee except by death or retirement under the provisions of this Chapter, ~~he~~the member shall upon submission of an application be paid, not earlier than 60 days from the date of termination of service, ~~his~~the member's contributions and the accumulated regular interest thereon, provided that ~~he~~the member has not in the meantime returned to service. Upon payment of such sum his or her membership in the System shall cease and, if he or she thereafter again becomes a member, no credit shall be allowed for any service previously rendered except as provided in G.S. 128-26; and such payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there shall be paid to such person or persons as ~~he~~the member or former member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of ~~his~~the member's accumulated contributions at the time of ~~his~~the member's death, unless the beneficiary elects to receive the alternate benefit under the provisions of (m) below. An extension service employee who made contributions to the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System as a result of dual employment may not be paid his or her accumulated contributions unless ~~he~~the extension service employee is eligible to be paid his or her accumulated contributions in both systems for the same period of service.

Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the Consolidated Judicial Retirement System may irrevocably elect to transfer any accumulated contributions to the Consolidated Judicial Retirement System or to the Supplemental Retirement Income Plan and forfeit any rights in or to any benefits otherwise payable hereunder."

SECTION 3.(e) G.S. 128-27(*l*), as amended by Section 2(r) of this act, reads as rewritten:

"(*l*) Death Benefit Plan. – The provisions of this subsection shall become effective for any employer only after an agreement to that effect has been executed by the employer and the Director of the Retirement System. There is hereby created a Group Life Insurance Plan (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is

separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Plan shall be part of the North Carolina Teachers' and State Employees' Benefit Trust, as established under G.S. 135-7(g). All receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to the Plan shall be deposited in the Benefit Trust. All benefits and expenses against the Plan shall be disbursed from the Benefit Trust. Employer and non-employer contributions to the Benefit Trust and earnings on those contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits to members and beneficiaries in accordance with the Plan's benefit terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees and non-employees making contributions to the Benefit Trust, are not subject to the claims of any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as the member shall have nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

…."

SECTION 3.(f) G.S. 120-4.25 reads as rewritten:

"**§ 120-4.25. Return of accumulated contributions.**

If a member ceases to be a member of the General Assembly except by death or retirement, ~~he~~the member shall, upon submission of an application, be paid not earlier than 60 days following the date of termination of service the sum of ~~his~~the member's accumulated contributions provided ~~he~~the member has not in the meantime returned to service. Upon payment of this sum his or her membership in the System ceases. If ~~he~~the individual becomes a member afterwards, no credit shall be allowed for any service previously rendered except as provided in G.S. 120-4.14 and the payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable under this Article. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member, there shall be paid to the person or persons ~~he~~the member or former member nominated by electronic submission ~~prior to completing 10 years of service~~ in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if the person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of ~~his~~the member's accumulated contributions at the time of ~~his~~the member's death, unless the beneficiary elects to receive the alternate benefit under the provisions of G.S. 120-4.28."

SECTION 3.(g) This section becomes effective January 1, 2018.

SECTION 4.(a) G.S. 135-1(11) reads as rewritten:

"(11) "Employer" shall mean the State of North Carolina, the county board of education, the city board of education, the State Board of Education, the board of trustees of the University of North Carolina, the board of trustees of other institutions and agencies supported and under the control of the State, or any other agency of and within the State by which a teacher or other employee is paid. For purposes of reporting under the pronouncements by the Governmental Accounting Standards Board, the Retirement System is a multi-employer plan."

SECTION 4.(b) This section becomes effective June 30, 2017.

SECTION 5.(a) G.S. 135-7 is amended by adding a new subsection to read:

"(g) Legislative Enactment Implementation Arrangement. – The Legislative Enactment Implementation Arrangement (LEIA) is established effective October 1, 2017, and placed under the management of the Board of Trustees. The purpose of the LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. The LEIA shall have the following parameters:

(1) Administration. – The LEIA shall be administered by the Board of Trustees, which shall compile and maintain all records necessary or appropriate for administration. The Board of Trustees shall have full discretionary authority to interpret, construe, and implement the LEIA and to adopt such rules and regulations as may be necessary or desirable to implement the provisions of the LEIA.

(2) Funding of the LEIA. – In the event that the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by Article 15 of Chapter 120 of the General Statutes, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System. The Board of Trustees shall not direct any employer contributions into the LEIA after November 1, 2021.

(3) Allocation of LEIA funds. – The Board of Trustees may allocate LEIA funds to the implementation of legislative provisions regarding the retirement of, or payment for retirement benefits to, public officers or public employees, subject to the following restrictions:

a. The Board of Trustees must identify individual implementation projects that will be paid for with LEIA funds. These implementation projects must be necessitated by a specific statute or session law that was enacted within five years of the allocation of the funds. The Board of Trustees must also identify the number of years for which each individual implementation project will be paid for with LEIA funds.

b. For implementation projects that will be paid for with LEIA funds for a period of one year or less, the Board of Trustees must determine that the cost savings from implementing the project is projected to be no less than half of the amount of LEIA funds utilized to pay for implementation.

c. For implementation projects that will be paid for with LEIA funds for a period of greater than one year, but not more than four years, the Board of Trustees must determine that the long-term cost savings from implementing the project is projected to be at least three times greater than the cost of implementation.

d. No implementation project shall be paid for with LEIA funds for a period of more than four years.

(4) Treatment of unused assets. – Any assets of the LEIA not used to pay allowed administrative expenses for timely administrative implementation of legislative provisions shall be transferred to the Retirement System as an additional employer contribution.

(5) Reporting. – The Department of State Treasurer shall report to the Board of Trustees, the Joint Legislative Commission on Government Operations, and the Fiscal Research Division on or before August 1 of each year on the (i) amounts and sources of funds collected by year pursuant to this section and

(ii) the amounts expended, the projects for which those funds were expended, and the current status of the projects. The Board of Trustees shall also post this report on its public Web site."

SECTION 5.(b) G.S. 128-29 is amended by adding a new subsection to read:

"(g) Legislative Enactment Implementation Arrangement. – The Legislative Enactment Implementation Arrangement (LEIA) is established effective October 1, 2017, and placed under the management of the Board of Trustees. The purpose of the LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. The LEIA shall have the following parameters:

(1) Administration. – The LEIA shall be administered by the Board of Trustees, which shall compile and maintain all records necessary or appropriate for administration. The Board of Trustees shall have full discretionary authority to interpret, construe, and implement the LEIA and to adopt such rules and regulations as may be necessary or desirable to implement the provisions of the LEIA.

(2) Funding of the LEIA. – In the event that the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by Article 15 of Chapter 120 of the General Statutes, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System. The Board of Trustees shall not direct any employer contributions into the LEIA after November 1, 2021.

(3) Allocation of LEIA funds. – The Board of Trustees may allocate LEIA funds to the implementation of legislative provisions regarding the retirement of, or payment for retirement benefits to, public officers or public employees, subject to the following restrictions:

a. The Board of Trustees must identify individual implementation projects that will be paid for with LEIA funds. These implementation projects must be necessitated by a specific statute or session law that was enacted within five years of the allocation of the funds. The Board of Trustees must also identify the number of years for which each individual implementation project with be paid for will LEIA funds.

b. For implementation projects that will be paid for with LEIA funds for a period of one year or less, the Board of Trustees must determine that the cost savings from implementing the project is projected to be no less than half of the amount of LEIA funds utilized to pay for implementation.

c. For implementation projects that will be paid for with LEIA funds for a period of greater than one year, but not more than four years, the Board of Trustees must determine that the long-term cost savings from implementing the project is projected to be at least three times greater than the cost of implementation.

d. No implementation project shall be paid for with LEIA funds for a period of more than four years.

(4) Treatment of unused assets. – Any assets of the LEIA not used to pay allowed administrative expenses for timely administrative implementation of legislative provisions shall be transferred to the Retirement System as an additional employer contribution.

(5) Reporting. – The Department of State Treasurer shall report to the Board of Trustees, the Joint Legislative Commission on Government Operations, and the Fiscal Research Division on or before August 1 of each year on the (i) amounts and sources of funds collected by year pursuant to this section and (ii) the amounts expended, the projects for which those funds were expended, and the current status of the projects. The Board of Trustees shall also post this report on its public Web site."

SECTION 5.(c) This section becomes effective October 1, 2017.

SECTION 6. Article 6 of Chapter 147 of the General Statutes is amended by adding a new section to read:

"**§ 147-68.2. Confidentiality of warrants issued by the State.**

Information contained in records held by the State about outstanding, unpaid warrants issued by the State are confidential and not available for public inspection to the extent that the Treasurer determines that information would be sufficient to counterfeit a warrant."

SECTION 7. G.S. 147-9.4 reads as rewritten:

"**§ 147-9.4. Deferred Compensation Plan.**

(a) Notwithstanding the provisions of G.S. 143B-426.40A and notwithstanding any provision of law to the contrary relating to salaries or salary schedules of teachers or State employees, the chief executive officer of an employer, on behalf of the employer, may ~~from time to time~~ enter into a contract with a teacher or employee under which the teacher or employee irrevocably elects to defer receipt of a portion of his or her scheduled salary in the future, but only if, as a result of such contract, the income so deferred is deferred pursuant to the Plan provided for in G.S. 143B-426.24 or pursuant to some other plan established before January 1, 1983, and is not constructively received by the teacher or employee in the year in which it was earned, for State and federal income tax purposes. In addition, the income so deferred shall be invested in the manner provided in the applicable Plan; however, the teacher or employee may revoke his or her election to participate and may amend the amount of compensation to be deferred by signing and filing with the Board a written revocation or amendment on a form and in the manner approved by the Board. Any such revocation or amendment shall be effective prospectively only and shall cause no change in the allocation of amounts invested prior to the filing date of such revocation or amendment.

A teacher or employee who has agreed to the deferral of income pursuant to the Plan shall have the right to receive the income so deferred only in accordance with the provisions of the Plan. Funds so deferred shall not be in lieu of any amount earned by the teacher or employee before his or her election to defer compensation became effective. The agreement to defer income referred to herein shall be effective under such necessary regulations and procedures as are adopted by the Board, and on forms prepared or approved by it. A teacher or employee who agrees to defer income as provided in this section may authorize payroll deductions for deferral of the income. An employer shall make payroll deduction available for a teacher or employee who authorizes payroll deduction. Notwithstanding any other provisions of law, the amount by which the salary of a teacher or employee is deferred pursuant to the Plan shall not be excluded, but shall be included, in computing and making payroll deductions for social security and retirement system purposes, if any, and in computing and providing matching funds for retirement system purposes, if any.

Except for the applications of the provisions of G.S. 110-136, and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a teacher or employee, who elects to defer income pursuant to the North Carolina Public Employee Deferred Compensation Plan under G.S. 143B-426.24, to benefits that have vested under the Plan, is nonforfeitable. These benefits are exempt from levy, sale, and garnishment, except as provided by this section.

(b) Notwithstanding the provisions of G.S. 143B-426.40A and any provision of law to the contrary relating to salaries or salary schedules of teachers or State employees, the chief executive officer of an employer, on behalf of the employer, may contribute to a deferred compensation account of a teacher or employee additional funds, not in excess of limitations

under federal law; provided that for State and federal income taxes purposes, the funds are not constructively received by the teacher or employee in the year in which the funds were earned."

SECTION 8.(a) G.S. 143B-426.40G(b) reads as rewritten:

"(b) The State Treasurer may impose on an agency with non-State funds a fee of fifteen dollars ($15.00) for each check drawn against the agency's disbursing account that causes the balance in the account to be in overdraft or while the account is in overdraft. The financial officer shall pay the fee from the agency's non-State ~~or personal~~ funds to the General Fund to the credit of the miscellaneous nontax revenue account by the agency."

SECTION 8.(b) This section becomes effective October 1, 2017.

SECTION 9.(a) G.S. 135-4(e) reads as rewritten:

"(e) Creditable service at retirement on which the retirement allowance of a member shall be based shall consist of the membership service rendered by ~~him~~the member since he or she last became a member, and also if ~~he~~the member has a prior service certificate which is in full force and effect, the amount of service certified on ~~his~~the prior service certificate; and if ~~he~~the member has sick leave standing to ~~his~~the member's credit upon retirement on or after July 1, 1971, one month of credit for each 20 days or portion thereof, but not less than one hour; sick leave shall not be counted in computing creditable service for the purpose of determining eligibility for disability retirement or for a vested deferred allowance. Creditable service for unused sick leave shall be allowed only for sick leave accrued monthly during employment under a duly adopted sick leave policy and for which the member may be able to take credits and be paid for sick leave without restriction. However, in no instance shall unused sick leave be credited to a member's account at retirement if the member's last day of actual service is more than five years prior to the effective date of the member's retirement. Further, any agency with a sick leave policy that is more generous than that of all State agencies subject to the rules of the Office of State Human Resources shall proportionately adjust each of its retiring employees' sick leave balance to the balance that employee would have had under the rules of the Office of State Human Resources. Days of sick leave standing to a member's credit at retirement shall be determined by dividing the member's total hours of sick leave at retirement by the hours per month such leave was awarded under the employer's duly adopted sick leave policy as the policy applied to the member when the leave was accrued.

On and after July 1, 1971, a member whose account was closed on account of absence from service under the provisions of G.S. 135-3(3) and who subsequently returns to service for a period of five years, may thereafter repay in a lump sum the amount withdrawn plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service by the amount of creditable service lost when his account was closed.

On and after July 1, 1973, a member whose account in the North Carolina Local Governmental Employees' Retirement System was closed on account of absence from service under the provisions of G.S. 128-24(1a) and who subsequently became or becomes a member of this System with credit for five years of service, may thereafter repay in a lump sum the amount withdrawn from the North Carolina Local Governmental Employees' Retirement System plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service in this System by the amount of creditable service lost when his account was closed.

On or after July 1, 1979, a member who has obtained 60 months of aggregate service, or five years of membership service, as an employee of the North Carolina General Assembly, except legislators, participants in the Legislative Intern Program and pages, may make a lump sum payment together with interest, and an administrative fee for such service, to the Teachers' and State Employees' Retirement System of an amount equal to what he would have contributed had he been a member on his first day of employment.

On and after January 1, 1985, the creditable service of a member who was a member of the Law-Enforcement Officers' Retirement System at the time of the transfer of law-enforcement officers employed by the State from that System to this Retirement System and whose

accumulated contributions are transferred from that System to this Retirement System, shall include service that was creditable in the Law-Enforcement Officers' Retirement System; and membership service with that System shall be membership service with this Retirement System; provided, notwithstanding any provision of this Article to the contrary, any inchoate or accrued rights of such a member to purchase creditable service for military service, withdrawn service and prior service under the rules and regulations of the Law-Enforcement Officers' Retirement System shall not be diminished and may be purchased as creditable service with this Retirement System under the same conditions which would have otherwise applied."

SECTION 9.(b) G.S. 128-26(e) reads as rewritten:

"(e) Creditable service at retirement on which the retirement allowance of a member shall be based shall consist of the membership service rendered by ~~him~~the member since he or she last became a member, and also if ~~he~~the member has a prior service certificate which is in full force and effect, the amount of the service certified on ~~his~~the prior service certificate; and if ~~he~~the member has sick leave standing to ~~his~~the member's credit upon retirement on or after July 1, 1971, one month of credit for each 20 days or portion thereof, but not less than one hour; sick leave shall not be counted in computing creditable service for the purpose of determining eligibility for disability retirement or for a vested deferred allowance. Creditable service for unused sick leave shall be allowed only for sick leave accrued monthly during employment under a duly adopted sick leave policy and for which the member may be able to take credits and be paid for sick leave without restriction. However, in no instance shall unused sick leave be credited to a member's account at retirement if the member's last day of actual service is more than 365 days prior to the effective date of the member's retirement. Days of sick leave standing to a member's credit at retirement shall be determined by dividing the member's total hours of sick leave at retirement by the hours per month such leave was awarded under the employer's duly adopted sick leave policy as the policy applied to the member when the leave was accrued.

On and after July 1, 1971, a member whose account was closed on account of absence from service under the provisions of G.S. 128-24(1a) and who subsequently returns to service for a period of five years, may thereafter repay the amount withdrawn plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service by the amount of creditable service lost when this account was closed.

On and after July 1, 1973, a member whose account in the Teachers' and State Employees' Retirement System was closed on account of absence from service under the provisions of G.S. 135-3(3) and who subsequently became or becomes a member of this System with credit for five years of service, may thereafter repay in a lump sum the amount withdrawn from the Teachers' and State Employees' Retirement System plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service in this System by the amount of creditable service lost when his account was closed.

Notwithstanding any other provision of this Chapter, any member who entered service or was restored to service prior to July 1, 1982, and was excluded from membership service solely on account of having attained the age of 62 years, in accordance with former G.S. 128-24(3a), may purchase membership service credits for such excluded service by making a lump-sum payment equal to the contributions that would have been deducted pursuant to G.S. 128-30(b) had he been a member of the Retirement System, increased by interest calculated at a rate of seven percent (7%) per annum.

On and after January 1, 1986, the creditable service of a member who was a member of the Law Enforcement Officers' Retirement System at the time of the transfer of law enforcement officers employed by participating employers from that System to this Retirement System and whose accumulated contributions are transferred from that System to this Retirement System, includes service that was creditable in the Law Enforcement Officers' Retirement System; and membership service with that System is membership service with this Retirement System; provided, notwithstanding any provisions of this Article to the contrary, any inchoate or accrued rights of such a member to purchase creditable service for military service, withdrawn

service and prior service under the rules and regulations of the Law Enforcement Officers' Retirement System may not be diminished and may be purchased as creditable service with this Retirement System under the same conditions that would have otherwise applied."

SECTION 9.(c) This section becomes effective January 1, 2018.

SECTION 10. G.S. 147-69.2A(a) reads as rewritten:

"(a) Firm to Administer Special Fund. – Following a public procurement process, a designee of the Governor, a designee of the State Treasurer, a designee of the Speaker of the House of Representatives, and a designee of the President Pro Tempore of the Senate shall jointly and unanimously select a third-party professional investment management firm, ~~registered with~~ subject to the rules and regulations of the U.S. Securities and Exchange Commission, to administer a special fund created to invest assets described in G.S. 147-69.2(b)(12)c. and select investment opportunities appropriate for receiving allocations from the Fund on the basis of potential return on investment and the risks attendant thereto. The State Treasurer shall assign professional and clerical staff to assist in the oversight of the Fund. All costs for the third-party investment management firm and the professional and clerical staff shall be borne by the Fund pursuant to G.S. 147-69.3(f). The State Treasurer shall discharge his or her duties with respect to the Fund as a fiduciary consistent with G.S. 147-69.7."

SECTION 11. G.S. 147-86.73(g1) reads as rewritten:

"(g1) Notice for Designated Beneficiary Receiving Medicaid. – The ABLE Account application ~~form~~ package approved in accordance with G.S. 147-86.71(b)(1) shall include notice of the State's right under subsection (e) of this section to file a claim for payment from a designated beneficiary's ABLE account following the death of a beneficiary who received medical assistance benefits."

SECTION 12. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 13. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-130 **H.B. 252**

AN ACT TO MAKE VARIOUS CHANGES AND CLARIFICATIONS TO THE STATUTES GOVERNING THE CREATION AND ENFORCEMENT OF BUILDING CODES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 153A-352(b) reads as rewritten:

"(b) Except as provided in G.S. 153A-364, a county may not adopt or enforce a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action.

(b1) In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family ~~Dwellings.~~Dwellings or the North Carolina Building Code."

SECTION 1.(b) G.S. 160A-412(b) reads as rewritten:

"(b) Except as provided in G.S. 160A-424, a city may not adopt or enforce a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action.

(b1) In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family ~~Dwellings.~~Dwellings or the North Carolina Building Code."

SECTION 2.(a) G.S. 153A-352(c) reads as rewritten:

"(c) Notwithstanding the requirements of this Article, a county shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.

(2) Field inspection of the installation or completion of a construction component or element of the building is performed by ~~that~~ a licensed architect or licensed ~~engineer.~~engineer or a person under the direct supervisory control of the licensed architect or licensed engineer.

(3) ~~That~~ The licensed architect or licensed engineer under subdivision (2) of this subsection provides the county with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 2.(b) G.S. 160A-412(c) reads as rewritten:

"(c) Notwithstanding the requirements of this Article, a city shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.

(2) Field inspection of the installation or completion of a construction component or element of the building is performed by ~~that~~ a licensed architect or licensed ~~engineer.~~engineer or a person under the direct supervisory control of the licensed architect or licensed engineer.

(3) ~~That~~ The licensed architect or licensed engineer under subdivision (2) of this subsection provides the city with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 3.(a) G.S. 153A-352 is amended by adding a new subsection to read:

"(e) Other than what may be required by subsection (c) of this section, no further certification by a licensed architect or licensed engineer shall be required for any component or element designed and sealed by a licensed architect or licensed engineer for the manufacturer

of the component or element under the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 3.(b) G.S. 160A-412 is amended by adding a new subsection to read:

"(e) Other than what may be required by subsection (c) of this section, no further certification by a licensed architect or licensed engineer shall be required for any component or element designed and sealed by a licensed architect or licensed engineer for the manufacturer of the component or element under the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 4.(a) G.S. 153A-352 is amended by adding a new subsection to read:

"(f) Each inspection department shall implement a process for an informal internal review of inspection decisions made by the department's inspectors. This process shall include, at a minimum, the following:

(1) Initial review by the supervisor of the inspector.

(2) The provision in or with each permit issued by the department of (i) the name, phone number, and e-mail address of the supervisor of each inspector and (ii) a notice of availability of the informal internal review process.

(3) Procedures the department shall follow when a permit holder or applicant requests an internal review of an inspector's decision.

Nothing in this subsection shall limit or abrogate any rights available under Chapter 150B of the General Statutes to a permit holder or applicant."

SECTION 4.(b) G.S. 160A-412 is amended by adding a new subsection to read:

"(f) Each inspection department shall implement a process for an informal internal review of inspection decisions made by the department's inspectors. This process shall include, at a minimum, the following:

(1) Initial review by the supervisor of the inspector.

(2) The provision in or with each permit issued by the department of (i) the name, phone number, and e-mail address of the supervisor of each inspector and (ii) a notice of availability of the informal internal review process.

(3) Procedures the department shall follow when a permit holder or applicant requests an internal review of an inspector's decision.

Nothing in this subsection shall limit or abrogate any rights available under Chapter 150B of the General Statutes to a permit holder or applicant."

SECTION 4.(c) Each inspection department shall report to the Joint Legislative Committee on Local Government no later than January 15 of each year on the implementation over the prior calendar year of the informal internal review process required by G.S. 153A-352(f) and G.S. 160A-412(f), as enacted by subsections (a) and (b), respectively, of this section. The report shall include the number of times the informal internal review process was utilized and the outcome of the review. An inspection department may meet the reporting requirement of this section by submitting the information required for the report to an organization of cities or counties for combination into a single report submitted on behalf of the organization's members.

SECTION 4.(d) Subsections (a) and (b) of this section become effective December 1, 2017. Subsection (c) of this section becomes effective January 1, 2018, and expires on June 30, 2022. The first reports required to be prepared pursuant to subsection (c) of this section shall be submitted no later than January 15, 2018.

SECTION 5. G.S. 143-136 reads as rewritten:

"**§ 143-136. Building Code Council created; membership, committees.**

…

(c) Residential Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Residential Code for One- and Two-Family Dwellings Committee composed of seven members of the Building Code Council, specifically the licensed general contractor specializing in residential construction who shall serve as chairman of this committee; the licensed general contractor specializing in coastal residential construction; the

licensed engineer practicing structural engineering; the licensed plumbing and heating contractor; the fire service representative; the municipal or county building inspector; and the licensed electrical contractor. This committee shall meet upon the call of its chairman to review any proposal for revision or amendment to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, the NC Mechanical Code, ~~and~~ the NC Existing Building Code, and any other code applicable to residential construction, and no revision or amendment to any of these codes applicable to residential construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane.

(d) Building Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings. The committee shall be composed of the following nine members of the Building Code Council:

(1) One of the licensed architects appointed by the chairman of the Building Code Council.
(2) The licensed engineer practicing mechanical engineering.
(3) The licensed engineer practicing electrical engineering.
(4) The licensed engineer practicing structural engineering.
(5) The municipal elected official.
(6) The fire service representative.
(7) The municipal or county building inspector.
(8) The State agency engineer.
(9) The licensed general contractor.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina State Building Code, including provisions applicable to the North Carolina Energy Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, ~~and~~ the North Carolina Existing Building Code, and any other code applicable to commercial or multi-family construction, and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane."

SECTION 6. G.S. 143-140 reads as rewritten:

"**§ 143-140. Hearings before enforcement agencies as to questions under Building Code.**

(a) Any person desiring to raise any question under this Article or under the North Carolina State Building Code shall be entitled to a technical interpretation from the appropriate enforcement agency, as designated in the preceding section. Upon request in writing by any such person, the enforcement agency through an appropriate official shall within a reasonable time provide a written interpretation, setting forth the facts found, the decision reached, and the reasons therefor. In the event of dissatisfaction with such decision, the person affected shall have the options of:

(1) Appealing to the Building Code Council or

(2) Appealing directly to the Superior Court, as provided in G.S. 143-141.

(b) If an interpretation under this section or under G.S. 143-141(b) changes after a building permit is issued, the permit applicant may choose which version of the interpretation will apply to the permit, unless such a choice would cause harm to life or property."

SECTION 7. G.S. 143-355.4(a) reads as rewritten:

"(a) Local government water systems and large community water systems shall require separate meters for new in-ground irrigation systems on lots platted and recorded in the office of the register of deeds in the county or counties in which the real property is located after July 1, 2009, that are connected to their systems. This section shall not apply to lots with privately owned septic tanks systems or other types of privately owned innovative on-site wastewater systems if a lockable cutoff valve approved by the water system and a testable backflow prevention device approved by the water system for the appropriate level of risk associated with the irrigation system or other identified risk are installed on the water supply line for the irrigation system. The lockable cutoff value shall be installed on the water supply line for the irrigation system within 24 inches of the water meter and the testable backflow device shall be installed on the water supply line for the irrigation system."

SECTION 8.(a) G.S. 143-138(b4) reads as rewritten:

"**§ 143-138. North Carolina State Building Code.**

…

(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are ~~greenhouses,~~greenhouses or therapeutic equine facilities, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) A "farm building" shall include:

a. Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of

spectator-seating structures in effect at the time of the construction of the spectator-seating.

b. Any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.

c. Any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. The term "agriculture" has the same meaning as in G.S. 106-581.1. The term "unoccupied" does not exclude the keeping of livestock.

(1a) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more glass or plastic walls, has an area over ninety-five percent (95%) of which is used to grow or cultivate plants, is built in accordance with the National Greenhouse Manufacturers Association Structural Design manual, and is not used for retail sales. Additional provisions addressing distinct life safety hazards shall be approved by the local building-rules jurisdiction.

(2a) A "therapeutic equine facility" is an equine facility as described in sub-subdivision a. of subdivision (1) of this subsection operated by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code that provides therapeutic equine-related activities for persons who are physically, intellectually, or emotionally challenged.

…."

SECTION 8.(b) This section is effective when this act becomes law.

SECTION 9. Except as otherwise provided, this act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-131 **H.B. 258**

AN ACT AMENDING THE DEFINITION OF HEALTH CARE PROVIDER IN ARTICLE 1B OF CHAPTER 90 OF THE GENERAL STATUTES TO INCLUDE PARAMEDICS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-21.11(1) reads as rewritten:

"(1) Health care provider. – Without limitation, any of the following:

…

e. Any paramedic, as defined in G.S. 131E-155(15a)."

SECTION 2. This act is effective when it becomes law and applies to causes of action arising on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-132 **H.B. 275**

AN ACT TO EXEMPT AIRPORTS FROM PAYING A STORMWATER UTILITY FEE LEVIED ON RUNWAYS AND TAXIWAYS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-277(a1) is amended by adding two new subdivisions to read:

"(4) A county shall not impose a stormwater utility fee on a runway or taxiway located on military property.

(5) For all airports other than those covered by the exemption in subdivision (4) of this subsection, a county shall list separately the amount of a stormwater utility fee levied on airport runways and taxiways from the amount levied on the remainder of the airport property. An airport shall be exempt from paying a stormwater utility fee levied on its runways and taxiways. To qualify for an exemption under this subdivision, an airport shall use the amount of savings realized from this exemption for attracting business to the airport and shall provide certification to the county that the savings realized shall be used for this purpose. Except as otherwise prohibited under federal law, and upon request, an airport shall provide the levying county with evidence that the full amount of savings realized from the exemption authorized under this subdivision has been used or encumbered for the purpose set forth in this subdivision. Any amount of savings realized from the exemption authorized under this subdivision that is not used or encumbered for the purpose set forth in this subdivision shall be remitted to the county to be used in accordance with applicable law governing the use of stormwater utility fee proceeds. Savings realized from the exemption authorized under this subdivision shall be in addition to, and not in lieu of, any local funding provided by the county to the airport."

SECTION 2. G.S. 160A-314(a1) is amended by adding two new subdivisions to read:

"(5) A city shall not impose a stormwater utility fee on a runway or taxiway located on military property.

(6) For all airports other than those covered by the exemption in subdivision (5) of this subsection, a city shall list separately the amount of a stormwater utility fee levied on airport runways and taxiways from the amount levied on the remainder of the airport property. An airport shall be exempt from paying a stormwater utility fee levied on its runways and taxiways. To qualify for an exemption under this subdivision, an airport shall use the amount of savings realized from this exemption for attracting business to the airport and shall provide certification to the city that the savings realized shall be used for this purpose. Except as otherwise prohibited under federal law, and upon request, an airport shall provide the levying city with evidence that the full amount of savings realized from the exemption authorized under this subdivision has been used or encumbered for the purpose set forth in this subdivision. Any amount of savings realized from the exemption authorized under this subdivision that is not used or encumbered for the purpose set forth in this subdivision shall be remitted to the city to be used in accordance with applicable law governing the use of stormwater utility fee proceeds. Savings realized from the exemption authorized under this subdivision shall be in addition to, and not in lieu of, any local funding provided by the city to the airport."

SECTION 3. This act becomes effective January 1, 2018, and applies to fees levied on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-133 **H.B. 283**

AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY AND RECOMMEND A TELEMEDICINE POLICY.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Health and Human Services shall study and recommend a telemedicine policy for consideration by the General Assembly. At a minimum, the Department shall examine telemedicine/telehealth laws in other states as they pertain to the elements outlined below and recommend standards for the State:

(1) A definition of the term telemedicine.
(2) The scope of services that can be covered by telemedicine.
(3) Acceptable communication and data transfer standards necessary to ensure the privacy of health information and appropriate for insurance reimbursement.
(4) Informed consent standards.
(5) Online prescribing standards.
(6) Telemedicine provider licensing standards.
(7) Private payer telemedicine reimbursement standards.

The Department shall solicit input from relevant stakeholders and from the Department of Insurance on the potential insurance impact of particular telemedicine policy elements. While conducting this study, the Department may examine services reimbursed under the Medicaid policy, but the recommendations shall not include changes to the State's Medicaid policy.

SECTION 1.1. The Department shall study Psychology Interjurisdictional Compact (PSYPACT) and its impact on the delivery of psychology services via the telehealth model. The Department shall make recommendations on whether North Carolina should enact legislation related to the PSYPACT.

SECTION 2. On or before October 1, 2017, the Department of Health and Human Services shall submit a report containing findings and recommendations, a proposed telemedicine policy, and a recommendation on the PSYPACT to the Joint Legislative Oversight Committee on Health and Human Services. Based on the Department's report, the Committee shall consider making a recommendation to the 2017 General Assembly during the 2018 Regular Session.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-134 **H.B. 294**

AN ACT TO MAKE CHANGES TO THE NOTICE REQUIREMENTS AND PENALTY FOR THE DISPOSITION OF ABANDONED PROPERTY, TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE UNCLAIMED PROPERTY STATUTES, AND TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 2 of S.L. 2015-68 is repealed.

SECTION 1.(b) This section is retroactively effective October 1, 2015.

SECTION 2.(a) G.S. 116B-59 reads as rewritten:

"**§ 116B-59. Notice by holders to apparent owners.**

~~(a) A holder of property presumed abandoned shall make a good faith effort to locate an apparent owner.~~

(a1) A holder of property that is presumed abandoned and that is either (i) a security or other equity interest in a business association, including a security entitlement under Article 8 of Chapter 25 of the General Statutes, that is valued at twenty-five dollars ($25.00) or more or

(ii) property, other than a security or other equity interest in a business association, including a security entitlement under Article 8 of Chapter 25 of the General Statutes, that is valued at fifty dollars ($50.00) or more shall send written notice by first-class mail to the apparent owner not more than 120 days or less than 60 days before filing the report required by G.S. 116B-60. The holder shall exercise reasonable care to ascertain that it is sending the written notice to the apparent owner's correct address.

~~(b) The holder shall send written notice, by first-class mail, to the apparent owner, not more than 120 days or less than 60 days before filing the report required by G.S. 116B-60, to the last known address of the apparent owner as reflected in the holder's records, if the value of the property is fifty dollars ($50.00) or more.~~

(c) The written notice to apparent owners required under this section must ~~contain:~~contain all of the following:

(1) A statement that, according to the records of the holder, property is being held to which the addressee appears entitled and the amount or description of the ~~property;~~property.

(2) The ~~name and address~~ name, address, and contact information of the person holding the property and any necessary information regarding changes of name and address of the ~~holder;~~holder.

(3) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the following October 1 or, if the holder is an insurance company, by the following April 1, the property will be placed in the custody of the Treasurer, to whom all further claims shall be directed.

(4) A statement that, once property is placed in the custody of the Treasurer, all interest, dividends, income, and gains earned on the property will remain with the Treasurer, even if the owner subsequently reclaims the property from the Treasurer."

SECTION 2.(b) G.S. 116B-77 reads as rewritten:

"**§ 116B-77. Interest and penalties; waiver.**

(a) A holder who fails to report, pay, or deliver property within the time prescribed by this Chapter shall pay to the Treasurer interest at the rate established pursuant to this subsection on the property or value of the property from the date the property should have been reported, paid, or delivered. On or before June 1 and December 1 of each year, the Treasurer shall establish the interest rate to be in effect during the six-month period beginning on the next succeeding July 1 and January 1, respectively, after giving due consideration to current market conditions. If no new rate is established, the rate in effect during the preceding six-month period shall continue in effect. The rate established by the Treasurer may not be less than five percent (5%) per year and may not exceed sixteen percent (16%) per year.

(b) A holder who willfully fails to report, pay, or deliver property within the time prescribed by this Chapter, or willfully fails to perform other duties imposed by this Chapter, including the duties imposed by G.S. 116B-59, shall pay to the Treasurer, in addition to interest as provided in subsection (a) of this section, a civil penalty of one thousand dollars ($1,000) for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of twenty-five thousand dollars ($25,000), plus twenty-five percent (25%) of the value of any property that should have been but was not reported.

(c) A holder who makes a fraudulent report shall pay to the Treasurer, in addition to interest as provided in subsection (a) of this section, a civil penalty of one thousand dollars ($1,000) for each day from the date a report under this Chapter was due, up to a maximum of twenty-five thousand dollars ($25,000), plus twenty-five percent (25%) of the value of any property that should have been but was not reported.

(d) The Treasurer for good cause may waive, in whole or in part, interest under subsection (a) of this section and penalties under subsection (b) of this section."

SECTION 2.(c) This section becomes effective October 1, 2017, and applies to property presumed abandoned on or after that date.

SECTION 3. G.S. 116B-52(11) reads as rewritten:

"(11) "Property" means (i) money or tangible personal property held by a holder that is physically located in a safe deposit box or other safekeeping depository held by a financial institution within this State or (ii) a fixed and certain interest in intangible property or money that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. The term includes property that is referred to as or evidenced by:

a. Money, a check, draft, deposit, interest, or dividend;

b. Credit balance, customer's overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance;

c. ~~Stock~~ Security or other evidence of ownership of an interest in a business association;

d. A bond, debenture, note, or other evidence of indebtedness;

e. Money deposited to redeem stocks, bonds, coupons, or other securities, or to make distributions;

f. An amount due and payable under the terms of an annuity or insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance; and

g. An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits."

SECTION 4. G.S. 116B-53 reads as rewritten:

"**§ 116B-53. Presumptions of abandonment.**

(a) Property is unclaimed if the apparent owner has not communicated in writing or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and has not otherwise indicated an interest in the property. A communication with an owner by a person (other than the holder or its representative) who has not, in writing, identified the property to the owner is not an indication of interest in the property by the owner.

(b) An indication of an interest in property includes:

(1) The presentment of a check or other instrument of payment of a dividend or other distribution made with respect to an account or underlying ~~stock~~ security or other interest in a business association or, in the case of a distribution made by electronic or similar means, evidence that the distribution has been received;

(2) The presentment of a check or other instrument of payment of interest made with respect to debt of a business association or, in the case of an interest payment made by electronic or similar means, evidence that the interest payment has been received;

(3) Owner-directed activity in the account in which the property is held, including a direction by the owner to increase, decrease, or change the amount or type of property held in the account;

(4) The making of a deposit to or withdrawal from an account in a financial organization;

(5) Owner activity in another account with the holder of a deposit described in subdivisions (c)(2) and (c)(6) of this section; and

(6) The payment of a premium with respect to a property interest in an insurance policy; but the application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent a

policy from maturing or terminating if the insured has died or the insured or the beneficiary of the policy has otherwise become entitled to the proceeds before the depletion of the cash surrender value of a policy by the application of those provisions.

(c) Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

(1) Traveler's check, 15 years after issuance.

(2) Time deposit, including a deposit that is automatically renewable, 10 years after the later of initial maturity or the date of the last indication by the owner of interest in the property.

(3) Money order, cashier's check, teller's check, and certified check, seven years after issuance.

(4) ~~Stock~~ A security or other equity interest in a business association, including a security entitlement under Article 8 of the Uniform Commercial Code, Chapter 25 of the General Statutes, three years after the earlier of:

a. The date of a cash dividend or other distribution unclaimed by the apparent owner.

b. The date a second consecutive mailing, notification, or communication from the holder to the apparent owner by first-class mail is returned to the holder as unclaimed by or undeliverable to the apparent owner.

c. The date the holder discontinued mailings, notifications, or communications to the apparent owner.

This subdivision applies to both the underlying ~~stock,~~security, share, or other intangible ownership interest of an owner, and any ~~stock,~~security, share, or other intangible interest of which the business association is in possession of the certificate or other evidence or indicia of ownership, and to the ~~stock,~~security, share, or other ownership interest of dividend and nondividend paying business associations whether or not the interest is represented by a certificate.

(5) Debt of a business association, including debt evidenced by a matured or called bearer bond or an original issue discount bond, three years after the date of an interest or principal payment unclaimed by the apparent owner.

(5a) Any dividend, profit, distribution, interest, redemption, payment on principal, cash compensation (including amounts from a demutualized insurance company), or other sum held or owing by a business association for or to its shareholder, certificate holder, policyholder, member, bondholder, or other security holder, who has not claimed it, or corresponded in writing with the business association concerning it, within three years after the date prescribed for payment or delivery.

(6) Demand or savings deposit, five years after the date of the last indication by the owner of interest in the property.

(7) Money or credits owed to a customer as a result of a retail business transaction, three years after the obligation accrued.

(8) Any gift certificate or electronic gift card bearing an expiration date and remaining unredeemed or dormant for more than three years after the gift certificate or electronic gift card was sold is deemed abandoned. The amount abandoned is deemed to be sixty percent (60%) of the unredeemed portion of the face value of the gift certificate or the electronic gift card.

(9) Amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three years after the obligation to pay arose or, in the case of a policy or annuity payable upon proof of death,

three years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is based.

(10) Property distributable by a business association in a course of dissolution, one year after the property becomes distributable.

(11) Property received by a court as proceeds of a class action, and not distributed pursuant to the judgment, one year after the distribution date.

(12) Property held by a court, government, governmental subdivision, agency, or instrumentality, one year after the property becomes distributable.

(13) Wages or other compensation for personal services, one year after the compensation becomes payable.

(14) Deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable.

(15) Property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three years after the earliest of the date of the distribution or attempted distribution of the property, the date of the required distribution as stated in the plan or trust agreement governing the plan, or the date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty.

(16) All other property, five years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs.

(d) At the time that an interest in property is presumed abandoned under subsection (c) of this section, any other property right accrued or accruing to the owner as a result of the interest, and not previously presumed abandoned, is also presumed abandoned.

(e) Property is payable or distributable for purposes of this Chapter notwithstanding the owner's failure to make demand or present an instrument or document otherwise required to obtain payment or distribution, except as otherwise provided by the Uniform Commercial Code."

SECTION 5.(a) G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

…

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term;

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of

projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

…."

SECTION 5.(b) G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum; compensation; officers; meetings.**

…

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

…

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years, with no person being appointed to more than three consecutive terms.

…."

SECTION 6. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-135 **H.B. 299**

AN ACT TO MAKE CLARIFYING AND ADMINISTRATIVE CHANGES TO THE LAWS RELATING TO THE NORTH CAROLINA STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.44(a) reads as rewritten:

"**§ 135-48.44. Cessation of coverage.**

(a) Coverage under this Plan of an employee and his or her surviving spouse or eligible dependent children or of a retired employee and his or her surviving spouse or eligible dependent children shall cease on the earliest of the following dates:

…

(6) The last day of the month in which a covered individual is found to have knowingly and willfully made or caused to be made a false statement or false representation of a material fact regarding eligibility or enrollment information or in a claim for reimbursement of medical services under the Plan. The State Treasurer may make an exception to the provisions of this subdivision when persons subject to this subdivision have had a cessation of coverage for a period of five years and have made a full and complete restitution to the Plan for all fraudulent claim amounts. Nothing in this subdivision shall be construed to obligate the State Treasurer to make an exception as allowed for under this subdivision.

…."

SECTION 2. G.S. 135-48.40(c)(2) reads as rewritten:

"(2) Employees and members of the General Assembly with 10 but less than 20 years of retirement service credit provided the employees were first hired on or after October 1, 2006, and the members first took office on or after February 1, 2007. For such future retirees, the State shall pay fifty percent (50%) of the Plan's total employer premiums. Individual retirees shall pay the balance of the total premiums not paid by the ~~State.~~State, unless

prohibited by law. The total premium is the sum of the Plan's total employer premium contribution rate plus the employee or retiree's contribution for individual and dependent coverage."

SECTION 3.(a) G.S. 135-48.42(a) reads as rewritten:

"(a) Except as otherwise required by applicable federal law, new employees must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis. Coverage may become effective on the first day of the month following date of entry on payroll or on the first day of the following month. New employees age 19 and older not enrolling themselves and their dependents age 19 and older within 30 days, or not adding dependents when first eligible as provided herein may enroll during annual enrollment, but may be subject to a 12-month waiting period for preexisting health conditions, except for employees who elect to change their coverage in accordance with rules established by the State Treasurer for optional or alternative plans available under the Plan. Children born to covered employees ~~having coverage type (2) or (3), as outlined in G.S. 135-48.43(d)~~ shall be ~~automatically~~ covered at the time of birth ~~without any waiting period for preexisting health conditions. Children born to covered employees having coverage type (1) shall be automatically covered at birth without any waiting period for preexisting health conditions~~ so long as the ~~claims processor~~ Plan receives notification within 30 days of the date of ~~birth that the employee desires to change from coverage (1) to coverage type (2) or (3), provided that~~ birth and the employee pays any additional premium required by the coverage type selected retroactive to the first day of the month in which the child was born."

SECTION 3.(b) This section becomes effective October 1, 2017, and applies to children born to covered employees on or after that date.

SECTION 4. G.S. 135-48.20 is amended by adding a new subsection to read:

"(n) Immunity. – Except to the extent provided under Article 31A of Chapter 143 of the General Statutes and to the extent of insurance coverage purchased pursuant to G.S. 58-32-15, a person serving on the Board of Trustees shall be immune individually from civil liability for monetary damages for any act, or failure to act, arising out of that service, except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.

(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in damages or injury.

(4) The person derived an improper personal financial benefit, either directly or indirectly, from the transaction.

(5) The person incurred the liability from the operation of a motor vehicle."

SECTION 5. G.S. 135-48.1 reads as rewritten:

"**§ 135-48.1. General definitions.**

As used in this Article unless the context clearly requires otherwise, the following definitions apply:

(1) Authorized representatives who are assisting the State Health Plan Division staff. – Staff of the Department of the State Treasurer, staff of the Department of Justice, or persons providing internal auditing assistance required under G.S. 143-746(b).

(1a) Benefit period. – The period of time during which charges for covered services provided to a Plan member must be incurred in order to be eligible for payment by the Plan.

…."

SECTION 6. Part 1 of Article 3B of Chapter 135 of the General Statutes is amended by adding a new section to read:

"**§ 135-48.16. Fraud detection and audit programs.**

(a) Access to Persons and Records. – In the course of conducting an investigation or an audit under G.S. 135-48.30(a)(9), the Plan, or authorized representatives who are assisting the State Health Plan Division staff, shall have ready access to the following:

(1) Persons, books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of any employing unit. The Plan shall have the authority to examine and make copies of the information described in this subdivision only insofar as it directly relates to a specific investigation or audit. The review of State tax returns shall be limited to matters of official business, and the Plan's report shall not violate the confidentiality provisions of the tax laws. A confidentiality agreement may be put in place with an agency providing documentation to the Plan.

(2) Persons, records, papers, reports, vouchers, correspondence, books, and any other documentation that is in the possession of any individual, private corporation, institution, association, board, or other organization that pertain to any benefits received, disbursed, or otherwise handled pursuant to a grant or contract from the federal government that is administered by the State Health Plan, the State, or its political subdivisions. Providers of social and medical services to a beneficiary shall make copies of records they maintain for services provided to the beneficiary.

Authorized representatives who are assisting the State Health Plan Division staff must have a HIPAA business associate agreement with the State Health Plan and enter into a HIPAA data sharing agreement with any vendor whose records they are copying.

(b) Records of Providers of Social and Medical Services. – Providers of social and medical services who provide ready access to the Plan under subdivision (2) of subsection (a) of this section shall make copies of records they maintain for services provided to a beneficiary available to the Plan or to the authorized representatives who are assisting the State Health Plan Division staff. The Plan, or authorized representatives who are assisting the State Health Plan Division staff, shall request records in writing by providing the name of each beneficiary from whom records are sought, the purpose of the request, the authority for the request, and a reasonable period of time for the production of record copies by the provider. A provider may charge and the Plan, or authorized representatives who are assisting the State Health Plan Division staff, shall, in accordance with G.S. 90-411, pay a reasonable fee to the provider for copies of the records provided.

(c) Fraud Detection and Audit Reports and Work Papers. – The Plan shall maintain for 10 years a complete file of all compliance investigative reports, fraud investigative reports, and reports of other examinations, investigations, surveys, and reviews issued under the Plan's authority under G.S. 135-48.30(a)(9). Fraud or compliance investigation work papers and other evidence or related supportive material directly pertaining to the work of the State Health Plan Division of the Department of State Treasurer shall be retained according to an agreement between the Plan and State Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of fraud investigative effort, and notwithstanding local unit personnel policies to the contrary, pertinent work papers and other supportive material relating to issued fraud or compliance investigation reports may be, at the discretion of the Executive Administrator of the Plan, and unless otherwise prohibited by law, made available for inspection by duly authorized representatives of the State and federal government who desire access to, and inspection of, such records in connection with some matter officially before them, including criminal investigations. Except as provided in this section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding that access is necessary to a proper administration of justice, fraud investigation work papers and related supportive material shall be kept confidential, including any information developed as a part of the investigation."

SECTION 7.(a) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(39a) To furnish to the Department of State Treasurer periodically upon request the State tax return of a beneficiary, or the wage and income statement of a beneficiary, or the NC-3 information of an employer for the purpose of assisting a fraud or compliance investigation or audit under G.S. 135-48.30(a)(9), or in accordance with G.S. 135-48.16; provided, however, that no federal tax information may be disclosed under this subdivision unless such a disclosure is permitted by section 6103 of the Code."

SECTION 7.(b) The Department of Revenue and the Department of the State Treasurer shall, within a reasonable time following the effective date of this act but not later than June 30, 2018, enter into a confidential information sharing agreement settling data transfer protocols, required security measures, audit mechanisms, and the like, so that the two departments can thereafter develop and implement the information exchange authorized by this act.

SECTION 8. G.S. 135-48.41 is amended by adding a new subsection to read:

"(k) If a retiree is a prisoner serving an active sentence in the State prison system and covered under G.S. 148-19, then the incarcerated retiree shall not, during the time of incarceration, be eligible for retiree coverage under G.S. 135-48.40(a)(1), 135-48.40(b)(3), 135-48.40(c)(2), or 135-48.40(d)(11)."

SECTION 9.(a) G.S. 135-9 reads as rewritten:

"**§ 135-9. Exemption from garnishment, attachment, etc.**

Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq., and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a person to a pension, or annuity, or a retirement allowance, to the return of contributions, the pension, annuity or retirement allowance itself, any optional benefit or any other right accrued or accruing to any person under the provisions of this Chapter, and the moneys in the various funds created by this Chapter, are exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable except as in this Chapter specifically otherwise provided. Application for System approval of a domestic relations order dividing a person's interest under the Retirement System shall be accompanied by an order consistent with the system-designed template order provided on the System's Web site. For orders entered on or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic relations order shall be limited to the lifetime of that former spouse and, upon the death of that former spouse, the former spouse's share shall revert to the member. Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payments to a member in a State-administered retirement system or the former Disability Salary Continuation Plan or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member or beneficiary who is later determined to have been ineligible for those ~~benefits,~~ benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

SECTION 9.(b) G.S. 128-31 reads as rewritten:

"**§ 128-31. Exemptions from execution.**

Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq., and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a person to a pension, an annuity, or a retirement allowance, to the return of contributions, the pension, annuity or retirement allowance itself, any optional benefit or any other right accrued or accruing to any person under the provisions of this Article, and the moneys in the various funds created by this Article, are exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable except as in this Article specifically otherwise provided. Application for System approval of a domestic relations order dividing a person's interest under the Retirement System shall be accompanied by an order consistent with the system-designed template order provided on the System's Web site. For orders entered on

or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic relations order shall be limited to the lifetime of that former spouse and, upon the death of that former spouse, the former spouse's share shall revert to the member. Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payments to a member in a State-administered retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member who is later determined to have been ineligible for those ~~benefits,~~ benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

SECTION 9.(c) G.S. 120-4.29 reads as rewritten:

"**§ 120-4.29. Exemption from garnishment, attachment.**

Except for the applications of the provisions of G. S. 110-136, and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a person to a pension, annuity, or retirement allowance, to the return of contributions, or to the receipt of the pension, annuity or retirement allowance itself, any optional benefit or any other right accrued or accruing to any person under the provisions of this Article, and the moneys in the various funds created by this Article, are exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable except as this Article specifically provides. ~~Notwithstanding any provisions to the contrary, any overpayment of benefits to a member in a State-administered retirement system or Disability Salary Continuation Plan may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary.~~Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payments to a member in a State-administered retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member who is later determined to have been ineligible for those benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions, or any other right accruing under this Article to the same person, the person's estate, or designated beneficiary."

SECTION 9.(d) G.S. 127A-40 is amended by adding a new subsection to read:

"(j) Except for the applications of the provisions of G.S. 110-136, and in connection with a court-ordered equitable distribution under G.S. 50-20, the pensions provided are not subject to attachment, garnishments, or judgments against the member or former member of the National Guard entitled to them, nor are any rights in the fund or the pensions or benefits assignable. Notwithstanding any provisions to the contrary, any overpayment of benefits or erroneous payment to a member in a State-administered retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of, any member who is later determined to have been ineligible for those benefits or unentitled to those amounts, may be offset against any retirement allowance, return of contributions, or any other right accruing under this Article to the same person, the person's estate, or designated beneficiary."

SECTION 10. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-136 **H.B. 383**

AN ACT TO MAKE CERTAIN CHANGES TO THE NORTH CAROLINA INSURANCE LAWS REGARDING OWN RISK AND SOLVENCY ASSESSMENTS AND CREDIT FOR REINSURANCE IN ACCORDANCE WITH MODEL ACTS OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AS RECOMMENDED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE, AND TO IMPLEMENT

REVISED MODEL REGULATIONS OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS GOVERNING RECOMMENDATIONS MADE TO CONSUMERS REGARDING THE PURCHASE OR EXCHANGE OF ANNUITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 10 of Chapter 58 of the General Statutes is amended by adding a new Part to read:

"Part 10. Risk Management and Own Risk and Solvency Assessment.

"**§ 58-10-700. Purpose and scope.**

(a) The purpose of this Part is to establish the requirements for maintaining a risk management framework and completing an Own Risk and Solvency Assessment (ORSA) and to establish guidance and instructions for filing an ORSA Summary Report with the Commissioner.

(b) The requirements of this Part shall apply to all insurers domiciled in this State unless exempt pursuant to G.S. 58-10-725.

"**§ 58-10-705. Definitions.**

The following definitions apply in this Part:

(1) Enterprise risk. – Defined in G.S. 58-19-5.

(2) Insurance group. – Those insurers and affiliates included within an insurance holding company system as defined in G.S. 58-19-5.

(3) Insurer. – Shall have the same meaning as set forth in G.S. 58-1-5 and includes a person subject to Article 65 or 67 of this Chapter. Insurer does not include an agency, authority, or instrumentality of the United States; any of its possessions and territories; the Commonwealth of Puerto Rico; the District of Columbia; nor a state or political subdivision of a state.

(4) Own Risk and Solvency Assessment or ORSA. – A confidential internal assessment, appropriate to the nature, scale, and complexity of an insurer or insurance group, conducted by that insurer or insurance group of the material and relevant risks associated with the insurer or insurance group's current business plan, and the sufficiency of capital resources to support those risks.

(5) ORSA Guidance Manual. – The current version of the Own Risk and Solvency Assessment Guidance Manual developed and adopted by the NAIC and as amended from time to time. A change in the ORSA Guidance Manual shall be effective on January 1 of the year following the calendar year in which the changes have been adopted by the NAIC.

(6) ORSA Summary Report. – A confidential high-level summary of an insurer or insurance group's ORSA, or a combination of reports, that contains the information described in the ORSA Guidance Manual.

"**§ 58-10-710. Risk management framework.**

An insurer shall maintain a risk management framework to assist the insurer with identifying, assessing, monitoring, managing, and reporting on its material and relevant risks. This requirement may be satisfied if the insurance group of which the insurer is a member maintains a risk management framework applicable to the operations of the insurer.

"**§ 58-10-715. ORSA requirement.**

Subject to G.S. 58-10-725, an insurer, or the insurance group of which the insurer is a member, shall regularly conduct an ORSA consistent with a process comparable to the ORSA Guidance Manual. The ORSA shall be conducted no less than annually but also at any time when there are significant changes to the risk profile of the insurer or the insurance group of which the insurer is a member.

"**§ 58-10-720. ORSA Summary Report.**

(a) No more than once each year, an insurer shall submit to the Commissioner an ORSA Summary Report under the following circumstances:

(1) If the insurer is a member of an insurance group, and the Commissioner is the lead state Commissioner of that insurance group as determined following the procedures within the Financial Analysis Handbook adopted by the NAIC, then the insurer shall submit the ORSA Summary Report to the Commissioner.

(2) If subdivision (1) of this subsection does not apply to the insurer, then the insurer shall submit the ORSA Summary Report upon the Commissioner's request.

(b) The reports shall include a signature of the insurer or insurance group's chief risk officer or other executive having responsibility for the oversight of the insurer's enterprise risk management process attesting to the best of their belief and knowledge that the insurer applies the enterprise risk management process described in the ORSA Summary Report and that a copy of the report has been provided to the insurer's board of directors or to the appropriate committee of the board of directors.

(c) An insurer may comply with subsection (a) of this section by providing the most recent and substantially similar reports provided by the insurer or another member of an insurance group of which the insurer is a member to the commissioner of another state or to a supervisor or regulator of a foreign jurisdiction, if that report provides information that is comparable to the information described in the ORSA Guidance Manual. Any such report in a language other than English must be accompanied by a translation of that report into the English language.

"**§ 58-10-725. Exemption.**

(a) An insurer shall be exempt from the requirements of this Part if it meets both of the following standards:

(1) The insurer has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than five hundred million dollars ($500,000,000).

(2) The insurance group of which the insurer is a member has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than one billion dollars ($1,000,000,000).

(b) If an insurer qualifies for exemption pursuant to subdivision (1) of subsection (a) of this section, but the insurance group of which the insurer is a member does not qualify for exemption pursuant to subdivision (2) of subsection (a) of this section, then the ORSA Summary Report that may be required pursuant to G.S. 58-10-720 shall include every insurer within the insurance group, regardless of whether an insurer meets the standard of subdivision (1) of subsection (a) of this section. This requirement may be satisfied by the submission of more than one ORSA Summary Report for any combination of insurers within the group, provided that the reports, taken together, include every insurer within the insurance group.

(c) If an insurer does not qualify for exemption pursuant to subdivision (1) of subsection (a) of this section, but the insurance group of which it is a member qualifies for exemption pursuant to subdivision (2) of subsection (a) of this section, then the only ORSA Summary Report that may be required pursuant to G.S. 58-10-720 shall be the report applicable to that insurer.

(d) An insurer that does not qualify for exemption pursuant to subsection (a) of this section may apply to the Commissioner for a waiver from the requirements of this Part based upon unique circumstances. In deciding whether to grant the insurer's request for waiver, the Commissioner may consider the type and volume of business written, ownership and organizational structure, and any other factor the Commissioner considers relevant to the insurer or insurance group of which the insurer is a member. If the insurer is part of an

insurance group with insurers domiciled in more than one state, the Commissioner shall coordinate with the lead state commissioner and with the other domiciliary commissioners in considering whether to grant the insurer's request for a waiver.

(e) Notwithstanding the exemptions stated in this section:

(1) The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA Summary Report based on unique circumstances, including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

(2) The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA Summary Report if the insurer has a risk-based capital company action level event as set forth in G.S. 58-12-11, meets one or more of the standards of an insurer deemed to be in hazardous financial condition as defined in G.S. 58-30-60, or otherwise exhibits qualities of a troubled insurer as determined by the Commissioner.

(f) If an insurer that qualifies for an exemption pursuant to subsection (a) of this section subsequently no longer qualifies for that exemption due to changes in premium as reflected in the insurer's most recent annual statement or in the most recent annual statements of the insurers within the insurance group of which the insurer is a member, the insurer shall have one year following the year the threshold is exceeded to comply with the requirements of this Part.

"**§ 58-10-730. Contents of ORSA Summary Report.**

(a) The ORSA Summary Report shall be prepared consistent with the ORSA Guidance Manual, subject to the requirements of subsection (b) of this section. Documentation and supporting information shall be maintained and made available upon examination or upon request of the Commissioner.

(b) The review of the ORSA Summary Report, and any additional requests for information, shall be made using procedures similar to those currently used in the analysis and examination of multistate or global insurers and insurance groups.

"**§ 58-10-735. Confidentiality.**

(a) Documents, materials, or other information, including the ORSA Summary Report, in the possession of or control of the Commissioner that are obtained by, created by, or disclosed to the Commissioner or any other person under this Part, is recognized by this State as being proprietary and to contain trade secrets. All such documents, materials, or other information shall be confidential by law and privileged, shall not be considered a public record under either G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties. The Commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer.

(b) Neither the Commissioner nor any person who received documents, materials, or other ORSA-related information, through examination or otherwise, while acting under the authority of the Commissioner or with whom such documents, materials, or other information are shared pursuant to this Part shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a) of this section.

(c) In order to assist in the performance of the Commissioner's regulatory duties, the Commissioner:

(1) May, upon request, share documents, materials, or other ORSA-related information, including the confidential and privileged documents, materials, or information subject to subsection (a) of this section and any proprietary and trade secret documents and materials, with other state, federal, and international financial regulatory agencies. For purposes of this subdivision,

financial regulatory agencies shall include members of any supervisory college as defined in G.S. 58-19-37, the NAIC, and any third-party consultants designated by the Commissioner. Recipients of information under this subdivision must agree in writing to maintain the confidentiality and privileged status of the ORSA-related documents, materials, or other information and verify in writing the recipient's legal authority to maintain confidentiality.

(2) May receive documents, materials, or other ORSA-related information, including otherwise confidential and privileged documents, materials, or information and proprietary and trade secret information or documents, from regulatory officials of other foreign or domestic jurisdictions, including members of any supervisory college as defined in G.S. 58-19-37, and from the NAIC. The Commissioner shall maintain as confidential or privileged any documents, materials, or information received pursuant to this subdivision with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(3) Shall enter into a written agreement with the NAIC or a third-party consultant governing sharing and use of information provided pursuant to this Part, consistent with this subsection, that shall do all of the following:

a. Specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC or a third-party consultant pursuant to this Part, including procedures and protocols for sharing by the NAIC with other state regulators from states in which the insurance group has domiciled insurers. The agreement shall provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the ORSA-related documents, materials, or other information and has verified in writing the legal authority to maintain confidentiality.

b. Specify that ownership of information shared with the NAIC or a third-party consultant pursuant to this Part remains with the Commissioner, and the NAIC's or a third-party consultant's use of the information is subject to the direction of the Commissioner.

c. Prohibit the NAIC or third-party consultant from storing the information shared pursuant to this Part in a permanent database after the underlying analysis is completed.

d. Require prompt notice be given to an insurer whose confidential information in the possession of the NAIC or a third-party consultant pursuant to this Part is subject to a request or subpoena to the NAIC or a third-party consultant for disclosure or production.

e. Require the NAIC or a third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the NAIC or a third-party consultant may be required to disclose confidential information about the insurer shared with the NAIC or a third-party consultant pursuant to this Part.

f. In the case of an agreement involving a third-party consultant, provide for the insurer's written consent.

(d) The sharing of information and documents by the Commissioner pursuant to this Part shall not constitute a delegation of regulatory authority or rule making, and the Commissioner is solely responsible for the administration, execution, and enforcement of the provisions of this Part.

(e) No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secret materials, or other ORSA-related information shall occur as a result

of disclosure of such ORSA-related information or documents to the Commissioner under this section or as a result of sharing as authorized in this Part.

(f) Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant pursuant to this Part shall be confidential by law and privileged, shall not be considered a public record under either G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

"**§ 58-10-740. Sanctions.**

(a) Any insurer failing, without just cause, to timely file the ORSA Summary Report as required in this Part shall be subject to a civil penalty of one hundred dollars ($100.00) for each day's delay, not to exceed a total penalty of one thousand dollars ($1,000).

(b) Notice and Opportunity to Be Heard Required. – After providing notice and opportunity to be heard in accordance with the provisions of Chapter 150B of the General Statutes, the Commissioner may order the respondent to pay the assessment and civil penalty imposed by this section.

(c) The clear proceeds of civil penalties provided for in this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

"**§ 58-10-745. Severability clause.**

If any provision of this Part or the application thereof to any person or circumstance is held invalid, such determination shall not affect the provisions or applications of this Part which can be given effect without the invalid provision or application, and, to that end, the provisions of this Part are severable."

SECTION 2. G.S. 58-7-21(b) reads as rewritten:

"**§ 58-7-21. Credit allowed a domestic ceding insurer.**

…

(b) Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a reduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of subdivisions (1), (2), (3), (4), 4(a), or (5) of this subsection. Credit shall be allowed under subdivision (1), (2), or (3) of this subsection only with regard to cessions of those kinds or classes of business in which the assuming insurer is licensed or otherwise permitted to write or assume in its state of domicile or, in the case of a United States branch of an alien assuming insurer, in the state through which it is entered and licensed to transact insurance or reinsurance. Credit shall be allowed under subdivision (3) or (4) of this subsection only if the applicable requirements of subdivision (6) of this ~~section~~ subsection have been satisfied.

(1) Credit for reinsurance – Reinsurer licensed in this State. – Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is licensed to transact insurance or reinsurance in this State.

(2) Credit for reinsurance – Accredited reinsurer. – Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is accredited by the Commissioner as a reinsurer in this State. ~~An accredited~~ In order to be eligible for accreditation, a reinsurer ~~is one that:~~shall do all of the following:

a. ~~Files~~ File with the Commissioner evidence of its submission to this State's ~~jurisdiction;~~jurisdiction.

b. ~~Submits~~ Submit to this State's authority to examine its books and ~~records;~~records.

c. ~~Is~~ Be licensed to transact insurance or reinsurance in at least one state, or in the case of a United States branch of an alien assuming ~~insurer is~~ insurer, be entered through and licensed to transact insurance or reinsurance in at least one ~~state;~~state.

d. ~~Files~~ File annually with the Commissioner a copy of its annual statement filed with the insurance regulator of its state of domicile, a

copy of its most recent audited financial statement, and a fee of seven hundred fifty dollars ($750.00) and ~~either~~either:

1. Maintains a policyholders' surplus in an amount that is not less than twenty million dollars ($20,000,000) and whose accreditation has not been denied by the Commissioner within 90 days after its submission; or
2. Maintains a policyholders' surplus in an amount less than twenty million dollars ($20,000,000) and whose accreditation has been approved by the Commissioner.

~~Credit shall not be allowed a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the Commissioner after notice and opportunity for a hearing.~~

(3) Credit for reinsurance – Reinsurer domiciled in another state. – Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is domiciled in, or in the case of a United States branch of an alien assuming insurer is entered through, a state that uses standards regarding credit for reinsurance substantially similar to those applicable under this section and the assuming insurer or United States branch of an alien assuming insurer:

a. Maintains a policyholders' surplus in an amount not less than twenty million dollars ($20,000,000); and
b. Submits to the authority of this State to examine its books and records.

The requirement in sub-subdivision (3)a. of this subsection does not apply to reinsurance ceded and assumed under pooling arrangements among insurers in the same holding company system.

(4) Credit for reinsurance – Reinsurer maintaining trust funds. –

a. Credit shall be allowed when the reinsurance is ceded to an assuming insurer that maintains a trust fund in a qualified United States financial institution, as defined in G.S. 58-7-26(b), for the payment of the valid claims of its United States ceding insurers, their assigns and successors in interest. The assuming insurer shall report annually to the Commissioner information substantially the same as that required to be reported on the NAIC Annual Statement form by licensed insurers to enable the Commissioner to determine the sufficiency of the trust fund. The assuming insurer shall submit to examination of its books and records by the Commissioner and bear the expense of examination.

…

c. The following requirements apply to the following categories of assuming insurer:

1. The trust fund for a single assuming insurer shall consist of funds in trust in an amount not less than the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers, and, in addition, the assuming insurer shall maintain a surplus in trust of not less than twenty million dollars ~~($20,000,000).~~($20,000,000), except as provided in sub-sub-subdivision c.1a. of this subdivision.

1a. At any time after the assuming insurer has permanently discontinued underwriting new business secured by the trust for at least three full years, the insurance regulator of the state with principal regulatory oversight of the trust may authorize a reduction in the required trusteed surplus, but only after a finding, based on an assessment of the risk, that the new

required surplus level is adequate for the protection of United States ceding insurers, policyholders, and claimants in light of reasonably foreseeable adverse loss development. The risk assessment may involve an actuarial review, including an independent analysis of reserves and cash flows, and shall consider all material risk factors, including, when applicable, the lines of business involved, the stability of the incurred loss estimates, and the effect of the surplus requirements on the assuming insurer's liquidity or solvency. The minimum required trusteed surplus may not be reduced to an amount less than thirty percent (30%) of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers covered by the trust.

2. In the case of a group including incorporated and individual unincorporated underwriters:

I. For reinsurance ceded under reinsurance agreements with an inception, amendment, or renewal date on or after August 1, 1995, the trust shall consist of an account in trust in an amount not less than the ~~group's~~ respective underwriters' several liabilities attributable to business ceded by United States domiciled ceding insurers to any ~~member~~ underwriter of the group.

II. For reinsurance ceded under reinsurance agreements with an inception date on or before July 31, 1995, and not amended or renewed after that date, notwithstanding the other provisions of this section and G.S. 58-7-26, the trust shall consist of an account in trust in an amount not less than the ~~group's~~ respective underwriters' several insurance and reinsurance liabilities attributable to business written in the United States.

In addition to these trusts, the group shall maintain in trust a surplus of which one hundred million dollars ($100,000,000) shall be held jointly for the benefit of the United States domiciled ceding insurers of any member of the group for all years of account. Each incorporated member of the group shall not be engaged in any business other than underwriting as a member of the group and shall be subject to the same level of regulation and solvency control by the group's domiciliary insurance regulator as are the unincorporated members. Within 90 days after its financial statements are due to be filed with the group's domiciliary insurance regulator, the group shall provide to the Commissioner an annual certification by the group's domiciliary insurance regulator of the solvency of each underwriter member or, if a certification is unavailable, financial statements prepared by independent public accountants of each underwriter member of the group.

3. The trust fund for a group of incorporated insurers under common administration, whose members possess aggregate policyholders surplus of ten billion dollars ($10,000,000,000), calculated and reported in substantially the same manner as prescribed by the annual statement instructions and

Accounting Practices and Procedures Manual of the NAIC, and which has continuously transacted an insurance business outside the United States for at least three years immediately prior to making application for accreditation, shall do all of the following:

I. Consist of funds in trust in an amount not less than the assuming insurers' several liabilities attributable to business ceded by United States domiciled ceding insurers to any members of the group pursuant to reinsurance contracts issued in the name of such group;

II. Maintain a joint trusteed surplus of which one hundred million dollars ($100,000,000) shall be held jointly for the benefit of United States domiciled ceding insurers of any member of the group; and

III. File a properly executed NAIC Form AR-1 as evidence of the submission to this State's authority to examine the books and records of any of its members and shall certify that any member examined will bear the expense of any such examination.

Within 90 days after the statements are due to be filed with the group's domiciliary regulator, the group shall file with the Commissioner an annual certification of each underwriter member's solvency by the member's domiciliary regulators, and financial statements, prepared by independent public accountants, of each underwriter member of the group.

d. Repealed by Session Laws 2001-223, s. 3.1. For applicability, see note.

(4a) Credit for reinsurance – Certified reinsurers. – Credit shall be allowed when the reinsurance is ceded to an assuming insurer that has been certified by the Commissioner as a reinsurer in this State and secures its obligations in accordance with the requirements of this subdivision.

a. In order to be eligible for certification, the assuming insurer shall meet the following requirements:

1. The assuming insurer must be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the Commissioner pursuant to sub-subdivision f. of this subdivision;

2. The assuming insurer must maintain capital and surplus, or its equivalent, of no less than two hundred fifty million dollars ($250,000,000) calculated in accordance with sub-sub-subdivision d.8. of this subdivision. This requirement may also be satisfied by an association including incorporated and individual unincorporated underwriters having minimum capital and surplus equivalents, net of liabilities, of at least two hundred fifty million dollars ($250,000,000) and a central fund containing a balance of at least two hundred fifty million dollars ($250,000,000);

3. The assuming insurer must maintain financial strength ratings from two or more rating agencies deemed acceptable by the Commissioner. These ratings shall be based on interactive communication between the rating agency and the assuming insurer and shall not be based solely on publicly available

information. These financial strength ratings will be one factor used by the Commissioner in determining the rating that is assigned to the assuming insurer. Acceptable rating agencies include the following:

I. Standard & Poor's;
II. Moody's Investors Service;
III. Fitch Ratings;
IV. A.M. Best Company; or
V. Any other nationally recognized statistical rating organization.

4. The assuming insurer must submit a properly executed NAIC Form CR-1 as evidence of its submission to the jurisdiction of this State, appointment of the Commissioner as an agent for service of process in this State, and agreement to provide security for one hundred percent (100%) of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers if it resists enforcement of a final United States judgment. The Commissioner shall not certify any assuming insurer that is domiciled in a jurisdiction that the Commissioner has determined does not adequately and promptly enforce final United States judgments or arbitration awards;

5. The certified reinsurer must agree to meet applicable information filing requirements, as determined by the Commissioner, both with respect to an initial application for certification and on an ongoing basis. All information submitted by certified reinsurers which is not otherwise public information subject to disclosure shall be exempted from disclosure under the North Carolina Public Records Act, Chapter 132 of the General Statutes, and shall be withheld from public disclosure. The applicable information filing requirements are as follows:

I. Notification within 10 days of any regulatory actions taken against the certified reinsurer, any change in the provisions of its domiciliary license, or any change in rating by an approved rating agency, including a statement describing such changes and the reasons therefore;
II. Annually, NAIC Form CR-F or CR-S, as applicable;
III. Annually, the report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in sub-sub-sub-subdivision a.5.IV. of this subdivision;
IV. Annually, audited United States generally accepted accounting principles basis financial statements, regulatory filings, and actuarial opinion as filed with the certified reinsurer's supervisor. Audited International Financial Reporting Standards basis statements are allowed but must include an audited footnote reconciling equity and net income to United States generally accepted accounting principles basis, or, with the permission of the Commissioner, audited International Financial Reporting Standards

statements with reconciliation to United States generally accepted accounting principles certified by an officer of the company. Upon the initial certification, audited financial statements for the last three years filed with the certified reinsurer's supervisor;

V. At least annually, an updated list of all disputed and overdue reinsurance claims regarding reinsurance assumed from United States domestic ceding insurers;

VI. A certification from the certified reinsurer's domestic regulator that the certified reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level; and

VII. Any other information that the Commissioner may reasonably require.

6. Any other requirements for certification deemed relevant by the Commissioner.

b. An association, including incorporated and individual unincorporated underwriters, may be a certified reinsurer. In order to be eligible for certification, in addition to satisfying requirements of sub-subdivision a. of this subdivision:

1. The association shall satisfy its minimum capital and surplus requirements through the capital and surplus equivalents, net of liabilities, of the association and its members, which shall include a joint central fund that may be applied to any unsatisfied obligation of the association or any of its members, in an amount determined by the Commissioner to provide adequate protection;

2. The incorporated members of the association shall not be engaged in any business other than underwriting as a member of the association and shall be subject to the same level of regulation and solvency control by the association's domiciliary regulator as are the unincorporated members; and

3. Within 90 days after its financial statements are due to be filed with the association's domiciliary regulator, the association shall provide to the Commissioner an annual certification by the association's domiciliary regulator of the solvency of each underwriter member or, if a certification is unavailable, financial statements, prepared by independent public accountants, of each underwriter member of the association.

c. Certification procedure. –

1. The Commissioner shall post notice on the Department's Web site promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The Commissioner may not take final action on the application until at least 30 days after posting the notice required by this sub-subdivision.

2. The Commissioner shall issue written notice to an assuming insurer that has made application and been approved as a certified reinsurer. Included in such notice shall be the rating assigned to the certified reinsurer in accordance with sub-subdivision d. of this subdivision.

3. Any other requirements reasonably imposed by the Commissioner.

d. Certified reinsurer rating. – the Commissioner shall assign a rating to each certified reinsurer on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association, including incorporated and individual unincorporated underwriters, that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating. The Commissioner shall publish a list of all certified reinsurers and their ratings. Factors that may be considered as part of the evaluation process include, but are not limited to, the following:

1. The certified reinsurer's financial strength rating from an acceptable rating agency. The maximum rating that a certified reinsurer may be assigned will correspond to its financial strength rating as outlined in the table below. The Commissioner shall use the lowest financial strength rating received from an approved rating agency in establishing the maximum rating of a certified reinsurer. A failure to obtain or maintain at least two financial strength ratings from acceptable rating agencies will result in loss of eligibility for certification;

Ratings	Best	S&P	Moody's	Fitch
Secure – 1	A++	AAA	Aaa	AAA
Secure – 2	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-
Secure – 3	A	A+, A	A1, A2	A+, A
Secure – 4	A-	A-	A3	A-
Secure – 5	B++, B+	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
Vulnerable – 6	B, B-, C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD

2. The business practices of the certified reinsurer in dealing with its ceding insurers, including its record of compliance with reinsurance contractual terms and obligations;

3. For certified reinsurers domiciled in the United States, a review of the most recent applicable NAIC Annual Statement Blank, either Schedule F for property/casualty reinsurers or Schedule S for life and health reinsurers;

4. For certified reinsurers not domiciled in the United States, a review annually of NAIC Form CR-F for property/casualty reinsurers or NAIC Form CR-S for life and health reinsurers;

5. The reputation of the certified reinsurer for prompt payment of claims under reinsurance agreements, based on an analysis of the ceding insurers' in the NAIC Annual Statement Blank Schedule F reporting of overdue reinsurance recoverables, including the proportion of obligations that are more than 90 days past due or are in dispute, with specific attention given to obligations payable to companies that are in administrative supervision or receivership. Based on the analysis conducted, the Commissioner may make appropriate adjustments in the security the certified reinsurer is required to post to protect its liabilities to United States ceding insurers, provided that the

Commissioner shall, at a minimum, increase the security the certified reinsurer is required to post by one rating level if the Commissioner finds that:

I. More than fifteen percent (15%) of the certified reinsurer's ceding insurance clients have overdue reinsurance recoverables on paid losses of 90 days or more which are not in dispute and which exceed one hundred thousand dollars ($100,000) for each cedent; or

II. The aggregate amount of reinsurance recoverables on paid losses which are not in dispute that are overdue by 90 days or more exceeds fifty million dollars ($50,000,000).

6. Regulatory actions against the certified reinsurer;

7. The report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in sub-sub-subdivision d.8. of this subdivision;

8. For certified reinsurers not domiciled in the United States, audited United States generally accepted accounting principles basis financial statements, regulatory filings, and actuarial opinion as filed with the non-United States jurisdiction supervisor. Audited International Financial Reporting Standards basis statements are allowed but must include an audited footnote reconciling equity and net income to United States generally accepted accounting principles basis, or, with the permission of the Commissioner, audited International Financial Reporting Standards statements with reconciliation to United States generally accepted accounting principles certified by an officer of the company. Upon the initial application for certification, the Commissioner will consider audited financial statements for the last three years filed with its non-United States jurisdiction supervisor;

9. The liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding;

10. A certified reinsurer's participation in any solvent scheme of arrangement, or similar procedure, which involves United States ceding insurers. The Commissioner shall receive prior notice from a certified reinsurer that proposes participation by the certified reinsurer in a solvent scheme of arrangement; and

11. Any other information deemed relevant by the Commissioner.

e. Credit allowed a ceding insurer. – The Commissioner shall allow credit for reinsurance ceded by a domestic insurer to an assuming insurer that has been certified as a reinsurer in this State at all times for which statutory financial statement credit for reinsurance is claimed under this subdivision. The credit allowed a ceding insurer shall be based upon the security held by or on behalf of the ceding insurer in accordance with the rating assigned to the certified reinsurer by the Commissioner pursuant to sub-subdivision d. of this subdivision. The security shall be maintained and in a form consistent with the provisions of G.S. 58-7-26. The amount of

security required in order for full credit to be allowed shall correspond with the following requirements:

1. Ratings — Security Required
   - Secure – 1 ..... 0%
   - Secure – 2 ..... 10%
   - Secure – 3 ..... 20%
   - Secure – 4 ..... 50%
   - Secure – 5 ..... 75%
   - Vulnerable – 6 ..... 100%
2. If a certified reinsurer maintains a trust to fully secure its obligations subject to subdivision (4) of this subsection, and chooses to secure its obligations incurred as a certified reinsurer in the form of a multibeneficiary trust, the certified reinsurer shall maintain separate trust accounts for its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer with reduced security, as permitted by this subdivision or comparable laws of other United States jurisdictions, and for its obligations subject to subdivision (4) of this subsection. It shall be a condition to the grant of certification under this subdivision that the certified reinsurer shall have bound itself, by the language of the trust and agreement with the insurance regulator with principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account.
3. The minimum trusteed surplus requirements provided in subdivision (4) of this subsection are not applicable with respect to a multibeneficiary trust maintained by a certified reinsurer for the purpose of securing obligations incurred under this subdivision, except that such trust shall maintain a minimum trusteed surplus of ten million dollars ($10,000,000).
4. With respect to obligations incurred by a certified reinsurer under this subdivision, if the security is insufficient, the Commissioner shall reduce the allowable credit by an amount proportionate to the deficiency and has the discretion to impose further reductions in allowable credit upon finding that there is a material risk that the certified reinsurer's obligations will not be paid in full when due.
5. For purposes of this subdivision, a certified reinsurer whose certification has been terminated for any reason shall be treated as a certified reinsurer required to secure one hundred percent (100%) of its obligations.
   I. As used in this sub-sub-subdivision, the term "terminated" refers to revocation, suspension, voluntary surrender, and inactive status.
   II. If the Commissioner continues to assign a higher rating as permitted by other provisions of this subdivision, this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

6. Affiliated reinsurance transactions shall receive the same opportunity for reduced security requirements as all other reinsurance transactions.
7. The Commissioner shall require the certified reinsurer to post one hundred percent (100%), for the benefit of the ceding insurer or its estate, security upon the entry of an order of rehabilitation or liquidation or conservation against the ceding insurer.
8. In order to facilitate the prompt payment of claims, a certified reinsurer shall not be required to post security for catastrophe recoverables for a period of one year from the date of the first instance of a liability reserve entry by the ceding company insurer as a result of a loss from a catastrophic occurrence as recognized by the Commissioner. The one-year deferral period is contingent upon the certified reinsurer continuing to pay claims in a timely manner. Reinsurance recoverables for only the following lines of business as reported on the NAIC annual financial statement related specifically to the catastrophic occurrence will be included in the deferral:
   I. Line 1: Fire.
   II. Line 2: Allied lines.
   III. Line 3: Farmowners multiple peril.
   IV. Line 4: Homeowners multiple peril.
   V. Line 5: Commercial multiple peril.
   VI. Line 9: Inland marine.
   VII. Line 12: Earthquake.
   VIII. Line 21: Auto physical damage.
9. Credit for reinsurance under this sub-subdivision shall apply only to reinsurance contracts entered into or renewed on or after the effective date of the certification of the assuming insurer. Any reinsurance contract entered into prior to the effective date of the certification of the assuming insurer that is subsequently amended after the effective date of the certification of the assuming insurer, or a new reinsurance contract, covering any risk for which collateral was provided previously, shall only be subject to this sub-subdivision with respect to losses incurred and reserves reported from and after the effective date of the amendment or new contract.
10. Nothing in this sub-subdivision shall prohibit the parties to a reinsurance agreement from agreeing to provisions establishing security requirements that exceed the minimum security requirements established for certified reinsurers under this sub-subdivision.

f. Qualified jurisdictions. – The Commissioner shall create and publish a list of qualified jurisdictions under which an assuming insurer licensed and domiciled in such jurisdiction is eligible to be considered for certification by the Commissioner as a certified reinsurer.
   1. In order to determine whether the domiciliary jurisdiction of a non-United States assuming insurer is eligible to be recognized as a qualified jurisdiction, the Commissioner shall evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, both

initially and on an ongoing basis, and consider the rights, benefits, and the extent of reciprocal recognition afforded by the non-United States jurisdiction to reinsurers licensed and domiciled in the United States. A qualified jurisdiction must agree to share information and cooperate with the Commissioner with respect to all certified reinsurers domiciled within that jurisdiction. Additional factors to be considered in determining whether to recognize a qualified jurisdiction, in the discretion of the Commissioner, include, but are not limited to, the following:

I. The framework under which the assuming insurer is regulated.

II. The structure and authority of the domiciliary regulator with regard to solvency regulation requirements and financial surveillance.

III. The substance of financial and operating standards for assuming insurers in the domiciliary jurisdiction.

IV. The form and substance of financial reports required to be filed or made publicly available by reinsurers in the domiciliary jurisdiction and the accounting principles used.

V. The domiciliary regulator's willingness to cooperate with United States regulators in general and the Commissioner in particular.

VI. The history of performance by assuming insurers in the domiciliary jurisdiction.

VII. Any documented evidence of substantial problems with the enforcement of final United States judgments in the domiciliary jurisdiction. A jurisdiction will not be considered to be a qualified jurisdiction if the Commissioner has determined that it does not adequately and promptly enforce final United States judgments or arbitration awards.

VIII. Any relevant international standards or guidance with respect to mutual recognition of reinsurance supervision adopted by the International Association of Insurance Supervisors or successor organization.

IX. Any other matters deemed relevant by the Commissioner.

2. The Commissioner shall consider the list of qualified jurisdictions published by the NAIC in determining qualified jurisdictions. If the Commissioner approves a jurisdiction as qualified that does not appear on the NAIC's list of qualified jurisdictions, the Commissioner shall provide thoroughly documented justification with respect to the criteria provided under sub-sub-sub-subdivision f.1.I. through IX. of this subdivision.

3. United States jurisdictions that meet the requirement for accreditation under the NAIC financial standards and accreditation program shall be recognized as qualified jurisdictions.

4. If a certified reinsurer's domiciliary jurisdiction ceases to be a qualified jurisdiction, the Commissioner has the discretion to

suspend the reinsurer's certification indefinitely, in lieu of revocation.

g. Recognition of certification issued by an NAIC accredited jurisdiction. – If an applicant for certification has been certified as a reinsurer in an NAIC accredited jurisdiction, the Commissioner has the discretion to defer to that jurisdiction's certification and has the discretion to defer to the rating assigned by that jurisdiction, if the assuming insurer submits a properly executed NAIC Form CR-1 and such additional information as the Commissioner requires. The assuming insurer shall be considered to be a certified reinsurer in this State. Any change in the certified reinsurer's status or rating in the other jurisdiction shall apply automatically in this State as of the date it takes effect in the other jurisdiction. The certified reinsurer shall notify the Commissioner of any change in its status or rating within 10 days after receiving notice of the change. The Commissioner may withdraw recognition of the other jurisdiction's rating at any time and assign a new rating in accordance with sub-subdivision d. of this subdivision. The Commissioner may withdraw recognition of the other jurisdiction's certification at any time, with written notice to the certified reinsurer. Unless the Commissioner suspends or revokes the certified reinsurer's certification in accordance with sub-subdivision j. of this subdivision, the certified reinsurer's certification shall remain in good standing in this State for a period of three months, which shall be extended if additional time is necessary to consider the assuming insurer's application for certification in this State.

h. Inactive certified reinsurer. – A certified reinsurer that ceases to assume new business in this State may request to maintain its certification in inactive status in order to continue to qualify for a reduction in security for its in-force business. An inactive certified reinsurer shall continue to comply with all applicable requirements of this subdivision, and the Commissioner shall assign a rating that takes into account, if relevant, the reasons why the reinsurer is not assuming new business.

i. Change in rating or revocation of certification. –

1. In the case of a downgrade by a rating agency or other disqualifying circumstance, the Commissioner shall, upon written notice, assign a new rating to the certified reinsurer in accordance with the requirements of sub-subdivision d. of this subdivision.
2. The Commissioner shall have the authority to suspend, revoke, or otherwise modify a certified reinsurer's certification at any time if the certified reinsurer fails to meet its obligations or security requirements under this subdivision or, if other financial or operating results of the certified reinsurer, or documented significant delays in payment by the certified reinsurer, lead the Commissioner to reconsider the certified reinsurer's ability or willingness to meet its contractual obligations.
3. If the rating of a certified reinsurer is upgraded by the Commissioner, the certified reinsurer may meet the security requirements applicable to its new rating on a prospective basis, but the Commissioner shall require the certified reinsurer to post security under the previously applicable

security requirements as to all contracts in force on or before the effective date of the upgraded rating. If the rating of a certified reinsurer is downgraded by the Commissioner, the Commissioner shall require the certified reinsurer to meet the security requirements applicable to its new rating for all business it has assumed as a certified reinsurer.

4. Upon revocation of the certification of a certified reinsurer by the Commissioner, the assuming insurer shall be required to post security in accordance with G.S. 58-7-26 in order for the ceding insurer to continue to take credit for reinsurance ceded to the assuming insurer. If funds continue to be held in trust, in accordance with subdivision (4) of this subsection, the Commissioner may allow additional credit equal to the ceding insurer's pro rata share of such funds, discounted to reflect the risk of uncollectibility and anticipated expenses of trust administration. Notwithstanding the change of a certified reinsurer's rating or revocation of its certification, a domestic insurer that has ceded reinsurance to that certified reinsurer may not be denied credit for reinsurance for a period of three months for all reinsurance ceded to that certified reinsurer, unless the reinsurance is found by the Commissioner to be at high risk of uncollectibility.

j. Mandatory funding clause. – In addition to the clauses required by rule, reinsurance contracts entered into or renewed under this subdivision shall include a proper funding clause, which requires the certified reinsurer to provide and maintain security in an amount sufficient to avoid the imposition of any financial statement penalty on the ceding insurer under this subdivision for reinsurance ceded to the certified reinsurer.

k. NAIC reporting and notification requirements. – The Commissioner shall comply with all reporting and notification requirements that may be established by the NAIC with respect to certified reinsurers and qualified jurisdictions.

(5) Credit shall be allowed when the reinsurance is ceded to an assuming insurer not meeting the requirements of subdivisions (1), (2), (3), ~~or (4),~~(4), or (4a) of this subsection, but only with respect to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

(6) If the assuming insurer is not licensed, ~~or accredited~~ accredited, or certified to transact insurance or reinsurance in this State, the credit permitted by subdivisions (3) and (4) of this subsection shall not be allowed unless the assuming insurer agrees in the reinsurance agreements:

a. That if the assuming insurer fails to perform its obligations under the terms of the reinsurance agreement, the assuming insurer, at the ceding insurer's request, shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, shall comply with all requirements necessary to give the court jurisdiction, and shall abide by the final decision of the court or of any appellate court if there is an appeal; and

b. To designate the Commissioner or a designated attorney as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding begun by or on behalf of the ceding ~~company.~~insurer.

This subdivision does not affect the obligation of the parties to a reinsurance agreement to arbitrate their disputes, if the obligation is created in the agreement.

(7) If the assuming insurer does not meet the requirements of subdivision (1), (2), or (3) of this subsection, the credit permitted by subdivision (4) or (4a) of this subsection shall not be allowed unless the assuming insurer agrees in the trust agreements to the following conditions:

a. Notwithstanding any other provisions in the trust instrument, if the trust fund is inadequate because it contains an amount less than the amount required by ~~sub-subdivision of this subsection,~~ sub-subdivision (4)c. of this subsection, or if the grantor of the trust has been declared insolvent or placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of its state or country of domicile, the trustee shall comply with an order of the public official with regulatory oversight over the trust or with an order of a court of competent jurisdiction directing the trustee to transfer to the public official with regulatory oversight all of the assets of the trust fund.

b. The assets shall be distributed by, and claims shall be filed with and valued by, the public official with regulatory oversight in accordance with the laws of the state in which the trust is domiciled that are applicable to the liquidation of domestic insurance companies.

c. If the public official with regulatory oversight determines that the assets of the trust fund or any part thereof are not necessary to satisfy the claims of the United States ceding insurers of the grantor of the trust, those assets shall be returned by the public official with regulatory oversight to the trustee for distribution in accordance with the trust agreement.

d. The grantor shall waive any right otherwise available to it under United States law that is inconsistent with this provision.

(8) Failure to meet requirements. – If an accredited or certified reinsurer ceases to meet the requirements for accreditation or certification, the Commissioner may suspend or revoke the reinsurer's accreditation or certification.

a. The Commissioner must give the reinsurer notice and opportunity for hearing. The suspension or revocation may not take effect until after the Commissioner's order on hearing, unless:

1. The reinsurer waives its right to hearing;

2. The Commissioner's order is based on regulatory action by the reinsurer's domiciliary jurisdiction or the voluntary surrender or termination of the reinsurer's eligibility to transact insurance or reinsurance business in its domiciliary jurisdiction or in the primary certifying state of the reinsurer under sub-subdivision (4a)f. of this subsection; or

3. The Commissioner finds that an emergency requires immediate action, and a court of competent jurisdiction has not stayed the Commissioner's action.

b. While a reinsurer's accreditation or certification is suspended, no reinsurance contract issued or renewed after the effective date of the suspension qualifies for credit except to the extent that the reinsurer's obligations under the contract are secured in accordance with G.S. 58-7-26. If a reinsurer's accreditation or certification is revoked, no credit for reinsurance may be granted after the effective date of the revocation except to the extent that the reinsurer's obligations

under the contract are secured in accordance with sub-subdivision (4a)e. of this subsection or G.S. 58-7-26.

(9) Concentration risk. -

a. A ceding insurer shall take steps to manage its reinsurance recoverables proportionate to its own book of business. A domestic ceding insurer shall notify the Commissioner within 30 days after reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, exceeds fifty percent (50%) of the domestic ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

b. A ceding insurer shall take steps to diversify its reinsurance program. A domestic ceding insurer shall notify the Commissioner within 30 days after ceding to any single assuming insurer, or group of affiliated assuming insurers, more than twenty percent (20%) of the ceding insurer's gross written premium in the prior calendar year, or after it has determined that the reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer."

SECTION 3. G.S. 58-7-26(a) reads as rewritten:

"**§ 58-7-26. Asset or reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of G.S. 58-7-21.**

(a) An asset or a reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of G.S. 58-7-21 shall be allowed in an amount not exceeding the liabilities carried by the ceding insurer. The reduction shall be in the amount of funds held by or on behalf of the ceding insurer, including funds held in trust for the ceding insurer, under a reinsurance contract with the assuming insurer as security for the payment of obligations thereunder, if the security is held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer; or, in the case of a trust, held in a qualified United States financial institution as defined in subsection (c) of this section. This security may be in the form of:

(1) Cash;

(2) Securities that are listed by the Securities Valuation Office of the ~~NAIC~~ NAIC, including those deemed exempt from filing as defined by the Purposes and Procedures Manual of the Securities Valuation Office, and qualifying as admitted assets;

(3) Clean, irrevocable, unconditional letters of credit, issued or confirmed by a qualified United States financial institution, as defined in subsection (b) of this section, effective no later than December 31 of the year for which the filing is being made, and in the possession of, or in trust for, the ceding ~~company~~ insurer on or before the filing date of its annual statement. Letters of credit meeting applicable standards of issuer acceptability as of the dates of their issuance (or confirmation) shall, notwithstanding the issuing (or confirming) institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security until their expiration, extension, renewal, modification or amendment, whichever occurs first; or

(4) Any other form of security acceptable to the Commissioner."

SECTION 4. The Department of Insurance shall adopt rules substantially similar to the most recent model regulation on suitability in annuity transactions issued by the National

Association of Insurance Commissioners. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.

SECTION 5. Part 4 of Article 60 of Chapter 58 of the General Statutes is repealed.

SECTION 6. Sections 2 and 3 of this act become effective January 1, 2019. Section 1 of this act becomes effective January 1, 2018, and the Commissioner may request filing of a report under G.S. 58-10-720, as enacted by Section 1 of this act, on or after that date. Section 5 of this act becomes effective on the date that rules adopted pursuant to Section 4 of this act become effective. The remainder of this act is effective when it becomes law. The Codifier of Rules shall notify the Revisor of Statutes of the effective date of rules adopted as required by this act. Except as otherwise provided, the remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-137 **H.B. 501**

AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO INCLUDE SURVEYING INFORMATION IN ANY PLANS PREPARED FOR THE PURPOSE OF ACQUIRING CERTAIN PROPERTY RIGHTS, TO MAKE CHANGES TO THE DEPARTMENT OF TRANSPORTATION RESIDUE PROPERTY DISPOSAL PROCEDURE, AND TO MODIFY THE FINANCIAL RESPONSIBILITY LIMITS FOR TAXICABS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 136 of the General Statues is amended by adding a new section to read:

"**§ 136-19.4A. Required surveying information in certain acquisition plans.**

The Department of Transportation shall include in any plan prepared for the purpose of acquiring right-of-way, a permanent easement, or both, that depicts property lines, right-of-way lines, or permanent easements, a set of drawings that clearly identify design alignments, baseline control points, found property-related corner markers, and new right-of-way and permanent easement corner markers. Plans subject to the requirements of this section shall document the localized coordinates for each major control point along the design alignments. The coordinates and associated localization metadata shall be based upon, and tied to, the North Carolina State Plane Coordinate system and shall be clearly identified within the plans. All property corner markers found and surveyed shall be clearly identified within the plans in accordance with general surveying standards and procedures. Each property corner marker shall be accurately tied to the design alignment or the North Carolina State Plane Coordinate system, by either a system of bearings and distances or by station and offset."

SECTION 2.(a) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-19.6. Residue property disposal; Department authority; definitions; classification and valuation; disposition method; proceeds; approvals required.**

(a) State Policy. – It is the policy of the State that the Department of Transportation shall dispose of its residue real property as expeditiously as possible for the benefit of the citizens and taxpayers of the State.

(b) Department Authority to Dispose of Residue Property. – The Department, in accordance with this section, is vested with the power to manage, control, and dispose of real property acquired in fee simple and that the Department determines to be residue property.

(c) Definitions. – When used in this section, the following definitions apply:

(1) Appraised value. – The value of residue property determined by an appropriate area appraiser or appraiser using Department appraisal methodology.

(2) Appraiser. – An appraiser licensed or certified by the North Carolina Appraisal Board and approved by the Department to accomplish Department appraisals.

(3) Area appraiser. – A Department supervising staff appraiser currently associated with a Department area appraisal office.

(4) Current market value. – The value of property determined by the Department, in the absence of an appraised value, when obtaining an appraisal is not feasible as determined by the Department. This value shall be determined by the appropriate Division Right-of-Way agent and Right-of-Way Unit manager. The Department shall document a determination of current market value by means other than determining an appraised value.

(5) Negotiated sale. – Method of sale involving discussion and agreement of sale terms with a single or limited group of purchasers. This method may be undertaken by the Department or the Department may delegate a negotiated sale of residue property to real estate brokers licensed in this State, at the election of the Chief Engineer.

(6) Public sale. – Method of disposing of residue property utilizing advertising and solicitation of competitive bids. This method may be undertaken by the Department or the Department may delegate a public sale to a real estate broker, auctioneer, or auction firm licensed in this State, at the election of the Chief Engineer.

(7) Residue property. – Real property that is owned in fee simple by the Department that was acquired by the Department in addition to the property necessary for a transportation project because it would have been an uneconomic remnant to the prior owner following completion of that transportation project.

(8) Residue property value. – The Department approved value of the residue property established by either the current market value or appraised value method.

(9) Uneconomic remnant. – Real property, that was located outside of a proposed right-of-way prior to acquisition, determined to have nominal or no value to the owner after a Department acquisition pursuant to G.S. 136-19.

(10) Upset bid. – At a public sale, an increased bid by a person that exceeds the highest bid received in response to the notice of public sale, or the last upset bid, as applicable, by a minimum of five percent (5%).

(d) Classification of Residue Property. – The Department shall adopt criteria to guide the Department in classifying residue property, in its opinion, according to its highest potential benefit to the Department or potential purchasers. Once classified, residue property that has not been disposed of within five years shall be reviewed and reclassified if appropriate.

(1) Residue property of sufficient size and access to allow commercial or residential development shall be designated "Class A."

(2) Residue property that enhances the value of adjacent property by allowing more extensive use when joined with adjacent property shall be designated "Class B."

(3) Residue property that, due to size or access, is only of value to adjacent property owners, or that is of minimal or no value, shall be designated "Class C."

(4) Residue property that has not yet been classified or may be needed by the Department for future use shall be designated "Class D."

(e) Residue Property Inventory. – The Department shall create and maintain a single comprehensive and up-to-date inventory of residue property owned in fee simple by the Department.

(f) Methods of Disposition Based on Class of Residue Property. – The Department shall utilize its best efforts to dispose of Class A, Class B, and Class C residue property within four years of its classification and in accordance with the following methods:

(1) Public sale. – The sale of Class A residue property shall be disposed of by public sale and may be sold by either sealed bid or by auction at the election of the Right-of-Way Branch of the Department. The sale of the property must be advertised by at least two of the following methods:

a. Publication once a week for at least two successive weeks in a newspaper qualified for legal advertising published in the area in which the residue property is located or, if no newspaper qualified for legal advertising is published in the area, in a newspaper having general circulation in the area in which the residue property is located.

b. Placement on the Department Web site.

c. Placement of a "For Sale" sign on the residue property.

Upset bids must be received within 10 business days following the deadline for receipt of sealed bids or closing of an auction. The highest bid shall be presented to the Board of Transportation at its next regular meeting after the deadline for receipt of bids for rejection or acceptance. The Department may reject all bids if the Department does not consider the bids to be in accord with the appraised value as approved by the Department. The Department shall approve an appraised value for Class A residue property prior to disposition pursuant to this subdivision.

(2) Other methods of disposition for residue property. –

a. Class A, Class B, or Class C residue property may be conveyed to a State agency, public institution, and other local governmental units by negotiated sale or exchange or may be donated provided its future use is for public purposes.

b. Class B residue property may be sold, in whole or in part, where feasible, by either negotiated sale or exchange for a residue property value that is approved by the Division Right-of-Way agent and the Right-of-Way Unit manager.

c. Class C residue property may be sold to an adjacent property owner, in whole or in part, where feasible, by either negotiated sale or exchange for the residue property value that is approved by the Division Right-of-Way agent and the Right-of-Way Unit manager.

d. Class B and Class C residue property with an area of one acre or less and a residue property value of twenty-five thousand dollars ($25,000) or less may be sold by negotiated sale or exchange with an adjoining owner. The Division Right-of-Way agent or their designee may negotiate with the adjoining owners concerning the disposal of each residue for a consideration that is approved by the Division Right-of-Way agent and the Right-of-Way Unit manager.

(3) Exchange with a public utility company. – Class B and Class C residue property may be used for the purpose of exchange with a public utility company in part or in full consideration for acquiring rights-of-way. The exchange shall be based on the residue property value and the fair market value of rights-of-way to be acquired.

(4) Exchange with a property owner. – Class B and Class C residue property may be used for the purpose of exchange with another property owner in part or full consideration for acquiring rights-of-way. The exchange shall be based on the residue property value and the fair market value of rights-of-way to be acquired.

(5) Sale to persons displaced by a transportation project. – Residue property may be sold by negotiated sale to a property owner displaced by a transportation project and shall be based upon the residue property value. Residue property sold pursuant to this subdivision shall not include any real property previously owned by a displaced property owner.

(g) Proceeds to State Highway Fund. – Notwithstanding G.S. 146-15 and G.S. 146-30, no service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition of residue property pursuant to this section. Net proceeds received pursuant to disposition of residue property in accordance with this section, less any apportionment required by federal law or regulation regulating its use, shall be deposited in the State Highway Fund.

(h) Approvals Required. – All conveyances of residue property require Department and Board of Transportation approval. Conveyance of residue property with a residue property value of less than ten thousand dollars ($10,000) shall not require the approval of the Governor and Council of State; otherwise Governor and Council of State approval is also required.

(i) Recordation of Conveyance. – The Department shall record all conveyances of residue property pursuant to this section in accordance with G.S. 47-27 and other applicable State law.

(j) Rule-Making Authority. – The Department shall also have the authority to adopt, amend, or repeal rules as it may deem necessary to carry out its duties under the provisions of this section.

(k) Reconveyance to Former Owner. – Nothing in this section shall preclude the reconveyance of condemned property to its former owner pursuant to G.S. 136-19.

(*l*) Report to Joint Legislative Transportation Oversight Committee. – No later than March 1, 2019, and by March 1 each year thereafter, the Department shall report to the Joint Legislative Transportation Oversight Committee on the classification and sale of residue properties pursuant to this section. At a minimum, this report shall include information on the following:

(1) The number and type of properties classified.

(2) The number and type of properties sold, including information about the manner of sale, the identity of the purchaser, and the average ratio of sale price to residue property value of the properties sold."

SECTION 2.(b) Pilot Program to Reduce Inventory of DOT Residue Property. – No later than January 1, 2018, the Department shall establish a pilot program for disposing of residue property in accordance with Section 1(a) of this act. In implementing this pilot program, the Department shall prepare a request for proposals to select three real estate brokers and three real estate auctioneers or real estate auction firms to dispose of a representative sample of residue properties, selected by the Department, consisting of at least 15 Class A properties, 30 Class B properties, and 45 Class C properties distributed throughout the State. If the quantity of residue property in each class is insufficient to satisfy this minimum, the Department may set a minimum based on the quantity of residue properties available. The term for the initial contracts awarded shall be 180 days. The Department shall repeat the request for proposals process to award contracts for a subsequent 180-day term. The Department shall review the progress of residue property disposition pursuant to each contract awarded through the pilot program. The pilot program shall terminate on January 1, 2019.

SECTION 2.(c) No later than March 1, 2018, and by March 1, 2019, the Department shall report to the Joint Legislative Transportation Oversight Committee on the classification and sale of residue properties pursuant to the pilot program established pursuant to Section 1(b) of this act. At a minimum, this report shall include information on the following:

(1) The number and type of properties classified and offered as part of each request for proposal.

(2) The details of each request for proposal and award of contract pursuant to each request for proposal.

(3) The number and type of properties sold, including information about the manner of sale, the identity of the purchaser, and the average ratio of sale price to residue property value of the properties sold.

SECTION 2.5. G.S. 20-280 reads as rewritten:

"**§ 20-280. Filing proof of financial responsibility with governing board of municipality or county.**

(a) Within 30 days after March 27, 1951, every person, firm or corporation engaging in the business of operating a taxicab or taxicabs within a municipality shall file with the governing board of the municipality in which such business is operated proof of financial responsibility as hereinafter defined.

No governing board of a municipality shall hereafter issue any certificate of convenience and necessity, franchise, license, permit or other privilege or authority to any person, firm or corporation authorizing such person, firm or corporation to engage in the business of operating a taxicab or taxicabs within the municipality unless such person, firm or corporation first files with said governing board proof of financial responsibility as hereinafter defined.

Within 30 days after the ratification of this section, every person, firm or corporation engaging in the business of operating a taxicab or taxicabs without the corporate limits of a municipality or municipalities, shall file with the board of county commissioners of the county in which such business is operated proof of financial responsibility as hereinafter defined.

No person, firm or corporation shall hereafter engage in the business of operating a taxicab or taxicabs without the corporate limits of a municipality or municipalities in any county unless such person, firm or corporation first files with the board of county commissioners of the county in which such business is operated proof of financial responsibility as hereinafter defined.

(b) As used in this section "proof of financial responsibility" shall mean a certificate of any insurance carrier duly authorized to do business in the State of North Carolina certifying that there is in effect a policy of liability insurance insuring the owner and operator of the taxicab business, his agents and employees while in the performance of their duties against loss from any liability imposed by law for damages including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property caused by accident and arising out of the ownership, use or operation of such taxicab or taxicabs, subject to limits (exclusive of interests and costs) with respect to each such motor vehicle as follows: ~~thirty thousand dollars ($30,000)~~one hundred thousand dollars ($100,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, ~~sixty thousand dollars ($60,000)~~three hundred thousand dollars ($300,000) because of bodily injury to or death of two or more persons in any one accident, and ~~twenty-five thousand dollars ($25,000)~~ fifty thousand dollars ($50,000) because of injury to or destruction of property of others in any one accident.

~~(c) Every person, firm or corporation who engages in the taxicab business and who is a member of or participates in any trust fund or sinking fund, which said trust fund or sinking fund is for the sole purpose of paying claims, damages or judgments against persons, firms or corporations engaging in the taxicab business and which trust fund or sinking fund is approved by the governing body of any city or municipality with a population of over 50,000, shall be deemed a compliance with the financial responsibility provisions of this section.~~

~~Provided, however, that in the case of operators of 15 or more taxicabs, the limits (exclusive of interests and costs), with respect to each such motor vehicle shall be as follows: twenty thousand dollars ($20,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, forty thousand dollars ($40,000) because of bodily injury to or death of two or more persons in any one accident, and twenty-five thousand dollars ($25,000) because of injury to or destruction of property of others in any one accident.~~"

SECTION 3. This act becomes effective October 1, 2017. Section 1 applies to plans prepared for acquisitions on or after the effective date.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-138 **H.B. 436**

AN ACT TO PROVIDE FOR UNIFORM AUTHORITY TO IMPLEMENT SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS IN NORTH CAROLINA AND TO CLARIFY THE APPLICABLE STATUTE OF LIMITATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 162A of the General Statutes is amended by adding a new Article to read:

"Article 8.

"System Development Fees.

"**§ 162A-200. Short title.**

This Article shall be known and may be cited as the "Public Water and Sewer System Development Fee Act."

"**§ 162A-201. Definitions.**

The following definitions apply in this Article:

(1) Capital improvement. – A planned facility or expansion of capacity of an existing facility other than a capital rehabilitation project necessitated by and attributable to new development.

(2) Capital rehabilitation project. – Any repair, maintenance, modernization, upgrade, update, replacement, or correction of deficiencies of a facility, including any expansion or other undertaking to increase the preexisting level of service for existing development.

(3) Existing development. – Land subdivisions, structures, and land uses in existence at the start of the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee.

(4) Facility. – A water supply, treatment, storage, or distribution facility, or a wastewater collection, treatment, or disposal facility, including for reuse or reclamation of water, owned or operated, or to be owned or operated, by a local governmental unit and land associated with such facility.

(5) Local governmental unit. – Any political subdivision of the State that owns or operates a facility, including those owned or operated pursuant to local act of the General Assembly or pursuant to Part 2 of Article 2 of Chapter 130A, Article 15 of Chapter 153A, Article 16 of Chapter 160A, or Articles 1, 4, 5, 5A, or 6 of Chapter 162A of the General Statutes.

(6) New development. – Any of the following occurring after the date a local government begins the written analysis process required by G.S. 162A-205, no more than one year prior to the adoption of a system development fee, which increases the capacity necessary to serve that development:

a. The subdivision of land.

b. The construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which increases the number of service units.

c. Any use or extension of the use of land which increases the number of service units.

(7) Service. – Water or sewer service, or water and sewer service, provided by a local governmental unit.

(8) Service unit. – A unit of measure, typically an equivalent residential unit, calculated in accordance with generally accepted engineering or planning standards.

(9) System development fee. – A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges, lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:

a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.

b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.

c. Availability charges.

d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.

e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).

(10) System development fee analysis. – An analysis meeting the requirements of G.S. 162A-205.

"**§ 162A-202. Reserved.**

"**§ 162A-203. Authorization of system development fee.**

(a) A local governmental unit may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of this Article.

(b) A system development fee adopted by a local governmental unit under any lawful authority other than this Article and in effect on October 1, 2017, shall be conformed to the requirements of this Article not later than July 1, 2018.

"**§ 162A-204. Reserved.**

"**§ 162A-205. Supporting analysis.**

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

(1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.

(2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.

(3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as

to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.

(4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.

(5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.

(6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.

(7) Covers a planning horizon of not less than 10 years nor more than 20 years.

(8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.

"**§ 162A-206. Reserved.**

"**§ 162A-207. Minimum requirements.**

(a) Maximum. – A system development fee shall not exceed that calculated based on the system development fee analysis.

(b) Revenue Credit. – In applying the incremental cost or marginal cost, or the combined cost, method to calculate a system development fee with respect to water or sewer capital improvements, the system development fee analysis must include as part of that methodology a credit against the projected aggregate cost of water or sewer capital improvements. That credit shall be determined based upon generally accepted calculations and shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development, anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements.

(c) Construction or Contributions Credit. – In calculating the system development fee with respect to new development, the local governmental unit shall credit the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for use of others outside of the development. No credit shall be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities.

"**§ 162A-208. Reserved.**

"**§ 162A-209. Adoption and periodic review.**

(a) For not less than 45 days prior to considering the adoption of a system development fee analysis, the local governmental unit shall post the analysis on its Web site and solicit and furnish a means to submit written comments, which shall be considered by the preparer of the analysis for possible modifications or revisions.

(b) After expiration of the period for posting, the governing body of the local governmental unit shall conduct a public hearing prior to considering adoption of the analysis with any modifications or revisions.

(c) The local governmental unit shall publish the system development fee in its annual budget or rate plan or ordinance. The local governmental unit shall update the system development fee analysis at least every five years.

"**§ 162A-210. Reserved.**

"**§ 162A-211. Use and administration of revenue.**

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

(1) Costs of constructing capital improvements including, and limited to, any of the following:
a. Construction contract prices.
b. Surveying and engineering fees.
c. Land acquisition cost.
d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(b) Revenue from system development fees calculated using the buy-in method may be expended for previously completed capital improvements for which capacity exists and for capital rehabilitation projects. The basis for the buy-in calculation for previously completed capital improvements shall be determined by using a generally accepted method of valuing the actual or replacement costs of the capital improvement for which the buy-in fee is being collected less depreciation, debt credits, grants, and other generally accepted valuation adjustments.

(c) A local governmental unit may pledge a system development fee as security for the payment of debt service on a bond, note, or other obligation subject to compliance with the foregoing limitations.

(d) System development fee revenues shall be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section.

"**§ 162A-212. Reserved.**

"**§ 162A-213. Time for collection of system development fees.**

For new development involving the subdivision of land, the system development fee shall be collected by a local governmental unit either at the time of plat recordation or when water or sewer service for the subdivision or other development is committed by the local governmental unit. For all other new development, the local governmental unit shall collect the system development fee at the time of application for connection of the individual unit of development to the service or facilities.

"**§ 162A-214. Reserved.**

"**§ 162A-215. Narrow construction.**

Notwithstanding G.S. 153A-4 and G.S. 160A-4, in any judicial action interpreting this Article, all powers conferred by this Article shall be narrowly construed to ensure that system development fees do not unduly burden new development."

SECTION 2. G.S. 130A-64 reads as rewritten:

"**§ 130A-64. Service charges and rates.**

(a) A sanitary district board shall apply service charges and rates based upon the exact benefits derived. These service charges and rates shall be sufficient to provide funds for the maintenance, adequate depreciation and operation of the work of the district. If reasonable, the service charges and rates may include an amount sufficient to pay the principal and interest maturing on the outstanding bonds and, to the extent not otherwise provided for, bond anticipation notes of the district. Any surplus from operating revenues shall be set aside as a separate fund to be applied to the payment of interest on or to the retirement of bonds or bond anticipation notes. The sanitary district board may modify and adjust these service charges and rates.

(b) The district board may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 3. G.S. 153A-277 reads as rewritten:

"**§ 153A-277. Authority to fix and enforce rates.**

(a) A county may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by a public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary for the same class of service in different areas of the county and may vary according to classes of service, and different schedules may be adopted for services provided outside of the county. A county may include a fee relating to subsurface discharge wastewater management systems and services on the property tax bill for the real property where the system for which the fee is imposed is located.

…

(a2) A county may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes.

…."

SECTION 4.(a) G.S. 160A-314 reads as rewritten:

"**§ 160A-314. Authority to fix and enforce rates.**

(a) A city may establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished or to be furnished by any public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary according to classes of service, and different schedules may be adopted for services provided outside the corporate limits of the city.

…

(e) A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 4.(b) G.S. 160A-317 is amended by adding a new subsection to read:

"(a4) System Development Fees. – A city may require system development fees only in accordance with Article 8 of Chapter 162A of the General Statutes."

SECTION 5.(a) G.S. 162A-6(a) is amended by adding a new subdivision to read:

"(9a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 5.(b) G.S. 162A-9 is amended by adding a new subsection to read:

"(a5) An authority may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(a) G.S. 162A-36(a) is amended by adding a new subdivision to read:

"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 6.(b) G.S. 162A-49 reads as rewritten:

"**§ 162A-49. Rates and charges for services.**

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of land for the services furnished or to be furnished by any water system or sewerage system or both. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the water system or sewerage system or both, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the water system or the sewerage system or both, the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so

as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(a) G.S. 162A-69 is amended by adding a new subdivision to read:

"(8a) To impose and require system development fees only in accordance with Article 8 of this Chapter."

SECTION 7.(b) G.S. 162A-72 reads as rewritten:

"**§ 162A-72. Rates and charges for services.**

(a) The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of and for the services furnished or to be furnished by any sewerage system. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the sewerage system, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the sewerage system the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 8. G.S. 162A-85.13 is amended by adding a new subsection to read:

"(a1) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 9. G.S. 162A-88 reads as rewritten:

"**§ 162A-88. District is a municipal corporation.**

(a) The inhabitants of a county water and sewer district created pursuant to this Article are a body corporate and politic by the name specified by the board of commissioners. Under that name they are vested with all the property and rights of property belonging to the corporation; have perpetual succession; may sue and be sued; may contract and be contracted with; may acquire and hold any property, real and personal, devised, sold, or in any manner conveyed, dedicated to, or otherwise acquired by them, and from time to time may hold, invest, sell, or dispose of the same; may have a common seal and alter and renew it at will; may establish, revise and collect rates, fees or other charges and penalties for the use of or the services furnished or to be furnished by any sanitary sewer system, water system or sanitary sewer and water system of the district; and may exercise those powers conferred on them by this Article.

(b) The district board may require system development fees only in accordance with Article 8 of this Chapter."

SECTION 10.(a) G.S. 1-52(15) reads as rewritten:

"(15) For the recovery of taxes paid as provided in ~~G.S. 105-381.~~G.S. 105-381 or for the recovery of an unlawful fee, charge, or exaction collected by a county, municipality, or other unit of local government for water or sewer service or water and sewer service."

SECTION 10.(b) This section is to clarify and not alter G.S. 1-52.

SECTION 11. Sections 1 through 9 of this act become effective October 1, 2017, and apply to system development fees imposed on or after that date. Section 10 of this act, being a clarifying amendment, has retroactive effect and applies to claims accrued or pending prior to and after the date that section becomes law. Nothing in this act provides retroactive authority for any system development fee, or any similar fee for water or sewer services to be furnished, collected by a local governmental unit prior to October 1, 2017. The remainder of this act is effective when it becomes law and applies to claims accrued or pending prior to and after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-139 **H.B. 548**

AN ACT TO EQUALIZE THE SALES TAX TREATMENT OF WASTEWATER DISPERSAL PRODUCTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.13(68) reads as rewritten:

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

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

…

(68) Sales of ~~products that are made of more than seventy-five percent (75%) by weight of recycled materials when the products are sold for use in an accepted wastewater dispersal system as defined in G.S. 130A-343.~~wastewater dispersal products approved by the Department of Health and Human Services under Article 11 of Chapter 130A of the General Statutes."

SECTION 2. G.S. 130A-334 is amended by adding a new subdivision to read:

"(14a) "Wastewater dispersal product" means a product approved by the Department for dispersing wastewater effluent within the subsurface dispersal field in a ground absorption system."

SECTION 3. G.S. 130A-335 is amended by adding a new subsection to read:

"(i) The Department shall notify the Department of Revenue of all wastewater dispersal product approvals and revocations within 60 days of approval or revocation."

SECTION 4. This act becomes effective July 1, 2017, and applies to sales made on or after that date. As soon as practicable after this act becomes law, but no later than 30 days after that date, the Department of Health and Human Services shall notify the Department of Revenue of all existing wastewater dispersal product approvals.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-140 **H.B. 550**

AN ACT REPEALING AND REPLACING NORTH CAROLINA'S CURRENT NURSE LICENSURE COMPACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-171.80 through G.S. 90-171.94 are repealed.

SECTION 2. Article 9G of Chapter 90 of the General Statutes is amended by adding new sections to read:

"**§ 90-171.95. Findings and declaration of purpose.**

(a) The party states make the following findings:

(1) The health and safety of the public are affected by the degree of compliance with and the effectiveness of enforcement activities related to state nurse licensure laws.

(2) Violations of nurse licensure and other laws regulating the practice of nursing may result in injury or harm to the public.

(3) The expanded mobility of nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of nurse licensure and regulation.

(4) New practice modalities and technology make compliance with individual state nurse licensure laws difficult and complex.

(5) The current system of duplicative licensure for nurses practicing in multiple states is cumbersome and redundant for both nurses and states.

(6) Uniformity of nurse licensure requirements throughout the states promotes public safety and public health benefits.

(b) The general purposes of this Compact are as follows:

(1) Facilitate the states' responsibility to protect the public's health and safety.

(2) Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation.

(3) Facilitate the exchange of information between party states in the areas of nurse regulation, investigation, and adverse actions.

(4) Promote compliance with the laws governing the practice of nursing in each jurisdiction.

(5) Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses.

(6) Decrease redundancies in the consideration and issuance of nurse licenses.

(7) Provide opportunities for interstate practice by nurses who meet uniform licensure requirements.

"**§ 90-171.95A. Definitions.**

As used in this Compact:

(a) Adverse Action. – Any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.

(b) Alternative Program. – A nondisciplinary monitoring program approved by a licensing board.

(c) Coordinated Licensure Information System. – An integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.

(d) Current Significant Investigative Information. – Both of the following:

(1) Investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction.

(2) Investigative information that indicates the nurse represents an immediate threat to public health and safety regardless of whether the nurse has been notified and had an opportunity to respond.

(e) Encumbrance. – A revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.

(f) Home State. – The party state which is the nurse's primary state of residence.

(g) Licensing Board. – A party state's regulatory body responsible for issuing nurse licenses.

(h) Multistate License. – A license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.

(i) Multistate Licensure Privilege. – A legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or LPN/VN in a remote state.

(j) Nurse. – RN or LPN/VN, as those terms are defined by each party state's practice laws.

(k) Party State. – Any state that has adopted this Compact.

(*l*) Remote State. – A party state, other than the home state.

(m) Single-State License. – A nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.

(n) State. – A state, territory, or possession of the United States and the District of Columbia.

(o) State Practice Laws. – A party state's laws, rules, and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. "State practice laws" do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

"**§ 90-171.95B. General provisions and jurisdiction.**

(a) A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a registered nurse (RN) or as a licensed practical/vocational nurse (LPN/VN), under a multistate licensure privilege, in each party state.

(b) A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(c) Each party state shall require all of the following for an applicant to obtain or retain a multistate license in the home state:

(1) Meets the home state's qualifications for licensure or renewal of licensure as well as all other applicable state laws.

(2) Either of the following:

a. Has graduated or is eligible to graduate from a licensing board-approved RN or LPN/VN prelicensure education program.

b. Has graduated from a foreign RN or LPN/VN pre-licensure education program that (a) has been approved by the authorized accrediting body in the applicable country and (b) has been verified by an independent credentials review agency to be comparable to a licensing board-approved pre-licensure education program.

(3) Has, if a graduate of a foreign pre-licensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing, and listening.

(4) Has successfully passed an NCLEX-RN® or NCLEX-PN® Examination or recognized predecessor, as applicable.

(5) Is eligible for or holds an active, unencumbered license.

(6) Has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(7) Has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law.

(8) Has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis.

(9) Is not currently enrolled in an alternative program.

(10) Is subject to self-disclosure requirements regarding current participation in an alternative program.

(11) Has a valid United States Social Security number.

(d) All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation, or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

(e) A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege will subject a nurse to the jurisdiction of the licensing board, the courts, and the laws of the party state in which the client is located at the time service is provided.

(f) Individuals not residing in a party state shall continue to be able to apply for a party state's single-state license as provided under the laws of each party state. However, the single-state license granted to these individuals will not be recognized as granting the privilege to practice nursing in any other party state. Nothing in this Compact shall affect the requirements established by a party state for the issuance of a single-state license.

(g) Any nurse holding a home state multistate license, on the effective date of this Compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:

(1) A nurse, who changes primary state of residence after this Compact's effective date, must meet all applicable requirements in subsection (c) of this section to obtain a multistate license from a new home state.

(2) A nurse who fails to satisfy the multistate licensure requirements in subsection (c) of this section due to a disqualifying event occurring after this Compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").

"**§ 90-171.95C. Applications for licensure in a party state.**

(a) Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege

held by the applicant, and whether the applicant is currently participating in an alternative program.

(b) A nurse may hold a multistate license, issued by the home state, in only one party state at a time.

(c) If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the Commission. The following apply to nurses changing primary state of residence by moving between two party states:

(1) The nurse may apply for licensure in advance of a change in primary state of residence.

(2) A multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.

(d) If a nurse changes primary state of residence by moving from a party state to a nonparty state, the multistate license issued by the prior home state will convert to a single-state license, valid only in the former home state.

"**§ 90-171.95D. Additional authorities invested in party state licensing boards.**

(a) In addition to the other powers conferred by state law, a licensing board may do all of the following:

(1) Take adverse action against a nurse's multistate licensure privilege to practice within that party state.

a. Only the home state shall have the power to take adverse action against a nurse's license issued by the home state.

b. For purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(2) Issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state.

(3) Complete any pending investigations of a nurse who changes primary state of residence during the course of such investigations. The licensing board shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions.

(4) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(5) Obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of

Investigation record search on criminal background checks, and use the results in making licensure decisions.

(6) If otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse.

(7) Take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.

(b) If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.

(c) Nothing in this Compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

"**§ 90-171.95E. Coordinated licensure information system and exchange of information.**

(a) All party states shall participate in a coordinated licensure information system of all licensed registered nurses (RNs) and licensed practical/vocational nurses (LPNs/VNs). This system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.

(b) The Commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this Compact.

(c) All licensing boards shall promptly report to the coordinated licensure information system any adverse action, any current significant investigative information, denials of applications (with the reasons for such denials), and nurse participation in alternative programs known to the licensing board regardless of whether such participation is deemed nonpublic or confidential under state law.

(d) Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.

(e) Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

(f) Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

(g) Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

(h) The Compact administrator of each party state shall furnish a uniform data set to the Compact administrator of each other party state, which shall include, at a minimum, all of the following:

(1) Identifying information.

(2) Licensure data.

(3) Information related to alternative program participation.

(4) Other information that may facilitate the administration of this Compact, as determined by Commission rules.

(i) The Compact administrator of a party state shall provide all investigative documents and information requested by another party state.

"**§ 90-171.95F. Establishment of the Interstate Commission of Nurse Licensure Compact Administrators.**

(a) Creation. – The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators.

(1) The Commission is an instrumentality of the party states.

(2) Venue is proper, and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, Voting and Meetings. –

(1) Each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this Compact for each party state. Any administrator may be removed or suspended from office as provided by the law of the state from which the Administrator is appointed. Any vacancy occurring in the Commission shall be filled in accordance with the laws of the party state in which the vacancy exists.

(2) Each administrator shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication.

(3) The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission.

(4) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rule-making provisions in G.S. 90-171.95G.

(5) The Commission may convene in a closed, nonpublic meeting if the Commission must discuss any of the following:

a. Noncompliance of a party state with its obligations under this Compact.

b. The employment, compensation, discipline or other personnel matters, practices or procedures related to specific employees, or other matters related to the Commission's internal personnel practices and procedures.

c. Current, threatened, or reasonably anticipated litigation.

d. Negotiation of contracts for the purchase or sale of goods, services, or real estate.

e. Accusing any person of a crime or formally censuring any person.

f. Disclosure of trade secrets or commercial or financial information that is privileged or confidential.

g. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

h. Disclosure of investigatory records compiled for law enforcement purposes.

i. Disclosure of information related to any reports prepared by or on behalf of the Commission for the purpose of investigation of compliance with this Compact.

j. Matters specifically exempted from disclosure by federal or state statute.

(6) If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefor, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

(c) Bylaws. – The Commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this Compact, including the following:

(1) Establishing the fiscal year of the Commission.

(2) Providing reasonable standards and procedures for both of the following:

a. Establishment and meetings of other committees.

b. Governing any general or specific delegation of any authority or function of the Commission.

(3) Providing reasonable procedures for calling and conducting meetings of the Commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The Commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the Commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed.

(4) Establishing the titles, duties, authority, and reasonable procedures for the election of the officers of the Commission.

(5) Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the Commission.

(6) Providing a mechanism for winding up the operations of the Commission and the equitable disposition of any surplus funds that may exist after the termination of this Compact after the payment or reserving of all of its debts and obligations.

(d) The Commission shall publish its bylaws and rules, and any amendments thereto, in a convenient form on the Web site of the Commission.

(e) The Commission shall maintain its financial records in accordance with the bylaws.

(f) The Commission shall meet and take such actions as are consistent with the provisions of this Compact and the bylaws.

(g) The Commission shall have all of the following powers:

(1) To adopt uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all party states.

(2) To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected.

(3) To purchase and maintain insurance and bonds.

(4) To borrow, accept, or contract for services of personnel, including, but not limited to, employees of a party state or nonprofit organizations.

(5) To cooperate with other organizations that administer state compacts related to the regulation of nursing, including, but not limited to, sharing administrative or staff expenses, office space, or other resources.

(6) To hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this Compact, and to establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters.

(7) To accept any and all appropriate donations, grants and gifts of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at all times the Commission shall avoid any appearance of impropriety or conflict of interest.

(8) To lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, whether real, personal, or mixed; provided that at all times the Commission shall avoid any appearance of impropriety.

(9) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, whether real, personal, or mixed.

(10) To establish a budget and make expenditures.

(11) To borrow money.

(12) To appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons.

(13) To provide and receive information from, and to cooperate with, law enforcement agencies.

(14) To adopt and use an official seal.

(15) To perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of nurse licensure and practice.

(h) Financing of the Commission. –

(1) The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The Commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities, and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule that is binding upon all party states.

(3) The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the party states, except by, and with the authority of, such party state.

(4) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

(i) Qualified Immunity, Defense, and Indemnification. –

(1) The administrators, officers, executive director, employees, and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of Commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional, willful, or wanton misconduct of that person.

(2) The Commission shall defend any administrator, officer, executive director, employee, or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional, willful, or wanton misconduct.

(3) The Commission shall indemnify and hold harmless any administrator, officer, executive director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional, willful, or wanton misconduct of that person.

"**§ 90-171.95G. Rule making.**

(a) The Commission shall exercise its rule-making powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this Compact.

(b) Rules or amendments to the rules shall be adopted at a regular or special meeting of the Commission.

(c) Prior to promulgation and adoption of a final rule or rules by the Commission, and at least 60 days in advance of the meeting at which the rule will be considered and voted upon, the Commission shall file a notice of proposed rule making in both of the following locations:

(1) On the Web site of the Commission.

(2) On the Web site of each licensing board or the publication in which each state would otherwise publish proposed rules.

(d) The notice of proposed rule making shall include all of the following:

(1) The proposed time, date, and location of the meeting in which the rule will be considered and voted upon.

(2) The text of the proposed rule or amendment and the reason for the proposed rule.

(3) A request for comments on the proposed rule from any interested person.

(4) The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

(e) Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(f) The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

(g) The Commission shall publish the place, time, and date of the scheduled public hearing.

(1) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded, and a copy will be made available upon request.

(2) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

(h) If no one appears at the public hearing, the Commission may proceed with promulgation of the proposed rule.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

(j) The Commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rule-making record and the full text of the rule.

(k) Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided that the usual rule-making procedures provided in this Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to do one or more of the following:

(1) Meet an imminent threat to public health, safety, or welfare.

(2) Prevent a loss of Commission or party state funds.

(3) Meet a deadline for the promulgation of an administrative rule that is required by federal law or rule.

(*l*) The Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the Web site of the Commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the Commission, prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

"**§ 90-171.95H. Oversight, dispute resolution, and enforcement.**

(a) Oversight. –

(1) Each party state shall enforce this Compact and take all actions necessary and appropriate to effectuate this Compact's purposes and intent.

(2) The Commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities, or actions of the Commission and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in such proceeding to the Commission shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

(b) Default, Technical Assistance, and Termination. –

(1) If the Commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall do both of the following:

a. Provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the Commission.

b. Provide remedial training and specific technical assistance regarding the default.

(2) If a state in default fails to cure the default, the defaulting state's membership in this Compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges, and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(3) Termination of membership in this Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states.

(4) A state whose membership in this Compact has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(5) The Commission shall not bear any costs related to a state that is found to be in default or whose membership in this Compact has been terminated unless agreed upon in writing between the Commission and the defaulting state.

(6) The defaulting state may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(c) Dispute Resolution. –

(1) Upon request by a party state, the Commission shall attempt to resolve disputes related to the Compact that arise among party states and between party and nonparty states.

(2) The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate.

(3) In the event the Commission cannot resolve disputes among party states arising under this Compact:

a. The party states may submit the issues in dispute to an arbitration panel, which will be comprised of individuals appointed by the Compact administrator in each of the affected party states and an individual mutually agreed upon by the Compact administrators of all the party states involved in the dispute.

b. The decision of a majority of the arbitrators shall be final and binding.

(d) Enforcement. –

(1) The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.

(2) By majority vote, the Commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices against a party state that is in default to enforce compliance with the provisions of this Compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(3) The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

"**§ 90-171.95I. Effective date, withdrawal, and amendment.**

(a) This Compact shall become effective and binding on the earlier of the date of legislative enactment of this Compact into law by no less than 26 states or December 31, 2018. All party states to this Compact, that also were parties to the prior Nurse Licensure Compact superseded by this Compact ("Prior Compact"), shall be deemed to have withdrawn from said Prior Compact within six months after the effective date of this Compact.

(b) Each party state to this Compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the Prior Compact until such party state has withdrawn from the Prior Compact.

(c) Any party state may withdraw from this Compact by enacting a statute repealing the same. A party state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(d) A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of such withdrawal or termination.

(e) Nothing contained in this Compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this Compact.

(f) This Compact may be amended by the party states. No amendment to this Compact shall become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

(g) Representatives of nonparty states to this Compact shall be invited to participate in the activities of the Commission, on a nonvoting basis, prior to the adoption of this Compact by all states.

"**§ 90-171.95J. Construction and severability.**

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Compact shall be severable, and if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact shall be held to be contrary to the constitution of any party state, this Compact shall remain in full force and effect as to the remaining party states and to all severable matters."

SECTION 3. This act becomes effective when at least 26 states have enacted the Nurse Licensure Compact set forth in Section 2 of this act or December 31, 2018, whichever is earlier. The North Carolina Board of Nursing shall report to the Revisor of Statutes when the Nurse Licensure Compact set forth in Section 2 of this act has been enacted by the 26 member states.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-141 **H.B. 620**

AN ACT TO AUTHORIZE THE ACQUISITION OR CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. The purpose of this act is to authorize (i) the acquisition or construction of the capital improvements projects listed in the act for the respective institutions of The University of North Carolina and (ii) the financing of these projects with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare reimbursements for education costs, hospital receipts from patient care, or other funds, or any combination of these funds, but not including funds received for tuition or appropriated from the General Fund of the State unless previously authorized by General Statute.

SECTION 2. The capital improvements projects, and their respective costs, authorized by this act to be acquired or constructed and financed as provided in Section 1 of this act, including by revenue bonds, by special obligation bonds as authorized in Section 5 of this act, by a financing arrangement to the extent authorized in Section 3 of this act, or by any combination thereof, are as follows:

East Carolina University	
Dowdy-Ficklen Stadium Southside Renovation	$ 55,000,000
Elizabeth City State University	
Demolition of Hugh Cale and Doles Halls	611,294
Renovation of Bias Hall	4,522,272
Renovation of Butler Hall	3,790,242
Demolition of Complex A-G Buildings	576,192
Update Master Plan	500,000
North Carolina Central University	
Baynes Residence Hall Renovations	6,542,121
University of North Carolina at Chapel Hill	
Indoor Practice Facility and Fetzer Field	30,000,000
Media and Communication Studio (Athletics)	10,000,000
DLAM Renovations (swing space for Berryhill Hall) & AAALAC Certification	21,890,000
Kenan Labs – Renovations to Labs 7A, 7B, 7C, 8B, & 8C for Applied Physics	7,683,000
Medical Education Building	22,600,000
University of North Carolina at Greensboro	
Spartan Village – Phase II	50,900,000
Western Carolina University	
Parking Deck Facility	23,615,185

SECTION 3. Notwithstanding the term and maturity limitations for notes contained in G.S. 116D-26(c), Elizabeth City State University may participate in the United States Department of Agriculture's Community Facilities Direct Loan Program or Loan Guaranty Program.

SECTION 4. At the request of the Board of Governors of The University of North Carolina and upon determining that it is in the best interest of the State to do so, the Director of the Budget may authorize an increase or decrease in the cost of, or a change in the method of, funding the projects authorized by this act. In determining whether to authorize a change in cost

or funding, the Director of the Budget may consult with the Joint Legislative Commission on Governmental Operations.

SECTION 5. Pursuant to G.S. 116D-26, the Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing for the projects authorized by Section 2 of this act. The maximum principal amount of bonds to be issued shall not exceed the specified project costs in Section 2 of this act plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional costs, plus any increase in the specific project costs authorized by the Director of the Budget pursuant to Section 4 of this act.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-142 **S.B. 78**

AN ACT TO STUDY THE FINANCIAL COSTS TO THE STATE AND LOCAL SCHOOL ADMINISTRATIVE UNITS OF COMPLIANCE WITH FEDERAL MANDATES RELATED TO THE RECEIPT OF FEDERAL EDUCATION FUNDING AND TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMISSION ON EFFICIENCY AND COST-SAVINGS IN STATE GOVERNMENT.

The General Assembly of North Carolina enacts:

PART I. STUDY FINANCIAL COSTS OF FEDERAL MANDATES

SECTION 1.(a) By no later than January 15, 2018, the Department of Public Instruction shall study, report, and provide any supporting data to the Fiscal Research Division and the Program Evaluation Division of the General Assembly on the cost of compliance with federal education funding mandates to local school administrative units.

SECTION 1.(b) The Joint Legislative Program Evaluation Oversight Committee shall consider including in the 2017-2018 Work Plan for the Program Evaluation Division an evaluation of the cost of compliance with federal education funding mandates for K-12 education and, if included in the Work Plan, report its findings and recommendations to the General Assembly at a date to be determined by the Committee.

PART II. JOINT LEGISLATIVE STUDY COMMISSION ON EFFICIENCY AND COST-SAVINGS IN STATE GOVERNMENT

SECTION 2.(a) There is established the Joint Legislative Study Commission on Efficiency and Cost-Savings in State Government (Commission).

SECTION 2.(b) The Commission shall be composed of 10 members appointed as follows:

(1) Five senators appointed by the President Pro Tempore of the Senate.

(2) Five representatives appointed by the Speaker of the House of Representatives.

Vacancies on the Commission shall be filled by the appointing authority. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair. A quorum of the Commission shall be a majority of its members.

The Commission may meet at any time upon call of the chairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses and documents.

The Legislative Services Commission, through the Legislative Services Officer, shall assign other professional staff to assist the Commission in its work. The House of Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.

SECTION 2.(c) The Commission shall use a zero-based budgeting review process to study whether there are obsolete programs, cost-reduction opportunities, or any cases where existing funds can be redirected to meet new and changing demands for public services in the Department of the Secretary of State ("the Department"). The Commission may require the Department to submit written information in a form specified by the Commission by a specified time. The Commission may accept or reject any or part of any information submitted and require revision or resubmission. The Commission may require information as follows:

(1) Identification of decision units. – The Department shall identify decision units representing any group of services with a common set of objectives or comprising a Departmental program or administrative support unit.

(2) Impact of discontinuing each decision unit. – The Department shall provide a quantitative estimate of any adverse impacts that could reasonably be expected should the State discontinue a decision unit, together with a full description of the methods by which the adverse impact is estimated.

(3) Division of decision units into decision packages. – The Department shall divide each decision unit into the following four discrete decision packages:

a. Minimum. – A quantitative estimate of any adverse impacts that could reasonably be expected and an itemized account of expenditures that would be required to maintain the activity at the minimum level of service required by any statutory authorization and below which would effectively eliminate all services, together with a concise statement of the resulting quantity and quality of services. This service level shall be below the level described by sub-subdivision b. of this subdivision.

b. Reduced. – A quantitative estimate of any adverse impacts that could reasonably be expected and an itemized account of expenditures that would be required if funding were reduced by the percentage or amount specified by the Commission below the current level as defined by sub-subdivision c. of this subdivision and a concise statement of the resulting quantity and quality of services.

c. Current. – A quantitative description of benefits from and an itemized account of expenditures that would be required to maintain the activity at the current level of service, together with a full description of the methods by which the current level is determined and a concise statement of the resulting quantity and quality of services.

d. Enhanced. – A quantitative estimate of benefits that could reasonably be expected and an itemized account of expenditures that would be required to increase the current level of service, together with a full description of the methods by which the enhanced level is estimated and a concise statement of the resulting quantity and quality of services.

(4) Service delivery alternatives. – For each decision package, a description of alternative methods for delivering services, which may include, but not be limited to, shedding one or more services and relying upon the free market for delivery, delegation to another level of government, using Requests for Information or competitive selection to outsource to private for-profit or

nonprofit organizations, in whole or in part, including franchising, assisting or providing incubator arrangements for current State employees to form non-State organizations to compete for outsourcing opportunities, or through methods used by other states or nations.

(5) Ranking. – As instructed by the Commission, a ranking of all decision packages compared with each other without ties.

SECTION 2.(d) The Commission shall make an interim report to the 2018 Regular Session of the 2017 General Assembly and shall make a final report to the 2019 General Assembly. The report shall include any proposed legislation. The Commission shall terminate upon filing its final report or upon the convening of the 2019 General Assembly, whichever is earlier.

SECTION 2.(e) This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-143 **S.B. 88**

AN ACT TO ALLOW FOR SEVERANCE OF SUMMARY EJECTMENT AND MONETARY CLAIMS IN SMALL CLAIMS ACTIONS WHEN SERVICE OF PROCESS ONLY MEETS SUMMARY EJECTMENT STANDARDS, TO ALLOW FOR THE SEVERED MONETARY CLAIM TO BE CONTINUED WITH ALIAS AND PLURIES SUMMONS, AND TO ALLOW PRO SE REPRESENTATION ON APPEAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-223 is amended by adding a new subsection to read:

"**§ 7A-223. Practice and procedure in small claim actions for summary ejectment.**

(a) In any small claim action demanding summary ejectment or past due rent, or both, the complaint may be signed by an agent acting for the plaintiff who has actual knowledge of the facts alleged in the complaint. If a small claim action demanding summary ejectment is assigned to a magistrate, the practice and procedure prescribed for commencement, form and service of process, assignment, pleadings, and trial in small claim actions generally are observed, except that if the defendant by written answer denies the title of the plaintiff, the action is placed on the civil issue docket of the district court division for trial before a district judge. In such event, the clerk withdraws assignment of the action from the magistrate and immediately gives written notice of withdrawal, by any convenient means, to the plaintiff and the magistrate to whom the action has been assigned. The plaintiff, within five days after receipt of the notice, and the defendant, in his answer, may request trial by jury. Failure to request jury trial within the time limited is a waiver of the right to trial by jury.

(b) If either party in a small claim action for summary ejectment moves for a continuance, the magistrate shall render a decision on the motion in accordance with Rule 40(b) of the Rules of Civil Procedure. The magistrate shall not continue a matter for more than five days or until the next session of small claims court, whichever is longer, without the consent of both parties.

(b1) In any small claim action demanding summary ejectment and monetary damages, and where service of process has been achieved solely by first-class mail and affixing the summons and complaint to the premises pursuant to G.S. 42-29, the plaintiff, or an agent pursuant to subsection (a) of this section, may request that the claim for summary ejectment be severed from the claim for monetary damages. Upon a finding that personal service was not achieved for one or more defendants, the magistrate shall sever the claim for monetary damages and proceed with the claim for summary ejectment. If the magistrate severs the claim for monetary damages, the plaintiff may extend the action in accordance with G.S. 1A-1, Rule 4(d). The judgment of the magistrate in the severed claim for summary ejectment shall not prejudice the claims or defenses of any party in the severed claim for monetary damages.

(c) The Administrative Office of the Courts is directed to develop a form for parties in small claim actions for summary ejectment to inform them of the time line and process in summary ejectment actions. The clerk of superior court shall make the form available to the parties."

SECTION 2.(a) G.S. 7A-222 reads as rewritten:

"**§ 7A-222. General trial practice and procedure.**

...

(c) Notwithstanding G.S. 84-4, a party in a small claim action shall not be required to obtain legal representation."

SECTION 2.(b) G.S. 7A-228 reads as rewritten:

"**§ 7A-228. New trial before magistrate; appeal for trial de novo; how appeal perfected; oral notice; dismissal.**

...

(e) Notwithstanding G.S. 84-4, any party in an action appealed for a trial de novo, as provided for in this section, shall not be required to obtain legal representation."

SECTION 3. G.S. 1A-1, Rule 4(h1), reads as rewritten:

"**Rule 4. Process.**

...

(h1) Summons – When process returned unexecuted. – If a proper officer returns a summons or other process unexecuted, the plaintiff or his agent or attorney may cause service to be made by anyone who is not less than 21 years of age, who is not a party to the action, and who is not related by blood or marriage to a party to the action or to a person upon whom service is to be made. ~~This~~ Except for claims severed by a magistrate pursuant to G.S. 7A-223(b1), this subsection shall not apply to executions pursuant to Article 28 of Chapter 1 or summary ejectment pursuant to Article 3 of Chapter 42 of the General Statutes.

...."

SECTION 4. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-144 **S.B. 104**

AN ACT REQUIRING CRIMINAL BACKGROUND CHECKS FOR APPLICANTS FOR PHARMACIST LICENSURE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-85.15 reads as rewritten:

"**§ 90-85.15. ~~Application and examination~~Application, qualifications, and criminal record check for licensure as a pharmacist; prerequisites.**

(a) ~~Any person who desires to be licensed~~Each applicant for licensure under this Article as a pharmacist shall file an application with the Executive Director on the form furnished by the Board, verified under oath, setting forth ~~the~~all of the following:

(1) The applicant's ~~name,age, the~~name.

(2) The applicant's age.

(3) The place at which and the time that ~~he~~ the applicant has spent in the study of ~~pharmacy, and his~~ pharmacy.

(4) The applicant's experience in compounding and dispensing prescriptions under the supervision of a pharmacist.

~~The applicant shall also appear at a time and place designated by the Board and submit to an examination as to his qualifications for being licensed. The applicant must demonstrate to the Board his physical and mental competency to practice pharmacy.~~

(b) ~~On or after July 1, 1982, all applicants shall have received~~ The Board shall license an applicant to practice pharmacy if, in addition to completing an application as specified in subsections (a) of this section, the applicant meets all of the following qualifications:

(1) Holds an undergraduate degree from a school of pharmacy approved by the Board. ~~Applicants shall be required to have had~~

(2) Has had up to one year of experience, approved by the Board, under the supervision of a ~~pharmacist and shall pass~~pharmacist.

(3) Has passed the required examination offered by the Board. ~~Upon completing these requirements and upon paying the required fee, the applicant shall be licensed.~~

(4) Has appeared at a time and place designated by the Board and submitted to an examination as to the applicant's qualifications for being licensed. The applicant must demonstrate to the Board the physical and mental competency to practice pharmacy.

(c) ~~The Department of Public Safety may provide a criminal record check to the Board for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.~~

~~The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.~~ The Board shall require each applicant to provide the Board with a criminal record report. All applicants shall obtain criminal record reports from one or more reporting services designated by the Board to provide criminal record reports. The Board shall keep all information obtained pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes. Applicants are required to pay the designated reporting service for the cost of these reports."

SECTION 2. This act becomes effective January 1, 2018.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-145 **S.B. 107**

AN ACT TO REMOVE SAFETY HAZARDS AND RESTORE NORTH CAROLINA'S NATURAL RIVERINE RESOURCES BY FACILITATING THE REMOVAL OF OBSOLETE AND UNWANTED DAMS.

The General Assembly of North Carolina enacts:

EXEMPT CERTAIN DAM REMOVALS FROM PERMITTING REQUIREMENTS

SECTION 1.(a) G.S. 143-215.25 reads as rewritten:

"**§ 143-215.25. Definitions.**

(1) ~~"Dam" means a~~Dam. – A structure and appurtenant works erected to impound or divert water.

(1a) Mill dam. – A dam built across a stream to raise the level of water for the purpose of providing water to a mill for the operation of the mill.

(2) ~~"Minimum stream flow" or "minimum flow" means a~~Minimum stream flow or minimum flow. – A stream flow of a quantity and quality sufficient in the judgment of the Department to meet and maintain stream classifications and water quality standards established by the Department under G.S. 143-214.1

and applicable to the waters affected by the project under consideration, and to maintain aquatic habitat in the length of the stream that is affected.

(3) Professionally supervised dam removal. – The voluntary removal of a low or intermediate hazard mill dam or run-of-river dam that (i) is not operated primarily for flood control or hydroelectric power generation purposes and (ii) the removal of which is designed and supervised by a qualified engineer.

(4) Qualified engineer. – An engineer licensed as a professional engineer under Chapter 89C of the General Statutes.

(5) Run-of-river dam. – A riverine or stream dam that is designed or operated to release water at approximately the same rate as the natural flow of the river or stream."

SECTION 1.(b) G.S. 143-215.27 reads as rewritten:

"**§ 143-215.27. Repair, alteration, or removal of dam.**

(a) Before commencing the repair, alteration or removal of a dam, application shall be made for written approval by the Department, except as otherwise provided by this Part. The application shall state the name and address of the applicant, shall adequately detail the changes it proposes to effect and shall be accompanied by maps, plans and specifications setting forth such details and dimensions as the Department requires. The Department may waive any such requirements. The application shall give such other information concerning the dam and reservoir required by the Department, such information concerning the safety of any change as it may require, and shall state the proposed time of commencement and completion of the work. When an application has been completed it may be referred by the Department for agency review and report, as provided by subsection (b) of G.S. 143-215.26 in the case of original construction. This subsection shall not apply to a professionally supervised dam removal.

…

(c) A professionally supervised dam removal is not subject to the procedures set forth in subsection (a) of this section, provided that the dam removal complies with all of the following:

(1) A qualified engineer determines, based on good engineering practices, that the removal of the dam can be accomplished safely, certifies that the dam is a low or intermediate hazard dam, and the removal plan reflects (i) the geomorphology of the streambed upriver and downriver from the dam site and (ii) the most desirable longitudinal profile for the post-removal stream channel that will minimize physical impacts on riparian landowners.

(2) The person who proposes to remove the dam notifies the director of the Division of Energy, Mineral, and Land Resources of the Department of the proposed removal no less than 60 days prior to removal. The notice shall include information identifying the dam, including the stream and county where the dam is located, the dam's height and impoundment capacity, a map showing the dam location and vicinity, the qualified engineer's name and North Carolina license number, and a notarized certification from the owner of the dam that the dam is a low or intermediate hazard dam not currently operated for the purposes of flood control or hydroelectric power generation. The notification and certification required by this subdivision may be provided electronically.

(3) The person who proposes to remove the dam notifies the North Carolina Floodplain Mapping Program of the Department of Public Safety, the North Carolina Department of Transportation, adjacent property owners of the dam and reservoir, and all impacted local governments of the proposed removal no less than 60 days prior to removal. The notice shall include a qualified engineer's determination that (i) the removal plan for the dam is based on the criteria set forth in subdivision (1) of this subsection and (ii) the removal

will lower or maintain water levels above the location of the dam and will not cause an increase in the risk of flood damage or impacts to downstream bridges or road crossings. For purposes of the notice required by this subdivision, an "impacted local government" shall mean any unit of local government that could experience changes to its base floodplain, as defined in G.S. 143-215.52, as a result of the dam removal."

SECTION 1.(c) G.S. 143-215.28A reads as rewritten:

"**§ 143-215.28A. Application fees.**

(a) In accordance with G.S. 143-215.3(a)(1a), the Commission may establish a fee schedule for processing applications for approvals of construction or removal of dams issued under this Part. In establishing the fee schedule, the Commission shall consider the administrative and personnel costs incurred by the Department for processing the applications and for related compliance activities. The total amount of fees collected in any fiscal year may not exceed one-third of the total personnel and administrative costs incurred by the Department for processing the applications and for related compliance activities in the prior fiscal year. An approval fee may not exceed the larger of two hundred dollars ($200.00) or two percent (2%) of the actual cost of construction or removal of the applicable dam. The fee for notification of a professionally supervised dam removal under G.S. 143-215.27(c)(1) shall be five hundred dollars ($500.00) and shall be paid to the Department. The provisions of G.S. 143-215.3(a)(1b) do not apply to these fees.

…."

SECTION 1.(d) G.S. 143-215.30 reads as rewritten:

"**§ 143-215.30. Notice of completion; certification of final approval; notice of transfer.**

(a) ~~Immediately~~ Except as set forth in subsection (d1) of this section, immediately upon completion, enlargement, repair, alteration or removal of a dam, notice of completion shall be given the Commission. As soon as possible thereafter supplementary drawings or descriptive matter showing or describing the dam as actually constructed shall be filed with the Department in such detail as the Commission may require.

…

(d1) The requirements of this section shall not apply to a professionally supervised dam removal under G.S. 143-215.27(c) if the person removing the dam provides confirmation of completion of dam removal to the Department within 10 days of completion of the removal.

(e) The owner of a dam shall provide written notice of transfer to the Department within 30 days after title to the dam has been legally transferred. The notice of transfer shall include the name and address of the new dam owner."

SECTION 1.(e) G.S. 143-215.56 is amended by adding a new subsection to read:

"**§ 143-215.56. Delineation of flood hazard areas and 100-year floodplains; powers of Department; powers of local governments and of the Department.**

…

(d) The Department may prepare a floodplain map that identifies the 100-year floodplain and base flood elevations for an area for the purposes of this Part if all of the following conditions apply:

(1) The 100-year floodplain and base flood elevations for the area are not identified on a floodplain map prepared pursuant to the National Flood Insurance Program within the previous five years.

(2) The Department determines that the 100-year floodplain and the base flood elevations for the area need to be identified and the use of the area regulated in accordance with the requirements of this Part in order to prevent damage from flooding.

(3) The Department prepares the floodplain map in accordance with the federal standards required for maps to be accepted for use in administering the National Flood Insurance Program.

(e) Prior to preparing a floodplain map pursuant to subsection (d) of this section, the Department shall advise each local government whose jurisdiction includes a portion of the area to be mapped.

(f) Upon completing a floodplain map pursuant to subsection (d) of this section, the Department shall both:

(1) Provide copies of the floodplain map to every local government whose jurisdiction includes a portion of the 100-year floodplain identified on the floodplain map.

(2) Submit the floodplain map to the Federal Emergency Management Agency for approval for use in administering the National Flood Insurance Program.

(g) Upon approval of a floodplain map prepared pursuant to subsection (d) of this section by the Federal Emergency Management Agency for use in administering the National Flood Insurance Program, it shall be the responsibility of each local government whose jurisdiction includes a portion of the 100-year floodplain identified in the floodplain map to incorporate the revised map into its floodplain ordinance.

(h) To the extent permitted by National Flood Insurance Program requirements, a professionally supervised dam removal, as defined in G.S. 143-215.25, that complies with the requirements of G.S. 143-215.27(c) shall not be required to submit a Letter of Map Revision to the Department."

STREAMLINE ENVIRONMENTAL PERMITTING OF DAM REMOVAL

SECTION 2.(a) G.S. 143-214.7C reads as rewritten:

"**§ 143-214.7C. Prohibit the requirement of mitigation for ~~impacts to intermittent streams;~~certain impacts; establish threshold for mitigation of impacts to streams.**

(a) Except as required by federal law, the Department of Environmental Quality shall not require mitigation for ~~impacts~~ any of the following:

(1) Impacts to an intermittent stream. For purposes of this section, "intermittent stream" means a well-defined channel that has all of the following characteristics:

~~(1)~~a. It contains water for only part of the year, typically during winter and spring when the aquatic bed is below the water table.

~~(2)~~b. The flow of water in the intermittent stream may be heavily supplemented by stormwater runoff.

~~(3)~~c. It often lacks the biological and hydrological characteristics commonly associated with the conveyance of water.

(2) Impacts associated with the removal of a dam when the removal complies with the requirements of Part 3 of this Article.

(b) Except as required by federal law, the Department of Environmental Quality shall not require mitigation for losses of 300 linear feet or less of stream bed."

SECTION 2.(b) The Division of Water Resources of the Department of Environmental Quality shall develop a water quality general certification under section 401 of the Clean Water Act for short-term sediment releases associated with the construction phase of a dam removal when all of the following occur:

(1) The removal meets the definition and requirements of a professionally supervised dam removal under G.S. 143-215.27, as amended by Section 1 of this act.

(2) The applicant for the water quality general certification demonstrates that the sediment to be released has similar or lower level of contamination than sediment sampled from downstream of the dam.

STUDY FURTHER STREAMLINING OF DAM REMOVAL

SECTION 3. The Department of Environmental Quality and the Department of Public Safety shall jointly study the dam removal process in North Carolina and recommend

further changes in statutes or rules to reduce regulatory barriers to the removal of obsolete and unwanted dams and consolidate duplicative permit processes. As part of its study, the Departments shall review the dam removal permitting processes in New Hampshire, Massachusetts, and Pennsylvania and other states as the Department finds relevant. The Departments shall jointly submit its report to the Environmental Review Commission no later than March 1, 2020.

EFFECTIVE DATE

SECTION 4. Section 3 of this act is effective when it becomes law. The remainder of this act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-146 **S.B. 196**

AN ACT TO CLARIFY THAT THE PRACTICE OF HORSESHOEING IS NOT THE PRACTICE OF VETERINARY MEDICINE AND TO STUDY VETERINARY PHARMACEUTICAL COMPOUNDING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-187.10 is amended by adding a new subdivision to read:

"**§ 90-187.10. Necessity for license; certain practices exempted.**

No person shall engage in the practice of veterinary medicine or own all or part interest in a veterinary medical practice in this State or attempt to do so without having first applied for and obtained a license for such purpose from the North Carolina Veterinary Medical Board, or without having first obtained from the Board a certificate of renewal of license for the calendar year in which the person proposes to practice and until the person shall have been first licensed and registered for such practice in the manner provided in this Article and the rules and regulations of the Board.

Nothing in this Article shall be construed to prohibit:

...

(11) Any farrier or person actively engaged in the activity or profession of shoeing hooved animals as long as his or her actions are limited to the art of shoeing hooved animals or trimming, clipping, or maintaining hooves."

SECTION 2. The Veterinary Division of the Department of Agriculture and Consumer Services shall study the practice of veterinary pharmaceutical compounding (VPC). The study shall include the following:

(1) A review of current State and federal policies regulating VPC, taking into account the ongoing dialogue between the U.S. Food and Drug Administration and the American Veterinary Medical Association regarding the legality of compounding animal drugs from bulk drug substances.

(2) Recommendations for additional legislation needed to increase protection of animals administered compounded pharmaceutical agents and provide necessary oversight of (i) veterinary compounding pharmacies, (ii) veterinary pharmaceutical manufacturers engaging in VPC, and (iii) veterinary practices that prescribe or administer compounded pharmaceutical agents.

In conducting its study, the Division shall consult with the North Carolina Board of Pharmacy and the North Carolina Veterinary Medical Board. The Division shall submit its report and any recommendations to the Joint Legislative Administrative Procedure Oversight Committee, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Environmental Review Commission no later than March 1, 2018.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-147 **S.B. 388**

AN ACT TO ALLOW REPORTS RECEIVED BY THE COURT ON THE LACK OF CAPACITY TO PROCEED TO BE SHARED WITH TREATMENT PROVIDERS AND TO STUDY THE LACK OF CAPACITY TO PROCEED PROCESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-1002(d) reads as rewritten:

"(d) Any report made to the court pursuant to this section shall be forwarded to the clerk of superior court in a sealed envelope addressed to the attention of a presiding judge, with a covering statement to the clerk of the fact of the examination of the defendant and any conclusion as to whether the defendant has or lacks capacity to proceed. If the defendant is being held in the custody of the sheriff, the clerk shall send a copy of the covering statement to the sheriff. The sheriff and any persons employed by the sheriff shall maintain the copy of the covering statement as a confidential record. A copy of the full report shall be forwarded to defense counsel or to the defendant if he is not represented by counsel. If the question of the defendant's capacity to proceed is raised at any time, a copy of the full report must be forwarded to the district attorney, as provided in G.S. 122C-54(b). Until such report becomes a public record, the full report to the court shall be kept under such conditions as are directed by the court, and its contents shall not be revealed except the report and the relevant confidential information previously ordered released under subdivision (b)(4) of this section shall be released as follows: (i) to clinicians at the program where the defendant is receiving capacity restoration; (ii) to clinicians designated by the Secretary of Health and Human Services, and (iii) as directed by the court. Any report made to the court pursuant to this section shall not be a public record unless introduced into evidence."

SECTION 2. The Department of Health and Human Services shall convene a workgroup to evaluate the laws governing the lack of capacity to proceed process, including the impact of the laws on the limited resources of the community mental health system, hospitals, state psychiatric hospitals, local law enforcement, court system, jails, crime victims, and criminal defendants. The workgroup shall be comprised of criminal justice and mental health experts who work directly with individuals who have been determined to lack the capacity to proceed and shall include at least one representative from each of the following groups, agencies, or organizations:

(1) The Attorney General or his designee.
(2) The Director of the Administrative Office of the Courts or his designee.
(3) The President of the Conference of District Attorneys or his designee.
(4) The President of the Association of Defense Attorneys or his designee.
(5) The President of the Sheriff's Association or his designee.
(6) The President of the District Court Judges Association or his designee.
(7) The President of the Superior Court Judges Association or his designee.
(8) A forensic expert from a State Psychiatric Hospital.
(9) An advocate for individuals who have been determined to lack the capacity to proceed.

SECTION 3.(a) Preliminary report. – The Department of Health and Human Services shall present preliminary findings of the workgroup to the following stakeholder organizations:

(1) North Carolina Sheriff's Association.
(2) North Carolina Psychiatric Association.
(3) North Carolina Council of Community Programs.
(4) North Carolina Conference of District Attorneys.

(5) North Carolina Hospital Association.
(6) North Carolina Association of County Commissioners.
(7) National Alliance on Mental Illness.
(8) North Carolina Indigent Defense Services.

SECTION 3.(b) Final report. – After consultation with these stakeholder organizations, the workgroup shall finalize recommendations for improvements to the system, including any legislative proposals, and the Department of Health and Human Services shall report to the Joint Legislative Oversight Committees on Health and Human Services and on Justice and Public Safety by February 1, 2018. The report shall include findings and recommendations on the following:

(1) Issues within the system that impact an individual who lacks capacity to proceed to trial and the process to determine capacity.
(2) Issues that create barriers within the system that negatively impact service providers, including jails, courts, hospitals, and law enforcement agencies, in their efforts to serve an individual who lacks the capacity to proceed.
(3) Solutions to reduce the number of persons who lack the capacity to proceed; the number of persons who are referred to the State psychiatric hospitals; and the number of stays in the hospitals beyond the clinical needs of the person who lacks the capacity to proceed.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-148 **S.B. 413**

AN ACT TO CLARIFY MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-288(a1)(2) reads as rewritten:

"(2) Proof that the applicant, within the last 12 months, has completed a 12-hour licensing course approved by the Division if the applicant is seeking an initial license and a six-hour course approved by the Division if the applicant is seeking a renewal license. The requirements of this subdivision do not apply to a used motor vehicle dealer the primary business of which is the sale of salvage vehicles on behalf of insurers or to a manufactured home dealer licensed under G.S. 143-143.11 who complies with the continuing education requirements of G.S. 143-143.11B. The requirement of this subdivision does not apply to persons age 62 or older as of July 1, 2002, who are seeking a renewal license. This subdivision also does not apply to an applicant who holds a license as a new motor vehicle dealer as defined in G.S. 20-286(13) and operates from an established showroom ~~20 miles or less from~~located in an area within a radius of 30 miles around the location of the established showroom for which the applicant seeks a used motor vehicle dealer license. An applicant who also holds a license as a new motor vehicle dealer may designate a representative to complete the licensing course required by this subdivision."

SECTION 2. G.S. 20-305(30) reads as rewritten:

"(30) To vary the price charged to any of its franchised new motor vehicle dealers located in this State for new motor vehicles based on the dealer's purchase of new facilities, supplies, tools, equipment, or other merchandise from the manufacturer, the dealer's relocation, remodeling, repair, or renovation of existing dealerships or construction of a new facility, the dealer's participation in training programs sponsored, endorsed, or recommended by

the manufacturer, whether or not the dealer is dualed with one or more other line makes of new motor vehicles, or the dealer's sales penetration. Except as provided in this subdivision, it shall be unlawful for any manufacturer, factory branch, distributor, or distributor branch, or any field representative, officer, agent, or any representative whatsoever of any of them to vary the price charged to any of its franchised new motor vehicle dealers located in this State for new motor vehicles based on the dealer's sales volume, the dealer's level of sales or customer service satisfaction, the dealer's purchase of advertising materials, signage, nondiagnostic computer hardware or software, communications devices, or furnishings, or the dealer's participation in used motor vehicle inspection or certification programs sponsored or endorsed by the manufacturer.

The price of the vehicle, for purposes of this subdivision shall include the manufacturer's use of rebates, credits, or other consideration that has the effect of causing a variance in the price of new motor vehicles offered to its franchised dealers located in the State.

Notwithstanding the foregoing, nothing in this subdivision shall be deemed to preclude a manufacturer from establishing sales contests or promotions that provide or award dealers or consumers rebates or incentives; provided, however, that the manufacturer complies with all of the following conditions:

a. With respect to manufacturer to consumer rebates and incentives, the manufacturer's criteria for determining eligibility shall:
    1. Permit all of the manufacturer's franchised new motor vehicle dealers in this State to offer the rebate or incentive; and
    2. Be uniformly applied and administered to all eligible consumers.
b. With respect to manufacturer to dealer rebates and incentives, the rebate or incentive program shall:
    1. Be based solely on the dealer's actual or reasonably anticipated sales volume or on a uniform per vehicle sold or leased basis;
    2. Be uniformly available, applied, and administered to all of the manufacturer's franchised new motor vehicle dealers in this State; and
    3. Provide that any of the manufacturer's franchised new motor vehicle dealers in this State may, upon written request, obtain the method or formula used by the manufacturer in establishing the sales volumes for receiving the rebates or incentives and the specific calculations for determining the required sales volumes of the inquiring dealer and any of the manufacturer's other franchised new motor vehicle dealers located within 75 miles of the inquiring dealer.

Nothing contained in this subdivision shall prohibit a manufacturer from providing assistance or encouragement to a franchised dealer to remodel, renovate, recondition, or relocate the dealer's existing facilities, provided that this assistance, encouragement, or rewards are not determined on a per vehicle basis.

It is unlawful for any manufacturer to charge or include the cost of any program or policy prohibited under this subdivision in the price of new motor vehicles that the manufacturer sells to its franchised dealers or purchasers located in this State.

In the event that as of October 1, 1999, a manufacturer was operating a program that varied the price charged to its franchised dealers in this State in a manner that would violate this subdivision, or had in effect a documented policy that had been conveyed to its franchised dealers in this State and that varied the price charged to its franchised dealers in this State in a manner that would violate this subdivision, it shall be lawful for that program or policy, including amendments to that program or policy that are consistent with the purpose and provisions of the existing program or policy, or a program or policy similar thereto implemented after October 1, 1999, to continue in effect as to the manufacturer's franchised dealers located in this State until June 30, ~~2018.~~2022.

In the event that as of June 30, 2001, a manufacturer was operating a program that varied the price charged to its franchised dealers in this State in a manner that would violate this subdivision, or had in effect a documented policy that had been conveyed to its franchised dealers in this State and that varied the price charged to its franchised dealers in this State in a manner that would violate this subdivision, and the program or policy was implemented in this State subsequent to October 1, 1999, and prior to June 30, 2001, and provided that the program or policy is in compliance with this subdivision as it existed as of June 30, 2001, it shall be lawful for that program or policy, including amendments to that program or policy that comply with this subdivision as it existed as of June 30, 2001, to continue in effect as to the manufacturer's franchised dealers located in this State until June 30, ~~2018.~~2022.

Any manufacturer shall be required to pay or otherwise compensate any franchise dealer who has earned the right to receive payment or other compensation under a program in accordance with the manufacturer's program or policy.

The provisions of this subdivision shall not be applicable to multiple or repeated sales of new motor vehicles made by a new motor vehicle dealer to a single purchaser under a bona fide fleet sales policy of a manufacturer, factory branch, distributor, or distributor branch."

SECTION 3. G.S. 20-305.1(b) reads as rewritten:

"(b) Notwithstanding the terms of any franchise agreement, it is unlawful for any motor vehicle manufacturer, factory branch, distributor, or distributor branch to fail to perform any of its warranty obligations with respect to a motor vehicle, to fail to fully compensate its motor vehicle dealers licensed in this State for warranty parts ~~other than parts used to repair the living facilities of recreational vehicles,~~ other than parts used to repair the living facilities of recreational vehicles, including motor homes, travel trailers, fifth-wheel trailers, camping trailers, and truck campers as defined in G.S. 20-4.01(32b), at the prevailing retail rate according to the factors in subsection (a) of this section, or, in service in accordance with the schedule of compensation provided the dealer pursuant to subsection (a) above, or to otherwise recover all or any portion of its costs for compensating its motor vehicle dealers licensed in this State for warranty parts and service either by reduction in the amount due to the dealer, or by separate charge, surcharge, or other imposition, and to fail to indemnify and hold harmless its franchised dealers licensed in this State against any judgment for damages or settlements agreed to by the manufacturer, including, but not limited to, court costs and reasonable attorneys' fees of the motor vehicle dealer, arising out of complaints, claims or lawsuits including, but not limited to, strict liability, negligence, misrepresentation, express or implied warranty, or recision or revocation of acceptance of the sale of a motor vehicle as defined in G.S. 25-2-608, to the extent that the judgment or settlement relates to the alleged defective negligent manufacture, assembly or design of new motor vehicles, parts or accessories or other functions by the manufacturer, factory branch, distributor or distributor branch, beyond the

control of the dealer. Any audit for warranty parts or service compensation shall only be for the 12-month period immediately following the date of the payment of the claim by the manufacturer, factory branch, distributor, or distributor branch. Any audit for sales incentives, service incentives, rebates, or other forms of incentive compensation shall only be for the 12-month period immediately following the date of the payment of the claim by the manufacturer, factory branch, distributor, or distributor branch pursuant to a sales incentives program, service incentives program, rebate program, or other form of incentive compensation program. Provided, however, these limitations shall not be effective in the case of fraudulent claims."

SECTION 4. G.S. 20-305.5 reads as rewritten:

"**§ 20-305.5. ~~Sections 20-305, subdivisions (4) through (28), and 20-305.1 to 20-305.4 not applicable to certain manufacturers and dealers.~~Recreational vehicle manufacturer warranty recall obligations.**

(a) ~~The provisions of G.S. 20-305(4) through G.S. 20-305(28) and 20-305.1 to 20-305.4 shall not apply to manufacturers of, or dealers in, mobile or manufactured type housing or recreational trailers.~~It is unlawful for any manufacturer, factory branch, distributor, or distributor branch that manufactures or distributes recreational vehicles to fail to fully compensate its dealers located in this State in accordance with this section for warranty or recall work performed by the dealers related to the living facilities of the vehicle, including all labor and parts used to repair such living facilities and any equipment, plumbing, appliances, and other options included by the manufacturer, factory branch, distributor, or distributor branch in the purchase price paid by the dealer for the vehicle. For purposes of this section, the term "recreational vehicle" includes motor homes, travel trailers, fifth-wheel trailers, camping trailers, and truck campers as defined by G.S. 20-4.01(32b). With respect to those portions of the living facilities of recreational vehicles and any equipment, plumbing, appliances, and other options that are part of such living facilities and that are included by the recreational vehicle manufacturer, factory branch, distributor, or distributor branch in the purchase price paid by the dealer for the vehicle, the term "warrantor" shall mean any manufacturer or distributor of such living facilities or any equipment, plumbing, appliances, and other options that are part of such living facilities that offers a warranty in writing to either the recreational vehicle dealer or to the ultimate purchaser of the recreational vehicle. The term "warrantor" does not include a person that provides a service contract, mechanical or other insurance, or an extended warranty sold for separate consideration by a dealer or other person not controlled by a warrantor. Notwithstanding the terms or conditions of any contract or agreement, it is unlawful for any recreational vehicle manufacturer, factory branch, distributor, or distributor branch to fail to fully and timely compensate any of its franchised recreational vehicle dealers located in this State in accordance with this section for all parts and labor used by such franchised dealers in making warranty or recall repairs to such living facilities of recreational vehicles, including any equipment, plumbing, appliances, and other options included by the recreational vehicle manufacturer, factory branch, distributor, or distributor branch in the purchase price paid by the dealer for the vehicle, to the extent that the individual components of such living facilities are not separately warranted by the manufacturers or distributors of such components. Notwithstanding the terms or conditions of any warranty, contract, or agreement, it is unlawful for any warrantor, as defined in this subdivision, to fail to fully and timely compensate any franchised recreational vehicle dealer located in this State in accordance with this section for all parts and labor used by such franchised recreational vehicle dealer in making warranty or recall repairs to any component parts of the living facilities of recreational vehicles manufactured or distributed by such warrantor, including any equipment, plumbing, appliances, and other options included by a recreational vehicle manufacturer, factory branch, distributor, or distributor branch in the purchase price paid by the dealer for the vehicle.

(b) Each warrantor as defined in this subdivision and each recreational vehicle manufacturer, factory branch, distributor, and distributor branch that sells or distributes recreational vehicles in this State shall specify in writing to each recreational vehicle dealer

licensed in this State who sells products manufactured or distributed by such warrantor or such recreational vehicle manufacturer, factory branch, distributor, or distributor branch, the recreational vehicle dealer's obligations for preparation, delivery, and warranty and recall service on its products, the schedule of compensation to be paid such dealers for parts, work, and service in connection with warranty or recall service, and the time allowances for the performance of such work and service. In no event shall such schedule of compensation fail to include reasonable compensation for diagnostic work and associated administrative requirements as well as repair service, labor, and transportation provided by the dealer to transport a recreational vehicle to and from a location at which the repairs can be made. Provided, however, that with respect to reimbursement for a recreational vehicle dealer's transportation expenses, the dealer is required to obtain the prior written authorization of the affected warrantor before incurring any transportation expenses, which authorization shall not be unreasonably denied by the warrantor, and provided further that any such request for transportation reimbursement must be denied by the warrantor within 5 business days of the warrantor's receipt of the dealer's request for reimbursement or the request shall be deemed authorized and allowed. Time allowances for the performance of warranty work and service shall be reasonable and adequate for the work to be performed. The compensation which must be paid under this section must be reasonable; provided, however, that under no circumstances may the reasonable compensation under this section be in an amount less than the recreational vehicle dealer's current retail labor rate for nonwarranty work of like kind, provided such amount is competitive with the retail rates charged for parts and labor by other franchised recreational dealers within the dealer's market.

(c) A warrantor may not require a dealer to establish the rate customarily charged by the recreational vehicle dealer for labor by an unduly burdensome or time-consuming method or by requiring information that is unduly burdensome or time-consuming to provide, including, but not limited to, part-by-part or transaction-by-transaction calculations.

(d) For any part, equipment, plumbing system or device, or appliance or option, a warrantor shall reimburse the dealer the cost of the part, equipment, plumbing system or device, appliance or option, plus a minimum of a thirty percent (30%) handling charge and pay the cost, if any, of freight to return the part, equipment, appliance, or option to the warrantor.

(e) If a warrantor furnishes a part or component to a dealer, at reduced or no cost, to use in performing repairs under a warranty or recall repair, the warrantor shall compensate the dealer for the part or component in the same manner as warranty parts compensation under this section, by compensating the dealer on the basis of a thirty percent (30%) handling charge for the part or component as listed in the warrantor's price schedule less the cost for the part or component.

(f) Notwithstanding the terms of any warranty, contract, or agreement, all claims made by recreational dealers pursuant to this section for compensation for delivery, preparation, warranty and recall work, and transportation costs, including labor, parts, and other expenses, shall be paid by the affected warrantor within 30 days after receipt of claim from the dealer. When any claim is disapproved, the dealer shall be notified in writing of the grounds for disapproval. Any claim not specifically disapproved in writing within 30 days after receipt shall be considered approved and payment is due immediately. No claim which has been approved and paid may be charged back to the dealer unless it can be shown that the claim was false or fraudulent, that the repairs were not properly made or were unnecessary to correct the defective condition, or the dealer failed to reasonably substantiate the claim either in accordance with the manufacturer's reasonable written procedures or by other reasonable means. A warrantor shall not deny a claim or reduce the amount to be reimbursed to the dealer as long as the dealer has provided reasonably sufficient documentation that the dealer (i) made a good-faith attempt to perform the work in compliance with the written policies and procedures of the warrantor and (ii) actually performed the work.

Notwithstanding the foregoing, a warrantor shall not fail to fully compensate a dealer for warranty or recall work or make any chargeback to the dealer's account based on the dealer's

failure to comply with the warrantor's claim documentation procedure or procedures unless both of the following requirements have been met:

(1) The dealer has, within the previous 12 months, failed to comply with the same specific claim documentation procedure or procedures.

(2) The warrantor has, within the previous 12 months, provided a written warning to the dealer by certified United States mail, return receipt requested, identifying the specific claim documentation procedure or procedures violated by the dealer.

(g) Every recreational vehicle manufacturer, factory branch, distributor, or distributor branch that manufactures or distributes recreational vehicles for sale in this State shall designate at least one of its employees knowledgeable in warranty administration who shall be the designated warranty contact person with whom its franchised dealers licensed in this State can communicate to assist them in filing and getting paid on warranty claims related to all component parts of all recreational vehicles such recreational vehicle manufacturer, factory branch, distributor, or distributor branch sells or distributes in this State. Each recreational vehicle manufacturer, factory branch, distributor, or distributor branch shall promptly notify, in writing, all of its franchised recreational vehicle dealers licensed in this State, the Commissioner, and the North Carolina Automobile Dealers Association, Incorporated, of the identity and contact information of the designated warranty contact person and any changes in this information. A recreational vehicle manufacturer or distributor that represents multiple suppliers or multiple line-makes of vehicles shall be permitted to designate a single individual as the designated warranty contact person for all such suppliers and line-makes of vehicles represented by such recreational vehicle manufacturer or distributor.

(h) It shall be unlawful for any warrantor or for any recreational vehicle manufacturer, factory branch, distributor, or distributor branch to recover or attempt to recover all or any portion of its costs for compensating recreational vehicle dealers licensed in this State for warranty or recall parts and service either by reduction in the amount due to the dealer or by separate charge, surcharge, or other imposition.

(i) It shall be unlawful for any recreational vehicle manufacturer, factory branch, distributor, or distributor branch to fail to indemnify and hold harmless its franchised dealers licensed in this State against any judgment for damages or settlements agreed to by the manufacturer, including, but not limited to, court costs and reasonable attorneys' fees of the recreational vehicle dealer, arising out of complaints, claims, or lawsuits, including, but not limited to, strict liability, negligence, misrepresentation, express or implied warranty, or rescission or revocation of acceptance of the sale of a vehicle as defined in G.S. 25-2-608, to the extent that the judgment or settlement relates to the alleged defective or negligent manufacture, assembly, or design of new recreational vehicles, parts, or accessories or other functions by the manufacturer, factory branch, distributor, or distributor branch beyond the control of the dealer. It shall be unlawful for any warrantor to fail to indemnify and hold harmless any recreational vehicle dealer located in this State who sold one or more products warranted by such warrantor against any judgment for damages or settlements agreed to by the warrantor, including, but not limited to, court costs and reasonable attorneys' fees of the recreational vehicle dealer, arising out of complaints, claims, or lawsuits, including, but not limited to, strict liability, negligence, misrepresentation, express or implied warranty, or rescission or revocation of acceptance of the sale of a vehicle or vehicle part, component, or accessory, as defined in G.S. 25-2-608, to the extent that the judgment or settlement relates to the alleged defective or negligent manufacture, assembly, or design of a product warranted by the warrantor or other functions of the warrantor beyond the control of the dealer. Any audit for warranty or recall parts or service compensation shall only be for the 12-month period immediately following the date of the payment of the claim by the manufacturer, factory branch, distributor, distributor branch, or warrantor. Any audit for sales incentives, service incentives, rebates, or other forms of incentive compensation shall only be for the 12-month period immediately following the date of the payment of the claim by the manufacturer, factory

branch, distributor, distributor branch, or warrantor. Provided, however, these limitations shall not be effective in the case of fraudulent claims.

(j) It shall be unlawful for any warrantor or for any recreational vehicle manufacturer, factory branch, distributor, or distributor branch to direct or encourage any owner or purchaser of a recreational vehicle to have warranty or recall service work or other repairs on a recreational vehicle made by a repair facility other than either the franchised dealer that sold the vehicle owner the recreational vehicle or the franchised dealer closest in proximity to such recreational vehicle owner or purchaser, provided that the recreational vehicle dealer who sold the vehicle to the owner or purchaser or who is located in closest proximity to such recreational vehicle owner or purchaser has sufficiently trained personnel and the necessary tools and equipment to make the required repairs to the vehicle, has not expressly stated in writing its desire to have the repairs made elsewhere, and is willing to make the repairs within a reasonable period of time after the necessary parts have been supplied to the dealer.

(k) In the event there is a dispute between a recreational vehicle dealer and a warrantor or a recreational vehicle manufacturer, factory branch, distributor, or distributor branch, with relating to any matter referred to in this section, either party may petition the Commissioner in writing, within 30 days after either party has given written notice of the dispute to the other, for a hearing on the subject and the decision of the Commissioner shall be binding on the parties, subject to rights of judicial review and appeal as provided in Chapter 150B of the General Statutes; provided, however, that nothing contained herein shall give the Commissioner any authority as to the content of any warrantor's warranty. Upon the filing of a petition before the Commissioner under this subsection, any chargeback to or any payment required of a recreational vehicle dealer by a warrantor or by a recreational vehicle manufacturer, factory branch, distributor, or distributor branch relating to warranty or recall parts or service compensation, or to sales incentives, service incentives, rebates, other forms of incentive compensation, or the withholding or chargeback of other compensation or support that a dealer would otherwise be eligible to receive, shall be stayed during the pendency of the determination by the Commissioner.

(*l*) The provisions of G.S. 20-305(4) through G.S. 20-305(28) and G.S. 20-305.2 to G.S. 20-305.4 shall not apply to manufacturers of or dealers in mobile or manufactured type housing or who sell or distribute only nonmotorized recreational trailers; provided, however, that unless specifically exempted, each of these provisions shall be applicable to all recreational vehicle manufacturers, factory branches, distributors, and distributor branches who sell or distribute any motorized recreational vehicles in this State. The provisions of G.S. 20-305.1 shall not apply to manufacturers of or dealers in mobile or manufactured type housing.

(m) To the extent not expressly inconsistent with the provisions of this section, all of the terms and provisions of G.S. 20-305.1 shall be applicable to recreational vehicle dealers and to recreational vehicle manufacturers, factory branches, distributors, and distributor branches under this section. For purposes of this section and Article 12 of Chapter 20 of the General Statutes of North Carolina, the relationship between a recreational vehicle manufacturer or recreational vehicle distributor, on the one part, and a recreational vehicle dealer that is located within this State, on the other part, pursuant to which the recreational vehicle dealer purchases and resells new recreational vehicles from the recreational vehicle manufacturer or recreational vehicle distributor, shall be considered a "franchise", as this term is defined in G.S. 20-286(8a), whether or not the rights and responsibilities of the parties have been delineated in a written agreement or contract."

SECTION 5. Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-101.3. Conspicuous disclosure of dealer shop and other service-related fees.**

(a) Requirement. – A motor vehicle dealer shall not charge shop fees in conjunction with service work performed by the dealer, or other discretionary fees relating to environmental or regulatory compliance, record retention, or other costs incurred by the dealer in conjunction with service work performed by the dealer, whether or not the fees are attributable to or include

the dealer's internal overhead or profit, unless the dealer complies with both of the following requirements:

(1) The dealer shall post a conspicuous notice in the service area of the dealership measuring at least 24 inches on each side informing customers that fees regulated by this section may or will be charged and that customers should inquire of dealership personnel if they would like to know the type and amount or basis of the fees charged by the dealer.

(2) The total amount of all fees regulated by this section shall be disclosed on the customer's repair order or repair invoice. Nothing in this subdivision shall be construed as requiring a dealer to list separately each fee charged by the dealer.

(b) Discretion. – Notwithstanding any provision of law to the contrary, a dealer is not required to charge a shop or other service-related fee regulated under this section and may reduce the amount of any or all fees charged.

(c) Notwithstanding any other section of this Chapter, the fees covered by this section shall not be considered a warranty expense and are not subject to the compensation requirements of G.S. 20-305.1."

SECTION 6. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 7. Section 5 of this act becomes effective January 1, 2018, and applies to fees charged on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-149 **S.B. 415**

AN ACT TO CLARIFY THE DEFINITION OF COLLECTION AGENCY TO EXCLUDE PERSONS ENGAGED IN ROUTINE BILLING SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-70-15 reads as rewritten:

"**§ 58-70-15. Definition of collection agency and collection agency business.**

(a) "Collection agency" means a person directly or indirectly engaged in soliciting, from more than one person delinquent claims of any kind owed or due or asserted to be owed or due the solicited person and all persons directly or indirectly engaged in the asserting, enforcing or prosecuting of those claims.

…

(c) "Collection agency" does not ~~mean:~~include any of the following:

(1) Regular employees of a single ~~creditor;~~creditor.

(2) Banks, trust companies, or bank owned, controlled or related ~~firms, corporations or associations engaged in accounting, bookkeeping or data processing services where a primary component of such services is the rendering of statements of accounts and bookkeeping services for creditors;~~firms.

(2a) Corporations or associations engaged in accounting, bookkeeping, or data processing services where a primary component of such services is the rendering of statements of accounts and bookkeeping services for creditors.

(3) Mortgage banking ~~companies;~~companies.

(4) Savings and loan ~~associations;~~associations.

(5) Building and loan ~~associations;~~associations.

(6) Duly licensed real estate brokers and agents when the claims or accounts being handled by the broker or agent are related to or are in connection with the broker's or agent's regular real estate ~~business;~~business.

(7) Express, telephone and telegraph companies subject to public regulation and ~~supervision;~~supervision.

(8) Attorneys-at-law handling claims and collections in their own name and not operating a collection agency under the management of a ~~layman;~~layman.

(9) Any person, firm, corporation or association handling claims, accounts or collections under an order or orders of any ~~court;~~court.

(10) A person, firm, corporation or association which, for valuable consideration purchases accounts, claims, or demands of another, which such accounts, claims, or demands of another are not delinquent at the time of such purchase, and then, in its own name, proceeds to assert or collect the accounts, claims or ~~demands;~~demands.

(11) Any person attempting to collect or collecting claims, in that person's name, of a business or businesses owned wholly or substantially by that ~~person;~~person.

(12) Any nonprofit tax exempt corporation organized for the purpose of providing mediation or other dispute resolution ~~services; and~~services.

(13) The designated representatives of programs as defined by G.S. 110-129(5)."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-150 **S.B. 489**

AN ACT TO CLARIFY WHEN NOTICES OF CANCELLATION OF WORKERS' COMPENSATION POLICIES ARE PRESUMED EFFECTIVE AND COMPLETE AND TO PROVIDE THE PROCEDURE TO BE FOLLOWED WHEN THE DEPUTY OR MEMBER OF THE COMMISSION THAT HEARD THE PARTIES AT ISSUE AND THEIR REPRESENTATIVES AND WITNESSES IS UNABLE TO DECIDE THE CASE AND ISSUE AN AWARD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-36-105(b) reads as rewritten:

"(b) Any cancellation permitted by subsection (a) of this section is not effective unless written notice of cancellation has been given to the insured not less than 15 days before the proposed effective date of cancellation. The notice may be given by registered or certified mail, return receipt requested, to the insured and any other person designated in the policy to receive notice of cancellation at their addresses shown in the policy or, if not indicated in the policy, at their last known addresses. The notice shall state the precise reason for cancellation. Whenever notice of intention to cancel is given by registered or certified mail, no cancellation by the insurer shall be effective unless and until such method is employed and completed. Notice of intent to cancel given by registered or certified mail shall be conclusively presumed completed three days after the notice is sent if, on the same day that the notice is sent by registered or certified mail, the insurer also provides notice by first-class mail and by electronic means if available as defined in G.S. 58-2-255(a) to the insured and any other person designated in the policy to receive notice. Any such supplemental notice given by electronic means shall be effective for the limited purpose of establishing this conclusive presumption. Notice of cancellation, termination, or nonrenewal may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure. Failure to send this notice, as provided in this section, to any other person designated in the policy to receive notice of cancellation invalidates the cancellation only as to that other person's interest."

SECTION 2. G.S. 58-2-255(b) reads as rewritten:

"(b) When any insurance law of this ~~State, except for cancellation, termination, or nonrenewal of workers' compensation policies pursuant to G.S. 58-36-105(b),~~ State requires a communication to be provided to a party in writing, signed by a party, provided by means of a specific delivery method, or retained by an insurer, those requirements are satisfied if the insurer complies with Article 40 of Chapter 66 of the General Statutes."

SECTION 3. G.S. 97-84 reads as rewritten:

"**§ 97-84. Determination of disputes by Commission or deputy.**

The Commission or any of its members or deputies shall hear the parties at issue and their representatives and witnesses, and shall determine the dispute in a summary manner. The ~~Commission shall decide the~~ case shall be decided and ~~issue~~ findings of fact issued based upon the preponderance of the evidence in view of the entire record. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue shall be filed with the record of the proceedings, within 180 days of the close of the hearing record unless time is extended for good cause by the Commission, and a copy of the award shall immediately be sent to the parties in dispute. ~~The parties may be heard by a deputy, in which event the hearing shall be conducted in the same way and manner prescribed for hearings which are conducted by a member of the Industrial Commission, and said deputy shall proceed to a complete determination of the matters in dispute, file his written opinion within 180 days of the close of the hearing record unless time is extended for good cause by the Commission, and the deputy shall cause to be issued an award pursuant to such determination.~~ If the deputy or member of the Commission that heard the parties at issue and their representatives and witnesses is unable to determine the matters in dispute and issue an award, the Commission may assign another deputy or member to decide the case and issue an award."

SECTION 4. Notwithstanding G.S. 97-31.1, Section 3 of this act is effective when it becomes law and applies to claims pending on or after the effective date of this act. The remainder of this act is effective when it becomes law and applies to notices of cancellation of workers' compensation policies sent on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-151 **S.B. 548**

AN ACT STRENGTHENING HUMAN TRAFFICKING LAWS, AUTHORIZING THE NORTH CAROLINA BOARD OF MASSAGE AND BODYWORK THERAPY TO REGULATE MASSAGE AND BODYWORK THERAPY ESTABLISHMENTS, REQUIRING MASSAGE AND BODYWORK THERAPISTS TO OBTAIN A STATEWIDE PRIVILEGE LICENSE, AND AUTHORIZING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY WAYS TO IDENTIFY AND PROTECT VICTIMS OF HUMAN TRAFFICKING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-43.11 reads as rewritten:

"**§ 14-43.11. Human trafficking.**

…

(b) A person who violates this section is guilty of a Class ~~F~~ C felony if the victim of the offense is an adult. A person who violates this section is guilty of a Class ~~C~~ B2 felony if the victim of the offense is a minor.

…."

SECTION 2.(a) G.S. 14-202.10(2) reads as rewritten:

"(2) "Adult establishment" means an adult bookstore, adult motion picture theatre, adult mini motion picture theatre, or adult live entertainment ~~business, or massage~~ business as defined in this section."

SECTION 2.(b) G.S. 14-202.10(7) and G.S. 14-202.10(8) are repealed.

SECTION 2.(c) G.S. 14-202.11 is amended by adding a new subsection to read as follows:

"(a1) No person shall permit the practice of massage and bodywork therapy, as defined in Article 36 of Chapter 90 of the General Statutes, in an adult establishment."

SECTION 3.(a) G.S. 90-621 reads as rewritten:

"**§ 90-621. Declaration of purpose.**

The purpose of this Article is to ensure the protection of the health, safety, and welfare of the citizens of this State receiving massage and bodywork therapy services. This purpose is achieved ~~by establishing~~by:

(1) Establishing education and testing standards that ensure competency in the practice of massage and bodywork therapy. Mandatory licensure of those engaged in the practice of massage and bodywork therapy assures the public that each individual has satisfactorily met the standards of the profession and continues to meet both the ethical and competency goals of the profession.

(2) Establishing standards for establishments that provide massage and bodywork therapy services. Mandatory licensure of those who own or operate massage and bodywork therapy establishments assures the public that these establishments provide legal, professional services and employ licensed massage and bodywork therapists who have satisfactorily met the standards of the profession and continue to meet both the ethical and competency goals of the profession."

SECTION 3.(b) G.S. 90-622 reads as rewritten:

"**§ 90-622. Definitions.**

The following definitions apply in this Article:

(1) Accreditation. – Status granted to a postsecondary institution of higher learning that has met standards set by an accrediting agency recognized by the Secretary of the United States Department of Education. The accreditation for massage and bodywork schools may be institutional or programmatic in nature.

(1a) Board. – The North Carolina Board of Massage and Bodywork Therapy.

(2) Board-approved school. – Any massage and bodywork therapy school or training program in this State or another state that is not otherwise exempt from Board approval, that has met the standards set forth in this Article, and been granted approval by the Board.

(2a) Business name. – The name under which the owner applies for the establishment license to provide massage therapy, if different from the name of the owner.

~~(2a)~~(2b) Criminal history record check. – A report resulting from a request made by the Board to the North Carolina Department of Public Safety for a history of conviction of a crime, whether a misdemeanor or felony, that bears on an applicant's fitness for licensure to practice massage and bodywork therapy.

(3) Massage and bodywork therapy. – Systems of activity applied to the soft tissues of the human body for therapeutic, educational, or relaxation purposes. The application may include:

a. Pressure, friction, stroking, rocking, kneading, percussion, or passive or active stretching within the normal anatomical range of movement.

b. Complementary methods, including the external application of water, heat, cold, lubricants, and other topical preparations.

c. The use of mechanical devices that mimic or enhance actions that may possibly be done by the hands.

(3a) Massage and bodywork therapy establishment. – Any duly licensed site or premises in which massage and bodywork therapy is practiced. This term does not include any of the following:

a. On-site massage performed at the location of the customer.

b. Stand-alone devices, such as chairs, that are operated by the customer.

c. Establishments located within the confines of a hospital, nursing home, or other similar establishment or facility licensed or otherwise regulated by the Department of Health and Human Services.

d. Massage and bodywork therapy provided by a sole practitioner.

e. A student clinic operated by a Board-approved school or a massage and bodywork therapy program offered by community colleges in North Carolina that are accredited by the Southern Association of Colleges and Schools or massage and bodywork therapy programs offered by a degree or diploma granting college or university accredited by any accrediting agency that is recognized by the United States Department of Education and licensed by the North Carolina Community College System or The University of North Carolina Board of Governors or exempt from such licensure pursuant to G.S. 116-15(c).

f. Chiropractic physician offices that provide massage and bodywork therapy only by massage and bodywork therapists currently licensed in North Carolina.

~~(3a)~~(3b) Massage and bodywork therapy school. – Any educational institution that conducts a training program or curriculum for a tuition charge, which is intended to teach adults the knowledge, skills, and abilities necessary for the safe, effective, and ethical practice of massage and bodywork therapy.

(4) Massage and bodywork therapist. – A person licensed under this Article.

(4a) Owner. – The person, sole proprietor, partnership, limited partnership, or corporation that operates the massage and bodywork therapy establishment.

(5) Practice of massage and bodywork therapy. – The application of massage and bodywork therapy to any person for a fee or other consideration.

(6) Sole practitioner. – A single licensed massage and bodywork therapist offering massage or bodywork therapy services from a space the licensed massage and bodywork therapist controls and from which only the licensed massage and bodywork therapist offers and provides the services."

SECTION 3.(c) The catch line of G.S. 90-623 reads as rewritten:

"**§ 90-623. License to practice required.**"

SECTION 3.(d) The catch line of G.S. 90-624 reads as rewritten:

"**§ 90-624. ~~Exemptions.~~Activities not requiring a license to practice.**"

SECTION 3.(e) Subdivision (9) of G.S. 90-626 reads as rewritten:

"(9) Adopt, amend, or repeal any ~~rules~~ of the following rules:

a. Rules necessary to carry out the purposes of this ~~Article and~~Article.

b. Rules necessary to carry out the duties and responsibilities of the Board, including ~~rules~~ the following:

1. Rules related to the approval of massage and bodywork therapy schools, continuing education providers, examinations for licensure, and the practice of advanced techniques or ~~specialties, and massage and bodywork therapy establishments.~~specialties. Any rules adopted or amended shall take into account the educational standards of national bodywork and massage therapy associations and professional organizations.

2. Rules related to massage and bodywork therapy establishments."

SECTION 3.(f) G.S. 90-628(b) reads as rewritten:

"(b) The Board may impose the following fees up to the amounts listed ~~below:~~below for a license to practice massage and bodywork therapy:

(1) Application for license $20.00
(2) Initial license fee 150.00
(3) License renewal 100.00
(4) Late renewal penalty 75.00
(5) Repealed by Session Laws 2008-224, s. 8, effective August 17, 2008.
(6) Duplicate license 25.00
(7) Repealed by Session Laws 2008-224, s. 8, effective August 17, 2008."

SECTION 3.(g) G.S. 90-629 reads as rewritten:

"**§ 90-629. Requirements for ~~licensure.~~licensure to practice.**

Upon application to the Board and the payment of the required fees, an applicant may be licensed as a massage and bodywork therapist if the applicant meets all of the following qualifications:

(1) Has obtained a high school diploma or equivalent.
(2) Is 18 years of age or older.
(3) Is of good moral character as determined by the Board.
(4) Has successfully completed a training program consisting of a minimum of 500 in-class hours of supervised instruction at a Board-approved school.
(5) Has passed a competency assessment examination that meets generally accepted psychometric principles and standards and is approved by the Board.
(6) Has submitted fingerprint cards in a form acceptable to the Board at the time the license application is filed and consented to a criminal history record check by the North Carolina Department of Public Safety.
(7) Demonstrates satisfactory proof of proficiency in the English language."

SECTION 3.(h) G.S. 90-629.1 reads as rewritten:

"**§ 90-629.1. Criminal history record checks of applicants for ~~licensure.~~licensure to practice and for ownership or operation of an establishment.**

(a) All applicants for licensure to practice massage and bodywork therapy or to operate a massage and bodywork therapy establishment shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant. The Board shall ensure that the State and national criminal history of an applicant is checked. The Board shall be responsible for providing to the North Carolina Department of Public Safety the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the criminal record check and the use of fingerprints and other identifying information required by the State or National Repositories, and any additional information required by the Department of Public Safety. The Board shall keep all information obtained pursuant to this section confidential.

…."

SECTION 3.(i) The catch line of G.S. 90-630.1 reads as rewritten:

"**§ 90-630.1. Licensure to practice by endorsement.**"

SECTION 3.(j) G.S. 90-632 is recodified as G.S. 90-630.5 and reads as rewritten:

"**§ 90-630.5. ~~License renewal and~~Renewal of license to practice and license to operate massage and bodywork therapy establishment; continuing education.**

(a) The license to practice and the license to operate a massage and bodywork therapy establishment under this Article shall be renewed every two years.

(b) The continuing education requirement for the renewal of an initial license ~~renewal~~ to practice is as follows:

(1) If the licensure period is two years or more, each licensee shall submit to the Board evidence of the successful completion of at least 24 hours of study, as approved by the Board, since the initial licensure application date in the practice of massage and bodywork therapy.

(2) If the licensure period is less than two years, but more than one year, each licensee shall submit to the Board evidence of the successful completion of at least 12 hours of study, as approved by the Board, since the initial licensure application date in the practice of massage and bodywork therapy.

(c) For subsequent renewals of a license ~~renewals,~~to practice, each licensee shall submit to the Board evidence of the successful completion of at least 24 hours of study, as approved by the Board, since the previous licensure renewal submission date in the practice of massage and bodywork therapy."

SECTION 3.(k) Article 36 of Chapter 90 of the General Statutes is amended by adding new sections to read:

"**§ 90-632.10. Massage and bodywork therapy establishment license required.**

The Board shall license massage and bodywork therapy establishments in this State for the purpose of protecting the health, safety, and welfare of the public. Unless otherwise exempt from the Board licensure process, no individual, association, partnership, corporation, or other entity shall open, operate, or advertise a massage and bodywork therapy establishment in this State unless it has first been licensed by the Board. The Board shall maintain a list of licensed massage and bodywork therapy establishments operating pursuant to this Article.

"**§ 90-632.11. Requirements for massage and bodywork therapy establishment licensure.**

(a) Any person who wishes to operate a massage and bodywork therapy establishment shall obtain a license from the Board by submitting a massage and bodywork therapy establishment licensure application accompanied by all of the following:

(1) The applicable fee set forth in G.S. 90-632.14.

(2) Proof of property damage and bodily injury liability insurance coverage in the name of the owner or, if the establishment is operated under a business name, in the name of both the owner and the business.

(3) Prior licensure and disciplinary history, including verifications from all North Carolina licensing boards from which the owner holds or has held any health related professional license.

(4) Fingerprint cards submitted in accordance with G.S. 90-629.1 at the time the license application is filed and consented to a criminal history record check by the Department of Public Safety.

(5) Ownership information, including at least all of the following:

a. Type of ownership.

b. Name of owner.

c. Name of authorized representative.

d. Address of establishment.

e. Social Security number or federal tax identification number.

f. E-mail address.

g. Current phone number.

h. Hours of operation.

(6) Proof of good moral character as determined by the Board.

(7) Signature of all owners or authorized corporate representatives or both.

(8) A successfully completed self-evaluation inspection report demonstrating compliance with this section and any rules adopted pursuant to G.S. 90-632.13.

(9) Proof that the establishment employs, hires, or plans to employ or hire one or more massage and bodywork therapists who hold a current license from the Board.

(b) The application for licensure shall be submitted in the name of the owner or owners of the establishment. If the owner is a corporation, the application shall be submitted in the name of the corporation and shall be signed by a corporate representative.

"**§ 90-632.12. Operation of a massage and bodywork therapy establishment under a name different than the owner; advertisment.**

(a) An owner may operate a licensed massage and bodywork therapy establishment under a name other than the name of the owner, provided such name is submitted to the Board on the application for licensure.

(b) Any advertisement by the massage and bodywork therapy establishment shall include the establishment's business name and shall comply with 21 NCAC 30 .0404.

"**§ 90-632.13. Rules for massage and bodywork therapy establishment license.**

The Board shall establish rules for the licensure of massage and bodywork therapy establishments. These rules shall include at least all of the following:

(1) Requirements for adequate, safe, and sanitary facilities.

(2) Requirements for compliance with local building code requirements, State fire safety codes, and State health inspection codes necessary to ensure the safe and effective practice of massage and bodywork therapy.

(3) Requirements for retention of client and ownership records.

(4) A description of the process used by the Board to approve massage and bodywork therapy establishment licenses.

(5) Requirements for initial and periodic inspections of massage and bodywork therapy establishments.

(6) Requirements for transfer of a massage and bodywork therapy establishment license.

"**§ 90-632.14. Fees for massage and bodywork therapy establishment license.**

(a) The Board may impose the following fees up to the amounts listed below for massage and bodywork therapy establishment licensure:

(1) Application for license $20.00
(2) Initial license fee 150.00
(3) License renewal 100.00
(4) Late renewal penalty 75.00
(5) Duplicate license 25.00
(6) Inspection of establishment 150.00

(b) All fees listed in subsection (a) of this section shall be paid in the form of a cashier's check, certified check, or money order made payable to the North Carolina Board of Massage and Bodywork Therapy and shall be nonrefundable.

"**§ 90-632.15. Grounds for suspension, revocation, or refusal of a massage and bodywork therapy establishment license; notice and hearing; judicial review.**

(a) The Board may deny, suspend, revoke, discipline, or refuse to approve a massage and bodywork therapy establishment for any of the following reasons:

(1) The employment of fraud, deceit, or misrepresentation in obtaining or attempting to obtain a massage and bodywork therapy establishment license.

(2) Engaging in any act or practice in violation of any of the provisions of this Article or of any of the rules adopted by the Board or aiding, abetting, or assisting any other person in the violation of the provisions of this Article or rules adopted by the Board.

(3) Failure to require that its employees or independent contractors be currently licensed by the Board.

(4) Operating a massage and bodywork therapy establishment without a license from this Board.

(5) Engaging in conduct that could result in harm or injury to the public.

(6) The employment of fraud, deceit, or misrepresentation when communicating with the general public, health care professionals, or other business professionals.

(7) Falsely holding out a massage and bodywork therapy establishment as licensed by this Board.

(8) Failure to allow authorized representatives of the Board to conduct inspections of the massage and bodywork therapy establishment or refusing to make available to the Board, following written notice to the massage and bodywork therapy establishment, the requested information pertaining to the requirements for approval set forth in this Article.

(9) Failure to notify the Board in writing within 30 days of any notification it receives from any state, local, or federal court or agency of a show cause action, probation action, or denial of licensure or approval.

(10) The applicant for or holder of a massage and bodywork therapy establishment license has pleaded guilty, entered a plea of nolo contendere, or has been found guilty of a crime involving moral turpitude by a judge or jury in any state or federal court.

(b) A refusal to issue, refuse to renew, or suspension or revocation of a massage and bodywork therapy establishment license under this section shall be made in accordance with Chapter 150B of the General Statutes.

"**§ 90-632.16. Unlicensed massage and bodywork therapy prohibited at massage and bodywork therapy establishments.**

A massage and bodywork therapy establishment shall not employ or contract with any person in this State to provide massage and bodywork therapy unless that person holds a current license to practice massage and bodywork therapy issued pursuant to this Article.

"**§ 90-632.17. Sexual activity prohibited.**

(a) Sexual activity or solicitation of sexual activity by any person or persons in any massage and bodywork therapy establishment is unlawful and prohibited.

(b) No owner shall engage in or permit any person or persons to engage in sexual activity in the owner's massage and bodywork therapy establishment. No owner shall engage in or permit any person or persons to use the owner's massage and bodywork therapy establishment to make arrangements to engage in sexual activity in any other place.

"**§ 90-632.18. Enforcement; injunctive relief against massage and bodywork therapy establishments.**

The Board may utilize the enforcement and injunctive relief set forth in G.S. 90-634 and assess civil penalties and disciplinary costs as provided in G.S. 90-634.1 to address violations of G.S. 90-632.10 through G.S. 90-632.17, any rules adopted pursuant to G.S. 90-632.13, or any other laws or rules applicable to the operation of a massage and bodywork therapy establishment.

"**§ 90-632.19. Human trafficking public awareness sign.**

The Board may require that a massage and bodywork therapy establishment prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 3.(*l*) G.S. 90-634 reads as rewritten:

"**§ 90-634. Enforcement; injunctive relief.**

(a) It is unlawful for a person not licensed or exempted under this Article to engage in any of the following:

(1) Practice of massage and bodywork therapy.

(2) Advertise, represent, or hold out himself or herself to others to be a massage and bodywork therapist.

(3) Use any title descriptive of any branch of massage and bodywork therapy, as provided in G.S. 90-623, to describe his or her practice.

(b) A person who violates subsection (a) of this section shall be guilty of a Class 1 misdemeanor.

(b1) Unless exempt from the approval process, it is unlawful for an individual, association, partnership, corporation, or other entity to open, operate, or advertise a massage and bodywork therapy school without first having obtained the approval required by G.S. 90-631.1.

(b2) An individual, association, partnership, corporation, or other entity that violates subsection (b1) of this section shall be guilty of a Class 3 misdemeanor.

(b3) It is unlawful for a person, individual, association, partnership, corporation, or other entity to do any of the following:

(1) Employ, hire, engage, or otherwise contract with a person who is not licensed or exempted under this Article to provide massage and bodywork therapy services to the public.

(2) Aid and abet any person not licensed or exempted under this Article in the practice of massage and bodywork therapy.

(3) Advertise, represent, or hold out any person not licensed or exempted under this Article to others as a massage and bodywork therapist.

(4) Describe the practice of any person not licensed or exempted under this Article or use any title descriptive of any branch of massage and bodywork therapy to reference any such person in violation of G.S. 90-623.

(b4) A person who violates subsection (b3) of this section shall be guilty of a Class 1 misdemeanor.

(c) The Board may make application to superior court for an order enjoining a violation of this Article. Upon a showing by the Board that a person, association, partnership, corporation, or other entity has violated or is about to violate this Article, the court may grant an injunction, restraining order, or take other appropriate action."

SECTION 4. G.S. 105-41(a) reads as rewritten:

"**§ 105-41. Attorneys-at-law and other professionals.**

(a) Every individual in this State who practices a profession or engages in a business and is included in the list below must obtain from the Secretary a statewide license for the privilege of practicing the profession or engaging in the business. A license required by this section is not transferable to another person. The tax for each license is fifty dollars ($50.00).

…

(2) A physician, a veterinarian, a surgeon, an osteopath, a chiropractor, a chiropodist, a dentist, an ophthalmologist, an optician, an optometrist, a massage and bodywork therapist, or another person who practices a professional art of healing.

…."

SECTION 5. In consultation with the North Carolina Human Trafficking Commission, the Department of Health and Human Services shall study the feasibility of training health care providers, emergency medical providers, and relevant first responders in human trafficking identification and response and preventative tools and methods. The Department shall report its findings and recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Oversight Committee on Health and Human Services, the Human Trafficking Commission, and the Governor no later than February 1, 2018.

SECTION 6. Section 1 and Section 3(*l*) of this act become effective December 1, 2017, and apply to offenses committed on or after that date. Sections 2(a) through 2(c) and 3(a) through 3(k) of this act become effective October 1, 2017. Section 4 of this act is effective when it becomes law and applies to taxable years beginning on or after July 1, 2018. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-152 **S.B. 567**

AN ACT TO PROVIDE FOR THE JUDICIAL REFORMATION OF WILLS TO CORRECT MISTAKES AND THE JUDICIAL MODIFICATION OF WILLS TO ACHIEVE THE TESTATOR'S TAX OBJECTIVES AND TO REVISE THE NORTH CAROLINA UNIFORM TRUST CODE TO ACHIEVE CONSISTENCY IN THE REFORMATION OF TRUSTS WITH THE REFORMATION OF WILLS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 31 of the General Statutes is amended by adding a new Article to read:

"Article 10.

"Reformation or Modification of Wills.

"**§ 31-61. Reformation of will to correct mistakes.**

The court may reform the terms of a will, if the terms of the will are ambiguous, to conform the terms to the testator's intent if it is proved by clear and convincing evidence what the testator's intent was and that the terms of the will were affected by a mistake of fact or law, whether in expression or inducement.

"**§ 31-62. Modification of will to achieve testator's tax objectives.**

To achieve a testator's tax objectives, the court may modify the terms of a will in a manner that is not contrary to the testator's probable intent. The court may provide that the modification has retroactive effect.

"**§ 31-63. Filing of action for reformation or modification of will; bar to caveat.**

(a) An action for reformation or modification of a will shall be filed in the superior court division of the General Court of Justice under Article 26 of Chapter 1 of the General Statutes.

(b) The personal representative is a necessary party to an action for reformation or modification of a will.

(c) If a person interested in the estate files an action for reformation or modification of a will, that person is barred from thereafter filing a caveat to the will under Article 6 of this Chapter."

SECTION 2.(a) G.S. 28A-2-4 reads as rewritten:

"**§ 28A-2-4. Subject matter jurisdiction of the clerk of superior court in estate proceedings.**

(a) The clerks of superior court of this State, as ex officio judges of probate, shall have original jurisdiction of estate proceedings. Except as provided in subdivision (4) of this subsection, the jurisdiction of the clerk of superior court is exclusive. Estate proceedings include, but are not limited to, the following:

(1) Probate of wills.

(2) Granting and revoking of letters testamentary and letters of administration, or other proper letters of authority for the administration of estates.

(3) Determination of the elective share for a surviving spouse as provided in G.S. 30-3.

(4) Proceedings to ascertain heirs or devisees, to approve settlement agreements pursuant to G.S. 28A-2-10, to determine questions of construction of wills, to determine priority among creditors, to determine whether a person is in possession of property belonging to an estate, to order the recovery of property of the estate in possession of third parties, and to determine the existence or nonexistence of any immunity, power, privilege, duty, or right. Any party or the clerk of superior court may file a notice of transfer of a proceeding pursuant to this subdivision to the Superior Court Division of the General Court of Justice as provided in G.S. 28A-2-6(h). In the absence of a transfer to superior court, Article 26 of Chapter 1 of the General Statutes

shall apply to ~~a trust~~ an estate proceeding pending before the clerk of superior court to the extent consistent with this Article.

(b) Nothing in this section shall affect the right of a person to file an action in the Superior Court Division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1 of the General Statutes. In the event that either the petitioner or the respondent in an estate proceeding requests declaratory relief under Article 26 of Chapter 1 of the General Statutes, either party may move for a transfer of the proceeding to the Superior Court Division of the General Court of Justice as provided in Article 21 of Chapter 7A of the General Statutes. In the absence of a removal to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to an estate proceeding to the extent consistent with this Article.

(c) Without otherwise limiting the jurisdiction of the Superior Court Division of the General Court of Justice, the clerk of superior court shall not have jurisdiction under subsection (a) or ~~(c)~~ (b) of this section or G.S. 28A-2-5 of the following:

(1) Actions by or against creditors or debtors of an estate, except as provided in Article 19 of this Chapter.
(2) Actions involving claims for monetary damages, including claims for breach of fiduciary duty, fraud, and negligence.
(3) Caveats, except as provided under G.S. 31-36.
(4) Proceeding to determine proper county of venue as provided in G.S. 28A-3-2.
(5) Recovery of property transferred or conveyed by a decedent with intent to hinder, delay, or defraud creditors, pursuant to G.S. 28A-15-10(b)."

SECTION 2.(b) This section is effective when this act becomes law.

SECTION 3. G.S. 28A-2-4(c), as amended by Section 2 of this act, reads as rewritten:

"(c) Without otherwise limiting the jurisdiction of the Superior Court Division of the General Court of Justice, the clerk of superior court shall not have jurisdiction under subsection (a) or (b) of this section or G.S. 28A-2-5 of the following:

(1) Actions by or against creditors or debtors of an estate, except as provided in Article 19 of this Chapter.
(2) Actions involving claims for monetary damages, including claims for breach of fiduciary duty, fraud, and negligence.
(3) Caveats, except as provided under G.S. 31-36.
(4) Proceeding to determine proper county of venue as provided in G.S. 28A-3-2.
(5) Recovery of property transferred or conveyed by a decedent with intent to hinder, delay, or defraud creditors, pursuant to G.S. 28A-15-10(b).
(6) Actions for reformation or modification of wills under Article 10 of Chapter 31 of the General Statutes."

SECTION 4. G.S. 36C-4-415 reads as rewritten:

"**§ 36C-4-415. Reformation to correct mistakes.**

The court may reform the terms of a ~~trust, even if unambiguous,~~ trust, if the terms of the trust are ambiguous, to conform the terms to the settlor's ~~intention~~ intent if it is proved by clear and convincing evidence ~~that both~~ what the settlor's intent was and that the terms of the trust were affected by a mistake of fact or law, whether in expression or inducement. ~~Jurisdiction of a proceeding brought under this section shall be as provided in G.S. 36C-2-203.~~"

SECTION 5. The Revisor of Statutes shall cause to be printed all explanatory comments of the drafters of Section 4 of this act, as the Revisor may deem appropriate.

SECTION 6. Except as otherwise provided in this act, this act becomes effective January 1, 2018. Sections 1 and 3 of this act apply to estates of decedents dying before, on, or after that date. Section 4 of this act applies to actions for the reformation of trusts filed on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-153 **S.B. 569**

AN ACT TO ADOPT THE UNIFORM POWER OF ATTORNEY ACT IN THIS STATE.

The General Assembly of North Carolina enacts:

PART I. REVISED VERSION OF THE UNIFORM POWER OF ATTORNEY ACT

SECTION 1. The General Statutes are amended by adding a new Chapter to read:

"**Chapter 32C.**

"**North Carolina Uniform Power of Attorney Act.**

"Article 1.

"Definitions and General Provisions.

"**§ 32C-1-101. Short title.**

This Chapter may be cited as the North Carolina Uniform Power of Attorney Act.

"**§ 32C-1-102. Definitions.**

The following definitions apply in this Chapter:

(1) Agent. – A person granted authority to act for a principal under a power of attorney, whether denominated an agent, attorney-in-fact, or otherwise. The term includes an original agent, coagent, successor agent, and a person to which an agent's authority is delegated.

(2) Durable. – With respect to a power of attorney, the incapacity of the principal does not terminate the power of attorney.

(3) Electronic. – Relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(4) Entity. – A sole proprietorship, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or any other legal or commercial entity whether or not organized for business purposes.

(5) Good faith. – Honesty in fact.

(6) Incapacity. – The inability of an individual to manage property or business affairs because the individual has any of the following statuses:

a. An impairment in the ability to receive and evaluate information or make or communicate decisions even with the use of technological assistance.

b. Is missing, detained, including incarcerated in a penal system, or outside the United States and unable to return.

(7) Internal Revenue Code. – The Internal Revenue Code of 1986, as amended from time to time. Each reference to a provision of the Internal Revenue Code shall include any successor to that provision.

(8) Person. – An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(9) Power of attorney. – A writing or other record that grants authority to an agent to act in the place of the principal, whether or not the term power of attorney is used.

(10) Reserved.

(11) Principal. – An individual who grants authority to an agent in a power of attorney.

(12) Property. – Anything that may be the subject of ownership, whether real or personal, or legal or equitable, or any interest or right therein.

(13) Record. – Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(14) Sign. – With the present intent to authenticate or adopt a record, (i) to execute or adopt a tangible symbol or (ii) to attach to or logically associate with the record an electronic sound, symbol, or process.

(15) State. – A state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(16) Stocks and bonds. – Stocks, bonds, mutual funds, and all other types of securities and financial instruments, whether held directly, indirectly, or in any other manner. The term does not include commodity futures contracts and call or put options on stocks or stock indexes.

"**§ 32C-1-103. Applicability.**

This Chapter applies to all powers of attorney except the following:

(1) A power to the extent it is coupled with an interest in the subject of the power, including a power given to or for the benefit of a creditor in connection with a credit transaction.

(2) A power to make health care decisions.

(3) A proxy or other delegation to exercise voting rights or management rights with respect to an entity.

(4) A power created on a form prescribed by a government or governmental subdivision, agency, or instrumentality for a governmental purpose.

"**§ 32C-1-104. Power of attorney; durability.**

A power of attorney created pursuant to this Chapter is durable unless the instrument expressly provides that it is terminated by the incapacity of the principal.

"**§ 32C-1-105. Execution of power of attorney.**

A power of attorney must be (i) signed by the principal or in the principal's conscious presence by another individual directed by the principal to sign the principal's name on the power of attorney and (ii) acknowledged. A signature on a power of attorney is presumed to be genuine if the principal acknowledges the signature before a notary public or other individual authorized by law to take acknowledgements.

"**§ 32C-1-106. Validity of power of attorney.**

(a) A power of attorney executed in this State on or after the effective date of this Chapter is valid if its execution complies with G.S. 32C-1-105.

(b) A power of attorney executed in this State before the effective date of this Chapter is valid if its execution complied with the law of this State as it existed at the time of execution.

(c) A power of attorney executed other than in this State is valid in this State if, when the power of attorney was executed, the execution complied with any of the following:

(1) The law of the jurisdiction that determines the meaning and effect of the power of attorney pursuant to G.S. 32C-1-107.

(2) The requirements for a military power of attorney pursuant to 10 U.S.C. § 1044b, as amended.

(d) Except as otherwise provided by statute other than this Chapter, a photocopy or electronically transmitted copy of an original power of attorney has the same effect as the original.

"**§ 32C-1-107. Meaning and effect of power of attorney.**

The meaning and effect of a power of attorney is determined by the law of the jurisdiction indicated in the power of attorney and, in the absence of an indication of jurisdiction, by the law of the jurisdiction in which the power of attorney was executed.

"**§ 32C-1-108. Nomination of guardian; relation of agent to court-appointed fiduciary.**

(a) In a power of attorney, a principal may nominate a guardian of the principal's estate, or guardian of the principal's person, or general guardian for consideration by the clerk of superior court if protective proceedings for the principal's estate or person are begun after the

principal executes the power of attorney. Except for good cause shown or disqualification, the clerk of superior court shall make its appointment in accordance with the principal's most recent nomination. If a guardian of the principal's person is nominated in a health care power of attorney, that nomination shall control over the nomination, if any, in a power of attorney.

(b) If, after a principal executes a power of attorney, the clerk of superior court appoints a guardian of the principal's estate, or general guardian or other fiduciary charged with the management of some or all of the principal's property, the agent is accountable to the guardian or the fiduciary as well as to the principal. The power of attorney is not terminated and the agent's authority continues unless limited, suspended, or terminated by the court in accordance with this Chapter.

"**§ 32C-1-109. When power of attorney effective.**

(a) A power of attorney is effective when executed unless the principal provides in the power of attorney that it becomes effective at a future date or upon the occurrence of a future event or contingency.

(b) If a power of attorney becomes effective upon the occurrence of a future event or contingency, the principal, in the power of attorney, may authorize one or more persons to determine in a writing or other record that the event or contingency has occurred.

(c) If a power of attorney becomes effective upon the principal's incapacity and the principal has not authorized a person to determine whether the principal is incapacitated, or the person authorized is unable or unwilling to make the determination, the power of attorney becomes effective upon a determination in a writing or other record in one of the following manners:

(1) After a personal examination of the principal, by two individuals who are either a physician, a licensed psychologist, or both, that the principal is incapacitated within the meaning of G.S. 32C-1-102(5)a.

(2) By an attorney-at-law, a judge, or an appropriate governmental official that the principal is incapacitated within the meaning of G.S. 32C-1-102(5)b.

Notwithstanding the subsequent capacity of the principal to manage property or business affairs, a power of attorney which becomes effective under this subsection shall remain effective until its termination pursuant to G.S. 32C-1-110(a) or the agent's authority terminates pursuant to G.S. 32C-1-110(b).

(d) A person authorized by the principal in the power of attorney to determine that the principal is incapacitated may act as the principal's personal representative pursuant to the Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social Security Act, 42 U.S.C. § 1320d, as amended, and applicable regulations, to obtain access to the principal's health care information and communicate with the principal's health care provider.

"**§ 32C-1-110. Termination of power of attorney.**

(a) A power of attorney terminates when any of the following occur:

(1) The principal dies.

(2) If the power of attorney is not durable, the principal becomes incapacitated.

(3) The principal revokes the power of attorney.

(4) The power of attorney provides that it terminates.

(5) The purpose of the power of attorney is accomplished.

(6) The principal revokes the agent's authority or the agent dies, becomes incapacitated, or resigns, and the power of attorney does not provide for another agent to act under the power of attorney.

(7) A guardian of the principal's estate or general guardian terminates it.

(b) An agent's authority terminates when any of the following occur:

(1) The principal revokes the authority in writing.

(2) The agent dies, becomes incapacitated, resigns, or is removed.

(3) The court enters a decree of divorce between the principal and the agent, unless the power of attorney otherwise provides.

(4) The power of attorney terminates.

(5) A guardian of the principal's estate or general guardian terminates the authority.

(c) Unless the power of attorney otherwise provides, an agent's authority is exercisable until the authority terminates under subsection (b) of this section, notwithstanding a lapse of time since the execution of the power of attorney.

(d) Termination of an agent's authority or of a power of attorney is not effective as to the agent or another person that, without actual knowledge of the termination, acts in good faith under the power of attorney. An act so performed, unless otherwise invalid or unenforceable, binds the principal and the principal's successors in interest.

(e) Incapacity of the principal of a power of attorney that is not durable does not revoke or terminate the power of attorney as to an agent or other person that, without actual knowledge of the incapacity, acts in good faith under the power of attorney. An act so performed, unless otherwise invalid or unenforceable, binds the principal and the principal's successors in interest.

(f) The execution of a power of attorney does not revoke a power of attorney previously executed by the principal unless the subsequent power of attorney provides that the previous power of attorney is revoked or that all other powers of attorney are revoked.

(g) A principal may revoke a power of attorney in one of the following manners:

(1) If the power of attorney has been registered in an office of the register of deeds in this State, it shall be revoked by registration in that office by an instrument of revocation executed and acknowledged by the principal while the principal is not incapacitated with proof of service on the agent in the manner prescribed for service under Rule 5 of the North Carolina Rules of Civil Procedure.

(2) If the power of attorney has not been registered in an office of the register of deeds in this State, it may be revoked by one of the following methods:

a. A subsequent written revocatory document executed and acknowledged while not incapacitated.

b. Being burnt, torn, canceled, obliterated, or destroyed, with the intent and for the purpose of revoking it, by the principal or by another person in the principal's presence and at the principal's direction, while the principal is not incapacitated.

(h) A guardian of the principal's estate or general guardian terminates a power of attorney that has been registered in an office of the register of deeds in this State by registering in that office an instrument of revocation executed and acknowledged by such guardian and with proof of service on the agent in the manner prescribed for service under Rule 5 of the North Carolina Rules of Civil Procedure.

"**§ 32C-1-111. Coagents and successor agents.**

(a) A principal may designate two or more persons to act as coagents. A principal may expressly require in the power of attorney that coagents act jointly. If a principal does not expressly require that coagents act jointly, each coagent may exercise the coagents' authority independently without the knowledge, consent, or joinder of any other coagent or coagents. Unless the power of attorney otherwise provides and if any one or more coagents resigns, dies, becomes incapacitated, or otherwise fails to act, the remaining agent or coagents may continue to act.

(b) A principal may designate one or more successor agents to act if an agent resigns, dies, becomes incapacitated, is not qualified to serve, or declines to serve. A principal may grant authority to designate one or more successor agents to an agent or other person designated by name, office, or function. Unless the power of attorney otherwise provides, a successor agent shall have the following powers and limitations:

(1) The successor agent has the same authority as that granted to the original agent.

(2) The successor agent may not act until all predecessor agents have resigned, died, become incapacitated, are no longer qualified to serve, or have declined to serve.

(c) Except as otherwise provided in the power of attorney, an agent that does not participate in or conceal a breach of fiduciary duty committed by another agent, including a predecessor agent, is not liable for the actions of the other agent.

(d) An agent that has actual knowledge of a breach or imminent breach of fiduciary duty by another agent shall notify the principal and, if the principal is incapacitated, take any action reasonably appropriate in the circumstances to safeguard the principal's best interest. An agent that fails to notify the principal or take action as required by this subsection is liable for the reasonably foreseeable damages that could have been avoided if the agent had notified the principal or taken such action.

"**§ 32C-1-112. Reimbursement and compensation of agent.**

(a) If the terms of the power of attorney specify the amount or the way the compensation is to be determined, the agent is entitled to the compensation as specified.

(b) If the terms of the power of attorney do not specify the amount or the way the compensation is to be determined, and the principal thereafter becomes incapacitated, then subsequent to the principal's incapacity the agent is entitled to receive reasonable compensation as determined by the clerk of superior court in accordance with G.S. 32-59.

(c) Unless the power of attorney otherwise provides, an agent is entitled to be reimbursed for expenses properly incurred on behalf of the principal.

"**§ 32C-1-113. Agent's acceptance.**

Except as otherwise provided in the power of attorney, a person accepts appointment as an agent under a power of attorney by exercising authority or performing duties as an agent or by any other assertion or conduct indicating acceptance.

"**§ 32C-1-114. Agent's duties.**

(a) Notwithstanding provisions in the power of attorney, an agent that has accepted appointment, when exercising a power under the power of attorney shall do all of the following:

(1) Act in accordance with the principal's reasonable expectations to the extent actually known by the agent and, otherwise, in the principal's best interest.

(2) Act in good faith.

(3) Act only within the scope of authority granted in the power of attorney.

(b) Except as otherwise provided in the power of attorney, an agent that has accepted appointment has no affirmative duty to exercise the powers or to continue to exercise the powers granted to the agent by the power of attorney, but if the agent exercises any of the granted powers, the agent shall, in the exercise of such powers, do all of the following:

(1) Act loyally for the principal's benefit.

(2) Act so as not to create a conflict of interest that impairs the agent's ability to act impartially in the principal's best interest.

(3) Act with the care, competence, and diligence ordinarily exercised by agents in similar circumstances.

(4) Keep a record of all receipts, disbursements, and transactions made on behalf of the principal.

(5) Cooperate with a person that has authority to make health care decisions for the principal to carry out the principal's reasonable expectations to the extent actually known by the agent and, otherwise, act in the principal's best interest.

(6) Attempt to preserve the principal's estate plan, to the extent actually known by the agent, if preserving the plan is consistent with the principal's best interest based on all relevant factors, including the following:

a. The value and nature of the principal's property.

b. The principal's foreseeable obligations and need for maintenance.

c. Minimization of taxes, including income, estate, inheritance, generation-skipping transfer, and gift taxes.

d. Eligibility for a benefit, a program, or assistance under a statute or regulation.

(7) Account to the principal or a person designated by the principal in the power of attorney.

(c) When exercising a power under the power of attorney, an agent that acts in good faith is not liable to any beneficiary of the principal's estate plan for failure to preserve the plan.

(d) When exercising a power under the power of attorney, an act by an agent that is in good faith for the best interest of the principal is not voidable and the agent is not liable solely because the agent also benefits from the act or has an individual or conflicting interest in relation to the property or affairs of the principal.

(e) Reserved.

(f) Absent a breach of duty to the principal, an agent is not liable if the value of the principal's property declines.

(g) An agent that exercises authority to delegate to another person the authority granted by the principal or that engages another person on behalf of the principal is not liable for an act, error of judgment, or default of that person if the agent exercises care, competence, and diligence in selecting and monitoring the person.

(h) Except as otherwise provided in the power of attorney, an agent is not required to disclose receipts, disbursements, or transactions conducted on behalf of the principal unless ordered by a court or requested by the principal, a guardian of the estate, general guardian, or, upon the death of the principal, by the personal representative or successor in interest of the principal's estate.

"**§ 32C-1-115. Exoneration of agent.**

A provision in a power of attorney relieving an agent of liability for breach of duty is binding on the principal and the principal's successors in interest except to the extent the provision relieves the agent of liability for breach of duty committed (i) in bad faith or (ii) with reckless indifference to the purposes of the power of attorney or the best interest of the principal.

"**§ 32C-1-116. Judicial relief.**

(a) The clerks of superior court of this State shall have original jurisdiction of proceedings under this Chapter. Except as provided in subdivision (4) of this subsection, the clerk of superior court's jurisdiction is exclusive. The following proceedings are included:

(1) To compel an accounting by the agent, including the power to compel the production of evidence substantiating any expenditure made by the agent from the principal's assets.

(2) To terminate a power of attorney or to limit, suspend, or terminate the authority of an agent where a guardian of the estate or a general guardian has been appointed.

(3) To determine compensation for an agent under G.S. 32C-1-112(b).

(4) To determine an agent's authority and powers, to construe the terms of a power of attorney created or governed by this Chapter, and to determine any question arising in the performance by an agent of the agent's powers and authority under a power of attorney governed by this Chapter, including, but not limited to, the following proceedings:

a. To determine whether and to what extent an agent holds a specific grant of authority under G.S. 32C-2-201.

b. To approve an agent's ability to make a gift on behalf of the principal where the gift is governed by G.S. 32C-2-217 because the power of attorney grants the agent only general authority with respect to gifts.

c. To authorize the agent to make a gift of the principal's property under G.S. 32C-2-218.

d. To authorize the agent to do an act described in G.S. 32C-2-201(a), other than the act to make a gift, under G.S. 32C-2-219.

e. To determine whether and to what extent acceptance of a power of attorney shall be mandated under G.S. 32C-1-120(f).

Any party may file a notice of transfer of a proceeding pursuant to this subdivision to the superior court division of the General Court of Justice as provided in G.S. 28A-2-6(h). In the absence of a removal to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to a proceeding commenced under this Chapter to the extent consistent with this subsection.

(b) Without otherwise limiting the jurisdiction of the superior court division of the General Court of Justice, the clerk of superior court shall not have jurisdiction under this subsection over the following actions:

(1) To modify or amend a power of attorney instrument.

(2) By or against creditors or debtors of an agent or principal.

(3) Involving claims for monetary damages, including claims for breach of fiduciary duty, fraud, and negligence.

(4) To set aside a power of attorney based on undue influence or lack of capacity.

(5) For the recovery of property transferred or conveyed by an agent on behalf of a principal with intent to hinder, delay, or defraud the principal's creditors.

(c) Proceedings brought under the provisions of subsection (a) of this section shall be commenced as prescribed for in estate proceedings under G.S. 28A-2-6 and may be brought by the following persons:

(1) The principal or the agent.

(2) A general guardian, guardian of the principal's estate, or guardian of the principal's person.

(3) The personal representative of the estate of a deceased principal.

(4) A person authorized to make health care decisions for the principal.

(5) Any other interested person, including a person asked to accept a power of attorney.

(d) Venue of any proceeding brought under subsection (a) of this section, is proper in any of the following:

(1) The county in which the principal resides or domiciled.

(2) Any county in which an agent resides.

(3) Any county in which property of the principal is located.

(e) Nothing in this section shall affect the right of a person to file an action in the Superior Court Division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1 of the General Statutes.

(f) Upon motion by the principal, the clerk of superior court shall dismiss a petition filed under subsection (a) of this section, unless the clerk of superior court determines the principal is incapacitated within the meaning of G.S. 32C-1-102(5).

(g) Any party adversely affected by an order of the clerk of superior court in a proceeding commenced under subsection (a) of this section may appeal the clerk's order as provided in G.S. 1-301.3.

"**§ 32C-1-117. Agent's liability.**

(a) A violation by an agent of this Chapter is a breach of fiduciary duty.

(b) To remedy a breach of fiduciary duty that has occurred or may occur involving a power of attorney, the court may do the following:

(1) Enjoin an agent from committing a breach of fiduciary duty.

(2) Compel an agent to redress a breach of fiduciary duty by paying money, restoring property, or other means.

(3) Order an agent to account.

(4) Appoint a special fiduciary to take possession of the property subject to the power of attorney and administer that property.

(5) Suspend an agent.

(6) Remove an agent.

(7) Reduce or deny compensation to or reimbursement of an agent.

(8) Subject to G.S. 32C-1-119 and other laws governing the rights of third persons dealing in good faith with an agent, void an act of an agent, impose a lien or a constructive trust on property subject to the power of attorney, or trace property wrongfully disposed by an agent and recover the property or its proceeds.

(9) Order any other appropriate relief.

(c) The court may, for good cause shown, relieve an agent from liability for any breach of fiduciary duty under a power of attorney, or wholly or partly excuse an agent who has acted honestly and reasonably from liability for a breach of fiduciary duty under a power of attorney.

(d) An agent who commits a breach of fiduciary duty under a power of attorney is liable for the following:

(1) The amount required to restore the value of the property subject to the power of attorney and distributions from that property to what they would have been had the breach not occurred; and

(2) The profit the agent made by reason of the breach.

(e) Except as otherwise provided in this subsection, if more than one agent is liable for a breach of fiduciary duty under a power of attorney, an agent is entitled to contribution from the other agent or agents. An agent is not entitled to contribution if the agent was substantially more at fault than another agent or if the agent committed the breach of fiduciary duty in bad faith or with reckless indifference to the purposes of the power of attorney or the best interests of the principal. An agent who received a benefit from the breach of fiduciary duty is not entitled to contribution from another agent to the extent of the benefit received.

(f) An agent is liable for any profit made by the agent arising from dealings with property subject to the power of attorney, even absent a breach of fiduciary duty. Nothing in this section limits an agent's right to compensation under G.S. 32C-1-112.

(g) Absent a breach of fiduciary duty under a power of attorney, an agent is not liable for a loss or depreciation in the value of property subject to the power of attorney or for not having made a profit.

(h) In a judicial proceeding involving a claim for breach of fiduciary duty under a power of attorney, the court may award costs and expenses, including reasonable attorneys' fees, as provided in G.S. 6-21(2).

"**§ 32C-1-118. Agent's resignation; notice.**

Unless the power of attorney provides a different method for an agent's resignation, an agent may resign by giving written notice of resignation to the following:

(1) To the principal if the principal is not incapacitated.

(2) If the principal is incapacitated, to (i) the guardian of the principal's estate, the guardian of the principal's person, or general guardian, if one has been appointed, and (ii) any coagent or, if none, the successor agent next designated.

"**§ 32C-1-119. Acceptance of and reliance upon power of attorney.**

(a) For purposes of this section and G.S. 32C-1-120, the term "acknowledged" means purportedly verified before a notary public or other individual authorized to take acknowledgements.

(b) A person that in good faith accepts an acknowledged power of attorney without actual knowledge that the signature is not genuine may rely upon the presumption under G.S. 32C-1-105 that the signature is genuine.

(c) A person that in good faith accepts a power of attorney without actual knowledge that the power of attorney is void, invalid, or terminated, that the purported agent's authority is

void, invalid, or terminated, or that the agent is exceeding or improperly exercising the agent's authority (i) may rely upon the power of attorney as if the power of attorney were genuine, valid and still in effect, the agent's authority were genuine, valid and still in effect, and the agent had not exceeded and had properly exercised the authority and (ii) shall not be held responsible for any breach of fiduciary duty by the agent, including any breach of loyalty, any act of self-dealing, or any misapplication of money or other property paid or transferred as directed by the agent. This subsection applies without regard to whether or not the person dealing with the agent demands or receives a certification under subsection (d) of this section.

(d) A person that is asked to accept a power of attorney may request, and rely upon, without further investigation, any one or more of the following:

(1) A certification executed by the agent to the effect that the agent did not have actual knowledge at the time of the presentation of the power of attorney to the person (i) that the power of attorney is void, invalid, or terminated; (ii) that the agent's authority is void, invalid, or terminated; or (iii) of facts that would cause the agent to question the authenticity or validity of the power of attorney. A certification meeting the requirements of this subdivision shall be sufficient proof to the requesting person that (i) the power of attorney is authentic and valid and has not been terminated, (ii) the agent's authority is valid and has not been terminated, and (iii) other factual matters stated in the certification regarding the principal, agent, or power of attorney are true. If the exercise of the power of attorney requires execution and delivery of an instrument that is recordable, the person accepting the certification may require that the certification be prepared and executed so as to be recordable. A certification in the form described in G.S. 32C-3-302 shall be deemed to meet the requirements of this subsection but shall not be the sole means of meeting those requirements.

(2) An English translation of the power of attorney if the power of attorney contains, in whole or in part, language other than English.

(3) An opinion of counsel as to any matter of law concerning the power of attorney if the person making the request provides in a writing or other record the reason for the request.

(e) An English translation or an opinion of counsel requested under this section must be provided at the principal's expense unless the request is made more than seven business days after the power of attorney is presented for acceptance.

(f) For purposes of this section and G.S. 32C-1-120, a person that conducts activities through employees is without actual knowledge of a fact relating to a power of attorney, a principal, or an agent if the employee conducting the transaction involving the power of attorney is without actual knowledge of the fact.

(g) This section does not affect any provision in a power of attorney for its termination by expiration of time or occurrence of an event other than an express revocation or a change in the principal's capacity.

"**§ 32C-1-120. Liability for refusal to accept acknowledged power of attorney.**

(a) A person is not required to accept, and is not liable for refusing to accept, a power of attorney that has not been duly acknowledged.

(b) Except as otherwise provided in this section:

(1) No later than seven business days after presentation of an acknowledged power of attorney for acceptance, a person shall (i) accept the power of attorney; (ii) refuse to accept the power of attorney pursuant to subsections (c) and (d) of this section; or (iii) request a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d).

(2) If a person requests a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d), then within five business days after receipt of the requested items in reasonably satisfactory form, the person shall either

(i) accept the power of attorney or (ii) refuse to accept the power of attorney pursuant to subsections (c) and (d) of this section.

(3) A person may not require an additional or different form of power of attorney if the power of attorney presented reasonably appears to authorize the agent to conduct the business the agent desires to conduct.

(c) A person is not required to accept an acknowledged power of attorney if any of the following circumstances exist:

(1) The person is not otherwise required to engage in a transaction with the principal in the same circumstances.

(2) Engaging in a transaction with the agent or the principal in the same circumstances would be inconsistent with applicable federal law.

(3) The person has actual knowledge of the termination of the agent's authority or of the power of attorney before exercise of the power.

(4) A request for a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d) is refused.

(5) The person requesting a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d) does not receive the requested items in reasonably satisfactory form within a reasonable period of time.

(6) The person in good faith believes that the power is not valid or that the agent does not have the authority to perform the act requested, whether or not a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d) has been requested or provided.

(7) The person has reasonable cause to question the authenticity or validity of the power of attorney or the appropriateness of its exercise by the agent.

(8) The agent or principal has previously breached any agreement with the person, whether in an individual or fiduciary capacity.

(9) The person makes, or has actual knowledge that another person has made, a report to the local adult protective services office or law enforcement stating a good faith belief that the principal may be subject to physical or financial abuse, neglect, exploitation, or abandonment by the agent or a person acting for or with the agent.

(d) Without limiting the generality of subsection (c) of this section, nothing in this Chapter requires a person to do any of the following:

(1) Open an account for a principal at the request of an agent if the principal is not currently a customer of the person.

(2) Make a loan to the principal at the request of the agent.

(3) Permit an agent to conduct business not authorized by the terms of the power of attorney, or otherwise not permitted by applicable statute or regulation.

(e) A person that refuses in violation of this section to accept an acknowledged power of attorney is subject to all of the following:

(1) A court order mandating acceptance of the power of attorney.

(2) Liability for reasonable attorney's fees and costs incurred in any action or proceeding that mandates acceptance of the power of attorney.

(3) Any other remedy available under applicable law.

(f) The principal, the agent, or a person presented with a power of attorney may initiate a proceeding to determine whether and to what extent acceptance of a power of attorney shall be mandated. The court may award costs and expenses, including reasonable attorneys' fees in its discretion, but may award attorneys' fees to the agent only where the proceeding has substantial merit.

(g) Nothing in this Chapter amends or modifies the rights of banks and other depository institutions to terminate any deposit account in accordance with applicable law.

(h) A person who is presented with a power of attorney shall not be deemed to have unreasonably refused to accept the power of attorney solely on the basis of failure to accept the power of attorney within seven business days.

(i) A person who promptly requests a certification, a translation, or an opinion of counsel pursuant to G.S. 32C-1-119(d) is not deemed to have unreasonably refused to accept a power of attorney prior to receipt of the requested items in reasonably acceptable form.

"**§ 32C-1-121. Principles of law and equity.**

The common law, including the common law of agency, and principles of equity supplement this Chapter, except to the extent modified by this Chapter or another provision of the General Statutes.

"**§ 32C-1-122. Laws applicable to financial institutions and other entities.**

This Chapter does not supersede any other law applicable to financial institutions or other entities, and the other law controls if inconsistent with the provisions of this Chapter.

"**§ 32C-1-123. Remedies under other law.**

The remedies under this Chapter are not exclusive and do not abrogate any right or remedy under the law of this State, other than this Chapter.

"Article 2.

"Authority.

"**§ 32C-2-201. Authority requiring specific grant; grant of general authority.**

(a) Unless the exercise of the authority by an agent under a power of attorney is not otherwise prohibited by another agreement or instrument to which the authority or property is subject, then the following apply:

(1) An agent may do the following on behalf of the principal or with the principal's property only if the power of attorney expressly grants the agent that authority:
   a. Make a gift.
   b. Create or change rights of survivorship.
   c. Create or change a beneficiary designation.
   d. Delegate authority granted under the power of attorney.
   e. Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan.
   f. Exercise fiduciary powers that the principal has authority to delegate.
   g. Renounce or disclaim property, including a power of appointment.
   h. Exercise authority over the content of electronic communication, as defined in 18 U.S.C. § 2510(12), sent or received by the principal.

(2) An agent may do the following only if the power of attorney or terms of the trust expressly grants the agent that authority:
   a. Exercise the powers of the principal as settlor of a revocable trust in accordance with G.S. 36C-6-602.1.
   b. Exercise the powers of the principal as settlor of an irrevocable trust to consent to the trust's modification or termination in accordance with G.S. 36C-4-411(a).

(b) Notwithstanding a grant of authority to do an act described in subsection (a) of this section, an agent may exercise such authority only as the agent determines is consistent with the principal's objectives if actually known by the agent and, if unknown, as the agent determines is consistent with the principal's best interest based on all relevant factors, which may include the following:

(1) The value and nature of the principal's property.
(2) The principal's foreseeable obligations and need for maintenance.
(3) Minimization of taxes, including income, estate, inheritance, generation-skipping transfer, and gift taxes.
(4) Eligibility for a benefit, a program, or assistance under a statute or regulation.

(5) The principal's personal history of making or joining in making gifts.

(6) The principal's existing estate plan.

(c) Notwithstanding a grant of authority to do an act described in subsection (a) of this section, unless the power of attorney otherwise provides, an agent may not exercise authority under a power of attorney to create in the agent, or in an individual to whom the agent owes a legal obligation of support, an interest in the principal's property, whether by gift, right of survivorship, beneficiary designation, disclaimer, or otherwise.

(d) Subject to subsections (a), (b), (c), (e), and (f) of this section, if a power of attorney grants to an agent authority to do all acts that a principal could do, the agent has the general authority described in G.S. 32C-2-204 through G.S. 32C-2-216 and G.S. 32C-2-220.

(e) Unless the power of attorney otherwise provides, a grant of authority to make a gift is subject to subsections (b) and (c) of this section and G.S. 32C-2-217.

(f) Subject to subsections (a), (b), (c), and (e) of this section, if the subjects over which authority is granted in a power of attorney are similar or overlap, the broadest authority controls.

(g) Authority granted in a power of attorney is exercisable with respect to property that the principal has when the power of attorney is executed or acquires later, whether or not the property is located in this State and whether or not the authority is exercised or the power of attorney is executed in this State.

(h) An act performed by an agent pursuant to a power of attorney has the same effect and inures to the benefit of and binds the principal and the principal's successors in interest as if the principal had performed the act.

"**§ 32C-2-202. Incorporation of authority.**

(a) An agent has authority described in this Chapter if the power of attorney refers to general authority with respect to the descriptive term for the subjects stated in G.S. 32C-2-204 through G.S. 32C-2-217 and G.S. 32C-2-220 or cites the section in which the authority is described.

(b) A reference in a power of attorney to general authority with respect to the descriptive term for a subject in G.S. 32C-2-204 through G.S. 32C-2-217 and G.S. 32C-2-220 or a citation to G.S. 32C-2-204 through G.S. 32C-2-217 and G.S. 32C-2-220 incorporates the entire section as if it were set out in full in the power of attorney.

(c) A principal may modify authority incorporated by reference.

"**§ 32C-2-203. Construction of authority, generally.**

Except as otherwise provided in the power of attorney, by executing a power of attorney that incorporates by reference a subject described in G.S. 32C-2-204 through G.S. 32C-2-217 and G.S. 32C-2-220 or that grants to an agent authority to do all acts that a principal could do pursuant to G.S. 32C-2-201(d), a principal authorizes the agent, with respect to that subject, to do all of the following:

(1) Demand, receive, and obtain by litigation or otherwise, money or another thing of value to which the principal is, may become, or claims to be entitled, and conserve, invest, disburse, or use anything so received or obtained for the purposes intended.

(2) Contract in any manner with any person, on terms agreeable to the agent, to accomplish a purpose of a transaction and perform, rescind, cancel, terminate, reform, restate, release, or modify the contract or another contract made by or on behalf of the principal.

(3) Execute, acknowledge, seal, deliver, file, or record any instrument or communication the agent considers desirable to accomplish a purpose of a transaction, including creating at any time a schedule listing some or all of the principal's property and attaching it to the power of attorney.

(4) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to a claim existing in favor of or against the principal or intervene in litigation relating to the claim.

(5) Seek on the principal's behalf the assistance of a court or other governmental agency to carry out an act authorized in the power of attorney.

(6) Engage, compensate, and discharge an attorney, accountant, discretionary investment manager, expert witness, or other advisor.

(7) Prepare, execute, and file a record, report, or other document to safeguard or promote the principal's interest under a statute or regulation.

(8) Communicate with any representative or employee of a government or governmental subdivision, agency, or instrumentality, on behalf of the principal.

(9) Access communications intended for, and communicate on behalf of the principal, whether by mail, electronic transmission, telephone, or other means.

(10) Do any lawful act with respect to the subject and all property related to the subject.

"**§ 32C-2-204. Real property.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to real property authorizes the agent to do all of the following:

(1) Demand, buy, lease, receive, accept as a gift or as security for an extension of credit, or otherwise acquire or reject an interest in real property or a right incident to real property.

(2) Sell; exchange; convey with or without covenants, representations, or warranties; quitclaim; release; surrender; retain title for security; encumber; partition; consent to partitioning; subject to an easement or covenant; subdivide; apply for zoning or other governmental permits; plat or consent to platting; develop; grant an option concerning; lease; sublease; contribute to an entity in exchange for an interest in that entity; or otherwise grant or dispose of an interest in real property or a right incident to real property.

(3) Pledge or encumber an interest in real property or right incident to real property as security for the principal or any entity in which the principal has an ownership interest to borrow money or to pay, renew, or extend the time of payment of (i) a debt of the principal, (ii) or a debt guaranteed by the principal, (iii) a debt of any entity in which the principal has an ownership interest, or (iv) a debt guaranteed by any entity in which the principal has an ownership interest.

(4) Release, assign, satisfy, or enforce by litigation or otherwise a mortgage, deed of trust, conditional sale contract, encumbrance, lien, or other claim to real property which exists or is asserted.

(5) Manage or conserve an interest in real property or a right incident to real property owned or claimed to be owned by the principal or to be acquired by the principal, including all of the following:

a. Insuring against liability or casualty or other loss.

b. Obtaining or regaining possession of or protecting the interest or right by litigation or otherwise.

c. Paying, assessing, compromising, or contesting taxes or assessments or applying for and receiving refunds in connection with them.

d. Purchasing supplies, hiring assistance or labor, and making repairs or alterations to the real property.

e. Obtaining title insurance for the benefit of the principal and/or any lender that has or will obtain a mortgage or deed of trust encumbering the real property.

(6) Use, develop, alter, replace, remove, erect, or install structures or other improvements upon real property in or incident to which the principal has, or claims to have, an interest or right.

(7) Participate in a reorganization with respect to real property or an entity that owns an interest in or right incident to real property and receive, hold, and act with respect to stocks and bonds or other property received in a plan of reorganization, including all of the following:
  a. Selling or otherwise disposing of them.
  b. Exercising or selling an option, right of conversion, or similar right with respect to them.
  c. Exercising any voting rights in person or by proxy.

(8) Change the form of title of an interest in or right incident to real property.

(9) Dedicate to public use, with or without consideration, easements or other real property in which the principal has, or claims to have, an interest.

(10) With respect to any real property owned or claimed to be owned by the principal's spouse and in which the principal's only interest is a marital interest, waive, release, or subordinate the principal's inchoate right pursuant to G.S. 29-30 to claim an elective life estate in the real property, regardless of whether the waiver, release, or subordination will benefit the agent or a person to whom the agent owes an obligation of support.

"**§ 32C-2-205. Tangible personal property.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to tangible personal property authorizes the agent to do all of the following:

(1) Demand, buy, receive, accept as a gift or as security for an extension of credit, or otherwise acquire or reject ownership or possession of tangible personal property or an interest in tangible personal property.

(2) Sell; exchange; convey with or without covenants, representations, or warranties; quitclaim; release; surrender; create a security interest in; grant options concerning; lease; sublease; or, otherwise dispose of tangible personal property or an interest in tangible personal property.

(3) Grant a security interest in tangible personal property or an interest in tangible personal property as security for the principal or any entity in which the principal has an ownership interest to borrow money or to pay, renew, or extend the time of payment of (i) a debt of the principal, (ii) a debt guaranteed by the principal, (iii) a debt of any entity in which the principal has an ownership interest, or (iv) a debt guaranteed by any entity in which the principal has an ownership interest.

(4) Release, assign, satisfy, or enforce by litigation or otherwise, a security interest, lien, or other claim on behalf of the principal, with respect to tangible personal property or an interest in tangible personal property.

(5) Manage or conserve tangible personal property or an interest in tangible personal property on behalf of the principal, including all of the following:
  a. Insuring against liability or casualty or other loss.
  b. Obtaining or regaining possession of or protecting the property or interest, by litigation or otherwise.
  c. Paying, assessing, compromising, or contesting taxes or assessments or applying for and receiving refunds in connection with taxes or assessments.
  d. Moving the property from place to place.
  e. Storing the property for hire or on a gratuitous bailment.
  f. Using and making repairs, alterations, or improvements to the property.

(6) Change the form of title of an interest in tangible personal property.

"**§ 32C-2-206. Stocks and bonds.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to stocks and bonds authorizes the agent to do all of the following:

(1) Buy, sell, and exchange stocks and bonds.

(2) Establish, continue, modify, or terminate an account with respect to stocks and bonds.

(3) Pledge stocks and bonds as security for the principal or any entity in which the principal has an ownership interest to borrow money, or to pay, renew, or extend the time of payment of (i) a debt of the principal, (ii) a debt guaranteed by the principal, (iii) a debt of any entity in which the principal has an ownership interest, or (iv) a debt guaranteed by any entity in which the principal has an ownership interest.

(4) Receive certificates and other evidences of ownership with respect to stocks and bonds.

(5) Exercise voting rights with respect to stocks and bonds in person or by proxy, enter into voting trusts, and consent to limitations on the right to vote.

"**§ 32C-2-207. Commodities and options.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to commodities and options authorizes the agent to do all of the following:

(1) Buy, sell, exchange, assign, settle, and exercise commodity futures contracts and call or put options on stocks or stock indexes traded on a regulated option exchange.

(2) Establish, continue, modify, and terminate option accounts.

"**§ 32C-2-208. Banks and other financial institutions.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to banks and other financial institutions authorizes the agent to do all of the following:

(1) Continue, modify, and terminate an account or other banking arrangement made by or on behalf of the principal.

(2) Establish, modify, and terminate an account or other banking arrangement with a bank, trust company, savings and loan association, credit union, thrift company, brokerage firm, or other financial institution selected by the agent.

(3) Contract for services available from a financial institution, including renting a safe deposit box or space in a vault, and continue, modify, and terminate any such services.

(4) Withdraw, by check, order, electronic funds transfer, or otherwise, money or property of the principal deposited with or left in the custody of a financial institution.

(5) Receive statements of account, vouchers, notices, and similar documents from a financial institution and act with respect to them.

(6) Enter a safe deposit box or vault and withdraw or add to the contents.

(7) Borrow money and pledge as security personal property of the principal necessary to borrow money or pay, renew, or extend the time of payment of a debt of the principal or a debt guaranteed by the principal.

(7a) Guarantee any obligation necessary for any entity in which the principal has an ownership interest to borrow money or to pay, renew, or extend the time of payment of a debt.

(7b) Pledge as security personal property of the principal necessary for any entity in which the principal has an ownership interest to borrow money or to pay, renew, or extend the time of payment of a debt.

(8) Make, assign, draw, endorse, discount, guarantee, and negotiate promissory notes, checks, drafts, and other negotiable or nonnegotiable paper of the principal or payable to the principal or the principal's order, transfer money, receive the cash or other proceeds of those transactions, and accept a draft drawn by a person upon the principal and pay it when due.

(9) Receive for the principal and act upon a sight draft, warehouse receipt, or other document of title, whether tangible or electronic, or other negotiable or nonnegotiable instrument.

(10) Apply for, receive, and use letters of credit, credit and debit cards, electronic transaction authorizations, and traveler's checks from a financial institution and give an indemnity or other agreement in connection with letters of credit.

(11) Consent to an extension of the time of payment with respect to commercial paper or a financial transaction with a financial institution.

(12) Establish, modify, and terminate an ABLE account as defined under section 529A of the Internal Revenue Code with any State or financial institution selected by the agent and have the same authority over the ABLE account as the agent has with regard to any other account with a bank or other financial institution.

"**§ 32C-2-209. Operation of entity.**

Subject to the terms of a document or an agreement governing an entity or an entity ownership interest, and unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to operation of an entity authorizes the agent to do all of the following:

(1) Operate, buy, sell, enlarge, reduce, or terminate an ownership interest.

(2) Perform a duty or discharge a liability and exercise in person or by proxy a right, power, privilege, or option that the principal has, may have, or claims to have.

(3) Enforce the terms of an ownership agreement.

(4) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to which the principal is a party because of an ownership interest.

(5) Exercise in person or by proxy, or enforce by litigation or otherwise, a right, power, privilege, or option the principal has or claims to have as the holder of stocks and bonds.

(6) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to which the principal is a party concerning stocks and bonds.

(7) With respect to an entity owned solely by the principal:

a. Continue, modify, renegotiate, extend, and terminate a contract made by or on behalf of the principal with respect to the entity before execution of the power of attorney.

b. Determine all of the following:

1. The location of its operation.
2. The nature and extent of its business.
3. The methods of manufacturing, selling, merchandising, financing, accounting, and advertising employed in its operation.
4. The amount and types of insurance carried.
5. The mode of engaging, compensating, and dealing with its employees and accountants, attorneys, or other advisors.

c. Change the name or form of organization under which the entity is operated and enter into an ownership agreement with other persons to take over all or part of the operation of the entity.

d. Demand and receive money due or claimed by the principal or on the principal's behalf in the operation of the entity and control and disburse the money in the operation of the entity.

(8) Put additional capital into an entity in which the principal has an interest.

(9) Join in a plan of reorganization, consolidation, conversion, domestication, or merger of the entity.

(10) Sell or liquidate all or part of an entity.

(11) Establish the value of an entity under a buyout agreement to which the principal is a party.

(12) Prepare, sign, file, and deliver reports, compilations of information, returns, or other papers with respect to an entity and make related payments.

(13) Pay, compromise, or contest taxes, assessments, fines, or penalties and perform any other act to protect the principal from illegal or unnecessary taxation, assessments, fines, or penalties, with respect to an entity, including attempts to recover, in any manner permitted by law, money paid before or after the execution of the power of attorney.

"**§ 32C-2-210. Insurance and annuities.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to insurance and annuities authorizes the agent to do all of the following:

(1) Continue, pay the premium or make a contribution on, modify, exchange, rescind, release, or terminate a contract procured by or on behalf of the principal which insures or provides an annuity to either the principal or another person, whether or not the principal is a beneficiary under the contract.

(2) Procure new, different, and additional contracts of insurance and annuities for the principal and the principal's spouse, children, and other dependents, and select the amount, type of insurance or annuity, and mode of payment.

(3) Pay the premium or make a contribution on, modify, exchange, rescind, release, or terminate a contract of insurance or annuity procured by the agent.

(4) Apply for and receive a loan secured by a contract of insurance or annuity.

(5) Surrender and receive the cash surrender value on a contract of insurance or annuity.

(6) Exercise an election.

(7) Exercise investment powers available under a contract of insurance or annuity.

(8) Change the manner of paying premiums on a contract of insurance or annuity.

(9) Change or convert the type of insurance or annuity with respect to which the principal has or claims to have authority described in this section.

(10) Apply for and procure a benefit or assistance under a statute or regulation to guarantee or pay premiums of a contract of insurance on the life of the principal.

(11) Collect, sell, assign, hypothecate, borrow against, or pledge the interest of the principal in a contract of insurance or annuity.

(12) Select the form and timing of the payment of proceeds from a contract of insurance or annuity.

(13) Pay, from proceeds or otherwise, compromise or contest, and apply for refunds in connection with a tax or assessment levied by a taxing authority

with respect to a contract of insurance or annuity or its proceeds or liability accruing by reason of the tax or assessment.

(14) Change the beneficiary to a state or other government entity to qualify the principal for medical assistance or other benefits notwithstanding G.S. 32C-2-201(a)(4) requiring an express grant of authority to change a beneficiary.

"**§ 32C-2-211. Estates, trusts, and other beneficial interests.**

(a) In this section, the term "estate, trust, or other beneficial interest" means a trust, probate estate, guardianship, conservatorship, escrow, or custodianship or a fund from which the principal is, may become, or claims to be, entitled to a share or payment.

(b) Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to estates, trusts, and other beneficial interests authorizes the agent to do all of the following:

(1) Accept, receive, receipt for, sell, assign, pledge, or exchange a share in or payment from an estate, trust, or other beneficial interest.

(2) Demand or obtain money or another thing of value to which the principal is, may become, or claims to be, entitled by reason of an estate, trust, or other beneficial interest, by litigation or otherwise.

(3) Exercise for the benefit of the principal a presently exercisable general power of appointment held by the principal.

(4) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to ascertain the meaning, validity, or effect of a deed, will, declaration of trust, or other instrument or transaction affecting the interest of the principal.

(5) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation to remove, substitute, or surcharge a fiduciary.

(6) Conserve, invest, disburse, or use anything received for an authorized purpose.

(7) Transfer an interest of the principal in real property, stocks and bonds, accounts with financial institutions or securities intermediaries, insurance, annuities, and other property to the trustee of a revocable trust created by the principal as settlor.

"**§ 32C-2-212. Claims and litigation.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to claims and litigation authorizes the agent to do all of the following:

(1) Assert and maintain before a court or administrative agency a claim, claim for relief, cause of action, counterclaim, offset, recoupment, or defense, including an action to recover property or other thing of value, recover damages sustained by the principal, eliminate or modify tax liability, or seek an injunction, specific performance, or other relief.

(2) Bring an action to determine adverse claims or intervene or otherwise participate in litigation.

(3) Seek an attachment, garnishment, order of arrest, or other preliminary, provisional, or intermediate relief and use an available procedure to effect or satisfy a judgment, order, or decree.

(4) Make or accept a tender, offer of judgment, or admission of facts, submit a controversy on an agreed statement of facts, consent to examination, and bind the principal in litigation.

(5) Submit to alternative dispute resolution, settle, and propose or accept a compromise.

(6) Waive the issuance and service of process upon the principal, accept service of process, appear for the principal, designate persons upon which process directed to the principal may be served, execute and file or deliver stipulations on the principal's behalf, verify pleadings, seek appellate review, procure and give surety and indemnity bonds, contract and pay for the preparation and printing of records and briefs, receive, execute, and file or deliver a consent, waiver, release, confession of judgment, satisfaction of judgment, notice, agreement, or other instrument in connection with the prosecution, settlement, or defense of a claim or litigation.

(7) Act for the principal with respect to bankruptcy or insolvency, whether voluntary or involuntary, concerning the principal or some other person, or with respect to a reorganization, receivership, or application for the appointment of a receiver or trustee which affects an interest of the principal in property or other thing of value.

(8) Pay a judgment, award, or order against the principal or a settlement made in connection with a claim or litigation.

(9) Receive money or other thing of value paid in settlement of or as proceeds of a claim or litigation.

"**§ 32C-2-213. Personal and family maintenance.**

(a) Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to personal and family maintenance authorizes the agent to do all of the following:

(1) Perform the acts necessary to maintain the customary standard of living of the principal, the principal's spouse, and the following individuals, whether living when the power of attorney is executed or later born:

a. The principal's children who are legally entitled to be supported by the principal.

b. Other individuals legally entitled to be supported by the principal.

c. The individuals whom the principal has customarily supported or indicated the intent to support.

(2) Make periodic payments of child support and other family maintenance required by a court or governmental agency or an agreement to which the principal is a party.

(3) Provide living quarters for the individuals described in subdivision (1) of this subsection by the following means:

a. Purchase, lease, or other contract.

b. Paying the operating costs, including interest, amortization payments, repairs, improvements, and taxes, for premises owned by the principal or occupied by those individuals.

(4) Provide normal domestic help, usual vacations and travel expenses, and funds for shelter, clothing, food, appropriate education, including postsecondary and vocational education, and other current living costs for the individuals described in subdivision (1) of this subsection.

(5) Pay expenses for necessary health care and custodial care on behalf of the individuals described in subdivision (1) of this subsection.

(6) Act as the principal's personal representative pursuant to the Health Insurance Portability and Accountability Act, §§ 1171 through 1179 of the Social Security Act, 42 U.S.C. § 1320d, as amended, and applicable regulations, in making decisions related to the past, present, or future payment for the provision of health care consented to by the principal or anyone authorized under the law of this state to consent to health care on behalf of the principal.

(7) Continue any provision made by the principal for automobiles or other means of transportation, including registering, licensing, insuring, and replacing them, for the individuals described in subdivision (1) of this subsection.

(8) Maintain credit and debit accounts for the convenience of the individuals described in subdivision (1) of this subsection and open new accounts.

(9) Continue payments incidental to the membership or affiliation of the principal in a religious institution, club, society, order, or other organization or to continue contributions to those organizations.

(b) Authority with respect to personal and family maintenance is neither dependent upon, nor limited by, authority that an agent may or may not have with respect to gifts under this Chapter.

"**§ 32C-2-214. Benefits from governmental programs or civil or military service.**

(a) In this section, the term "benefits from governmental programs or civil or military service" means any benefit, program, or assistance provided under a statute or regulation including Social Security, Medicare, and Medicaid.

(b) Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to benefits from governmental programs or civil or military service authorizes the agent to do all of the following:

(1) Execute vouchers in the name of the principal for allowances and reimbursements payable by the United States or a foreign government or by a state or subdivision of a state to the principal, including allowances and reimbursements for transportation of the individuals described in G.S. 32C-2-213(a)(1), and for shipment of their household effects.

(2) Take possession and order the removal and shipment of property of the principal from a post, warehouse, depot, dock, or other place of storage or safekeeping, either governmental or private, and execute and deliver a release, voucher, receipt, bill of lading, shipping ticket, certificate, or other instrument for that purpose.

(3) Enroll in, apply for, select, reject, change, amend, or discontinue, on the principal's behalf, a benefit or program.

(4) Prepare, file, and maintain a claim of the principal for a benefit or assistance, financial or otherwise, to which the principal may be entitled under a statute or regulation.

(5) Initiate, participate in, submit to alternative dispute resolution, settle, oppose, or propose or accept a compromise with respect to litigation concerning any benefit or assistance the principal may be entitled to receive under a statute or regulation.

(6) Receive the financial proceeds of a claim described in subdivision (4) of this subsection and conserve, invest, disburse, or use for a lawful purpose anything so received.

(7) Make elections under the Survivor Benefit Plan as defined under Subchapter II of Title 10 of the United States Code, as amended, including the authority to elect that benefits be paid to a supplemental or special needs trust for a disabled child.

"**§ 32C-2-215. Retirement plans.**

(a) In this section, the term "retirement plan" means a plan or account created by an employer, the principal, or another individual to provide retirement benefits or deferred compensation of which the principal is a participant, beneficiary, or owner, including a plan or account under the following sections of the Internal Revenue Code:

(1) An individual retirement account under section 408 of the Internal Revenue Code.

(2) A Roth individual retirement account under section 408A of the Internal Revenue Code.

(3) A deemed individual retirement account under section 408(q) of the Internal Revenue Code.

(4) An annuity or mutual fund custodial account under section 403(b) of the Internal Revenue Code.

(5) A pension, profit sharing, stock bonus, or other retirement plan qualified under section 401(a) of the Internal Revenue Code.

(6) A plan under sections 457(b) and (f) of the Internal Revenue Code.

(7) A nonqualified deferred compensation plan under section 409A of the Internal Revenue Code.

(b) Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to retirement plans authorizes the agent to do all of the following:

(1) Select the form and timing of payments under a retirement plan and withdraw benefits from a plan.

(2) Make a rollover, including a direct trustee-to-trustee rollover, of benefits from one retirement plan to another.

(3) Establish a retirement plan in the principal's name.

(4) Make contributions to a retirement plan.

(5) Exercise investment powers available under a retirement plan.

(6) Borrow from, sell assets to, or purchase assets from a retirement plan.

"**§ 32C-2-216. Taxes.**

Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to taxes authorizes the agent to do all of the following:

(1) Prepare, sign, and file federal, State, local, and foreign income, gift, payroll, property, Federal Insurance Contributions Act, and other tax returns, claims for refunds, requests for extension of time, petitions regarding tax matters, and any other tax-related documents, including receipts, offers, waivers, consents, including consents and agreements under section 2032A of the Internal Revenue Code, closing agreements, and any power of attorney required by the Internal Revenue Service or other taxing authority with respect to a tax year upon which the statute of limitations has not run and the following 25 tax years.

(2) Pay taxes due, collect refunds, post bonds, receive confidential information, and contest deficiencies determined by the Internal Revenue Service or other taxing authority.

(3) Exercise any election available to the principal under federal, State, local, or foreign tax law.

(4) Act for the principal in all tax matters for all periods before the Internal Revenue Service, or other taxing authority.

"**§ 32C-2-217. Gifts authorized by general authority.**

(a) In this section, a gift "for the benefit of" an individual includes a gift to a trust, an account under the Uniform Transfers to Minors Act, a tuition savings account or prepaid tuition plan as defined under section 529 of the Internal Revenue Code, and an ABLE account as defined under section 529A of the Internal Revenue Code.

(b) Unless the power of attorney otherwise provides, language in a power of attorney granting general authority with respect to gifts authorizes the agent only to do the following:

(1) Make a gift of any of the principal's property, including by the exercise of a presently exercisable general power of appointment held by the principal for the following purposes:

a. To or for the benefit of an individual so long as the value of the gift does not exceed the greater of (i) the amount determined to be in

accordance with the principal's history of making or joining in the making of gifts or (ii) the annual dollar limit of the federal gift tax exclusion under section 2503(b) of the Internal Revenue Code without regard to whether the federal gift tax exclusion applies to the gift, or if the principal's spouse agrees to consent to the split gift pursuant to section 2513 of the Internal Revenue Code in an amount per donee not to exceed twice the annual federal gift tax exclusion limit.

b. To any organization described in sections 170(c) and 2522(a) of the Internal Revenue Code in accordance with the principal's history of making or joining in the making of gifts.

(2) Consent, pursuant to section 2513 of the Internal Revenue Code to the splitting of a gift made by the principal's spouse with respect to gifts described in subdivision (1) of this subsection.

"**§ 32C-2-218. Gifts authorized by court order.**

An agent may petition the court for an order authorizing the agent to make a gift of the principal's property that is reasonable under the circumstances, including a gift that is in addition to, or that otherwise differs from, the gifts authorized by the power of attorney.

"**§ 32C-2-219. Certain acts authorized by the court.**

(a) Except as provided in subsection (b) of this section, an agent under a power of attorney that does not expressly grant the agent the authority to do an act described in G.S. 32C-2-201(a) may petition the court for authority to do the act described in G.S. 32C-2-201(a) that is reasonable under the circumstances.

(b) This section shall not apply to the authority of an agent to make a gift pursuant to G.S. 32C-2-218.

"Article 3.

"Statutory Forms.

"**§ 32C-3-301. Statutory form power of attorney.**

As a nonexclusive method to grant a power of attorney, a document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this Chapter:

"NORTH CAROLINA
STATUTORY SHORT FORM POWER OF ATTORNEY

NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING. THEY ARE DEFINED IN CHAPTER 32C OF THE NORTH CAROLINA GENERAL STATUTES, WHICH EXPRESSLY PERMITS THE USE OF ANY OTHER OR DIFFERENT FORM OF POWER OF ATTORNEY DESIRED BY THE PARTIES CONCERNED.

IMPORTANT INFORMATION
This power of attorney authorizes another person (your agent) to make decisions concerning your property for you (the principal). Your agent will be able to make decisions and act with respect to your property (including your money) whether or not you are able to act for yourself. The meaning of authority over subjects listed on this form is explained in the North Carolina Uniform Power of Attorney Act.

This power of attorney does not authorize the agent to make health care decisions for you.

You should select someone you trust to serve as your agent. Unless you specify otherwise, generally the agent's authority will continue until you die or revoke the power of attorney or the agent resigns or is unable to act for you.

Your agent is entitled to reasonable compensation unless you state otherwise in the Additional Provisions and Exclusions.

This form provides for designation of one agent, successor agent, and second successor agent. If you wish to name more than one agent, successor agent, and second successor agent, you may name a coagent, successor coagent, or second successor coagent in the Additional Provisions and Exclusions. Coagents, successor coagents, or second successor coagents are not required to act together unless you include that requirement in the Additional Provisions and Exclusions.

If your agent is unable or unwilling to act for you, your power of attorney will end unless you have named a successor agent. You may also name a second successor agent.

This power of attorney becomes effective immediately.

If you have questions about the power of attorney or the authority you are granting to your agent, you should seek legal advice before signing this form.

DESIGNATION OF AGENT

I, _____, name the following person as my agent: _____ (Name of Principal).

Name of Agent:

DESIGNATION OF SUCCESSOR AGENT(S)
(OPTIONAL)

If my agent is unable or unwilling to act for me, I name as my successor agent:

Name of Successor Agent:

If my successor agent is unable or unwilling to act for me, I name as my second successor agent:

Name of Second Successor Agent:

INITIAL below if you want to give an agent the power to name a successor agent.

(____) I give to my acting agent the full power to appoint another to act as my agent, and full power to revoke such appointment, if no agent named by me above is willing or able to act.

GRANT OF GENERAL AUTHORITY

I grant my agent and any successor agent general authority to act for me with respect to the following subjects as defined in the North Carolina Uniform Power of Attorney Act, Chapter 32C of the General Statutes:

(INITIAL each subject you want to include in the agent's general authority. If you wish to grant general authority over all of the subjects you may initial "All Preceding Subjects" instead of initialing each subject.)

(_____) Real Property
(_____) Tangible Personal Property
(_____) Stocks and Bonds
(_____) Commodities and Options
(_____) Banks and Other Financial Institutions
(_____) Operation of Entity or Business
(_____) Insurance and Annuities
(_____) Estates, Trusts, and Other Beneficial Interests
(_____) Claims and Litigation
(_____) Personal and Family Maintenance
(_____) Benefits from Governmental Programs or Civil or Military Service
(_____) Retirement Plans
(_____) Taxes

(_____) All Preceding Subjects

GRANT OF SPECIFIC AUTHORITY
(OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

(_____) Make a gift, subject to the limitations provided in G.S. 32C-2-217
(_____) Create or change rights of survivorship
(_____) Create or change a beneficiary designation
(_____) Authorize another person to exercise the authority granted under this power of attorney
(_____) Waive my right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan
(_____) Exercise fiduciary powers that I have authority to delegate
(_____) Disclaim or refuse an interest in property, including a power of appointment
(_____) Access the content of electronic communications.

EXERCISE OF SPECIFIC AUTHORITY IN FAVOR OF AGENT
(OPTIONAL)

(_____) UNLESS INITIALED, an agent MAY NOT exercise any of the grants of specific authority initialed above in favor of the agent or an individual to whom the agent owes a legal obligation of support.

ADDITIONAL PROVISIONS AND EXCLUSIONS
(OPTIONAL)

(_____) _____

_____

EFFECTIVE DATE

This power of attorney is effective immediately.

NOMINATION OF GUARDIAN
(OPTIONAL)

INITIAL below ONLY if you WANT your acting agent to be your Guardian.

(_____) If it becomes necessary for a court to appoint a guardian of my estate or a general guardian, I nominate my agent acting under this power of attorney to be the guardian to serve without bond or other security.

RELIANCE ON THIS POWER OF ATTORNEY

Any person, including my agent, may rely upon the validity of this power of attorney or a copy of it unless that person knows it has terminated or is invalid.

MEANING AND EFFECT

The meaning and effect of this power of attorney shall for all purposes be determined by the law of the State of North Carolina.

SIGNATURE AND ACKNOWLEDGMENT

_____ _____
Your Signature Date

_____

Your Name Printed

State of _____, County of _____.

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document: _____.

Date: _____ _____

Signature of Notary Public

(Official Seal)

_____, Notary Public

Printed or typed name

My commission expires: _____"

IMPORTANT INFORMATION FOR AGENT

Agent's Duties

When you accept the authority granted under this power of attorney, a special legal relationship is created between you and the principal. This relationship imposes upon you legal duties that continue until you resign or your authority is terminated or the power of attorney is terminated or revoked. You must:

(1) Do what you know the principal reasonably expects you to do with the principal's property or, if you do not know the principal's expectations, act in the principal's best interest;

(2) Act in good faith;

(3) Do nothing beyond the authority granted in this power of attorney; and

(4) Disclose your identity as an agent whenever you act for the principal by writing or printing the name of the principal and signing your own name as "agent" in the following manner: (Principal's Name) by (Your Signature) as Agent.

Unless the Additional Provisions and Exclusions in this power of attorney state otherwise, you must also:

(1) Act loyally for the principal's benefit;

(2) Avoid conflicts that would impair your ability to act in the principal's best interest;

(3) Act with care, competence, and diligence;

(4) Keep a record of all receipts, disbursements, and transactions made on behalf of the principal;

(5) Cooperate with any person that has authority to make health care decisions for the principal to do what you know the principal reasonably expects, or if you do not know the principal's expectations, to act in the principal's best interest;

(6) Attempt to preserve the principal's estate plan if you know the plan and preserving the plan is consistent with the principal's best interest; and

(7) Account to the principal (or a person designated by the principal (if any)) in the Additional Provisions and Exclusions.

Termination of Agent's Authority

You must stop acting on behalf of the principal if you learn of any event that terminated or revoked this power of attorney or your authority under this power of attorney. Events that terminate a power of attorney or your authority to act under a power of attorney include:

(1) Death of a principal;
(2) The principal's revocation of the power of attorney or the termination of your authority;
(3) The occurrence of a termination event stated in the power of attorney;
(4) The purpose of the power of attorney is fully accomplished; or
(5) If you are married to the principal, your divorce from the principal, unless the Additional Provisions and Exclusions in this power of attorney state that your divorce from the principal will not terminate your authority.

Liability of Agent

The meaning of the authority granted to you is defined in the North Carolina Uniform Power of Attorney Act. If you violate the North Carolina Uniform Power of Attorney Act or act outside the authority granted, you may be liable for any damages caused by your violation.

If there is anything about this document or your duties that you do not understand, you should seek legal advice."

"**§ 32C-3-302. Agent's certification.**

The following optional form may be used by an agent to certify facts concerning a power of attorney:

"AGENT'S CERTIFICATION AS TO THE VALIDITY OF POWER OF ATTORNEY AND AGENT'S AUTHORITY
(G.S. 32C-3-302)

I, _____ (Name of Agent), do hereby state and affirm the following under penalty of perjury:

(1) _____ (Name of Principal) granted me authority as an agent or successor agent in a power of attorney dated _____.
(2) The powers and authority granted to me in the power of attorney are currently exercisable by me.
(3) I have no actual knowledge of any of the following:
  (a) The principal is deceased.
  (b) The power of attorney or my authority as agent under the power of attorney has been revoked or terminated, partially or otherwise.
  (c) The principal lacked the understanding and capacity to make and communicate decisions regarding his estate and person at the time the power of attorney was executed.
  (d) The power of attorney was not properly executed and is not a legal, valid power of attorney.
  (e) *(Insert other relevant statements)*
  _____
  _____
  _____

(4) I agree not to exercise any powers granted under the power of attorney if I become aware that the principal is deceased, that the power of attorney has been revoked or terminated, or that my authority as agent under the power of attorney has been revoked or terminated.

SIGNATURE AND ACKNOWLEDGMENT

_____ _____
Agent's Signature Date

_____
Agent's Name Printed

_____
Agent's Address

_____
Agent's Telephone Number

COUNTY OF _____, STATE OF _____.

Sworn to or affirmed and subscribed before me this day by:

Date: _____ _____
Signature of Notary Public

(Official Seal)

_____, Notary Public
Printed or typed name

My commission expires: _____"

"**§ 32C-3-303. Limited power of attorney for real property.**

While no particular phrasing is required for a limited power of attorney for transactions involving the purchase, sale, or financing of real property or tangible personal property related to real property, the following form may be used to create a limited power of attorney for transactions involving the purchase, sale, or financing of designated real property or tangible personal property related to the designated real property. The following form has as the meaning and effect prescribed by this Chapter:

"Return to:

NORTH CAROLINA
LIMITED POWER OF ATTORNEY FOR REAL PROPERTY

I, _____, name the following person as my agent:
(Name of Principal)

Name of Agent: _____

For purposes of this power of attorney, the "Property" is all of that real property located in _____ County, North Carolina, and known or identified as follows:

GRANT OF AUTHORITY

I grant my agent general authority to act for me with respect to the Property, all tangible personal property related to the Property, and all financial transactions relating to the Property. The authority granted to my agent pursuant to this power of attorney expressly includes the following:

(1) The authority to act with respect to real property as set forth in Section 32C-2-204 of the North Carolina General Statutes;

(2) The authority to act with respect to tangible personal property as set forth in Section 32C-2-205 of the North Carolina General Statutes; and

(3) The authority to act with respect to banks and other financial institutions as set forth in Section 32C-2-208 of the North Carolina General Statutes.

The authority granted to my agent pursuant to this power of attorney may be exercised by my agent even though the exercise of that authority may benefit the agent or a person to whom the agent owes an obligation of support.

EFFECTIVE DATE; AUTOMATIC EXPIRATION

This power of attorney is effective immediately. The authority of my agent to act on my behalf pursuant to this power of attorney will automatically expire on _____ (or, if no date is specified, one year from the date of this power of attorney). Actions taken by my agent on my behalf pursuant to this power of attorney while this power of attorney remains in effect shall continue to bind me even after my agent's authority expires.

RELIANCE ON THIS POWER OF ATTORNEY

Any person, including my agent, may rely upon the validity of this power of attorney or a copy of it unless that person knows it has terminated or is invalid.

MEANING AND EFFECT

The meaning and effect of this power of attorney shall for all purposes be determined by the law of the State of North Carolina.

SIGNATURE AND ACKNOWLEDGMENT

_____ _____

Your Signature Date

_____

Your Name Printed

State of _____, County of _____.

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document: _____.

Date: _____ _____

Signature of Notary Public

(Official Seal)

_____, Notary Public

Printed or typed name

"Article 4.

"Miscellaneous Provisions.

"**§ 32C-4-401. Uniformity of application and construction.**

In applying and construing this Chapter, consideration may be given to the need to promote uniformity of the law with respect to its subject matter among the states that enact it.

"**§ 32C-4-402. Relation to Electronic Signatures in Global and National Commerce Act.**

The provisions of this Chapter governing the legal effect, validity, or enforceability of electronic records or electronic signatures, and of contracts formed or performed with the use of those records or signatures, conform to the requirements of Section 102 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7002) and supersede, modify, and limit the requirements of the Electronic Signatures in Global and National Commerce Act.

"**§ 32C-4-403. Effect on existing powers of attorney.**

(a) Except as otherwise provided in this Chapter, the following apply on the effective date of this Chapter:

(1) This Chapter applies to a power of attorney created before, on, or after the effective date of this Chapter unless there is clear indication of a contrary intent in the terms of a power of attorney or unless application of a particular provision of this Chapter would substantially impair rights of a party.

(2) This Chapter applies to a judicial proceeding concerning a power of attorney commenced on or after the effective date of this Chapter.

(3) This Chapter applies to a judicial proceeding concerning a power of attorney commenced before the effective date of this Chapter unless the court finds that application of a provision of this Chapter would substantially interfere with the effective conduct of the judicial proceeding or prejudice the rights of a party, in which case that the particular provision of this Chapter does not apply and the superseded law applies.

(4) A rule of construction or presumption provided by this Chapter applies to powers of attorney executed before the effective date of this Chapter unless there is a clear indication of a contrary intent in the terms of a power of attorney or unless the application of the rule of construction or presumption would substantially impair rights of a party created under North Carolina law in effect prior to the effective date of this Chapter in which case the rule of construction or presumption does not apply and the superseded rule of construction or presumption applies.

(b) If a right is acquired, extinguished, or banned upon the expiration of a prescribed period that commenced under law of this State other than this Chapter before the effective date of this Chapter, that statute continues to apply to the right even if it has been repealed or superseded.

(c) References to prior statutes and powers of attorney, whether executed on or after the adoption of this Chapter shall be deemed to refer to the corresponding provisions this Chapter unless application of the rule of construction would substantially impair substantial rights of a party.

(d) Notwithstanding the provisions of this Chapter, the powers conferred by former G.S. 32A-2 shall apply to a Statutory Short Form Power of Attorney that was created in accordance with former G.S. 32A-1 prior to January 1, 2018."

PART II. CONFORMING CHANGES TO THE GENERAL STATUTES

SECTION 2.1. G.S. 30-3.4 reads as rewritten:

"**§ 30-3.4. Procedure for determining the elective share.**

(a) Exercisable Only During Lifetime. – The right of the surviving spouse to file a claim for an elective share must be exercised during the lifetime of the surviving spouse, by the surviving spouse, by the surviving spouse's ~~attorney-in-fact~~ agent if the surviving spouse's power of attorney expressly authorizes the ~~attorney-in-fact~~ agent to do so or to generally engage in ~~estate transactions,~~ estate, trusts, and other beneficial interests, or, with approval of court, by the guardian of the surviving spouse's estate or general guardian. If a surviving spouse dies before the claim for an elective share has been settled, the surviving spouse's personal representative shall succeed to the surviving spouse's rights to an elective share.

…."

SECTION 2.2. G.S. 47-28 reads as rewritten:

"**§ 47-28. Powers of attorney.**

(a) Recording required for powers of attorney affecting real property:

(1) Before any transfer of real property executed by an ~~attorney-in-fact~~ agent empowered by a power of attorney governed by ~~Article 1, Article 2, or Article 2A of~~ Chapter ~~32A~~ 32C of the General Statutes, the power of attorney or a certified copy of the power of attorney shall be registered in the office of the register of deeds of the county in which the principal is domiciled or where the real property lies. If the principal is not a resident of North Carolina, the power of attorney or a certified copy of the power of attorney may be recorded in any county in the State wherein the principal owns real property or has a significant business reason for registering in the county.

…

(3) Any instrument subject to the provisions of G.S. 47-17.2, 47-18, or 47-20 and signed by an ~~attorney-in-fact~~ agent and recorded in a county other than the county where a power of attorney is recorded in this State shall include the recording information, including book, page, and county for the power of attorney.

…

(b) If the instrument of conveyance is recorded prior to the registration of the power of attorney or a certified copy of the power of attorney pursuant to subsection (a) of this section, the power of attorney or a certified copy of the power of attorney may be registered in the office of the register of deeds as provided in subsection (a) of this section thereafter provided that the ~~attorney-in-fact~~agent was empowered at the time of the original conveyance. Notwithstanding the provisions of subsection (a) of this section, no conveyance shall be rendered invalid by the recordation of the power of attorney or a certified copy of the power of attorney after the instrument of conveyance, and the registration shall relate back to the date and time of registration of the instrument of conveyance.

…."

SECTION 2.3. G.S. 47-43.1 reads as rewritten:

"**§ 47-43.1. Execution and acknowledgment of instruments by attorneys or attorneys-in-fact.**

When an instrument purports to be executed by parties acting through another by virtue of a power of attorney, it shall be sufficient if the attorney or ~~attorney-in-fact~~ agent signs such instrument either in the name of the principal by the attorney or ~~attorney-in-fact~~ agent or signs as attorney or ~~attorney-in-fact~~ agent for the principal; and if such instrument purports to be under seal, the seal of the ~~attorney-in-fact~~ agent shall be sufficient. ~~For such instrument to be executed under seal, the power of attorney must have been executed under seal.~~"

SECTION 2.4. G.S. 50-22 reads as rewritten:

"**§ 50-22. Action on behalf of an incompetent.**

A duly appointed ~~attorney-in-fact~~ agent who has the power to sue and defend civil actions on behalf of an incompetent spouse and who has been appointed pursuant to a durable power of attorney executed in accordance with Chapter ~~32A~~ 32C of the General Statutes, a guardian appointed in accordance with Chapter 35A of the General Statutes, or a guardian ad litem appointed in accordance with G.S. 1A-1, Rules 17 and 25(b), may commence, defend, maintain, arbitrate, mediate, or settle any action authorized by this Chapter on behalf of an incompetent spouse. However, only a competent spouse may commence an action for absolute divorce."

SECTION 2.5. G.S. 90-21.13 reads as rewritten:

"**§ 90-21.13. Informed consent to health care treatment or procedure.**

…

(c) The following persons, in the order indicated, are authorized to consent to medical treatment on behalf of a patient who is comatose or otherwise lacks capacity to make or communicate health care decisions:

(1) A guardian of the patient's person, or a general guardian with powers over the patient's person, appointed by a court of competent jurisdiction pursuant to Article 5 of Chapter 35A of the General Statutes; provided that, if the patient has a health care agent appointed pursuant to a valid health care power of attorney, the health care agent shall have the right to exercise the authority to the extent granted in the health care power of attorney and to the extent provided in G.S. 32A-19(a) unless the Clerk has suspended the authority of that health care agent in accordance with ~~G.S. 35A-1208(a);~~G.S. 35A-1208(a).

(2) A health care agent appointed pursuant to a valid health care power of attorney, to the extent of the authority ~~granted;~~granted.

(3) An ~~attorney-in-fact,~~ agent, with powers to make health care decisions for the patient, appointed by the patient pursuant to ~~Article 1 or Article 2 of~~ Chapter ~~32A~~ 32C of the General Statutes, to the extent of the authority ~~granted;~~granted.

(4) The patient's ~~spouse;~~spouse.

(5) A majority of the patient's reasonably available parents and children who are at least 18 years of ~~age;~~age.

(6) A majority of the patient's reasonably available siblings who are at least 18 years of ~~age; or~~age.

(7) An individual who has an established relationship with the patient, who is acting in good faith on behalf of the patient, and who can reliably convey the patient's wishes.

…."

SECTION 2.6. G.S. 90-322 reads as rewritten:

"**§ 90-322. Procedures for natural death in the absence of a declaration.**

…

(b) If a person's condition has been determined to meet the conditions set forth in subsection (a) of this section and no instrument has been executed as provided in G.S. 90-321, then life-prolonging measures may be withheld or discontinued upon the direction and under the supervision of the attending physician with the concurrence of the following persons, in the order indicated:

(1) A guardian of the patient's person, or a general guardian with powers over the patient's person, appointed by a court of competent jurisdiction pursuant to Article 5 of Chapter 35A of the General Statutes; provided that, if the patient has a health care agent appointed pursuant to a valid health care power of attorney, the health care agent shall have the right to exercise the authority to the extent granted in the health care power of attorney and to the extent provided in G.S. 32A-19(b) unless the Clerk has suspended the authority of that health care agent in accordance with ~~G.S. 35A-1208(a);~~G.S. 35A-1208(a).

(2) A health care agent appointed pursuant to a valid health care power of attorney, to the extent of the authority ~~granted;~~granted.

(3) An ~~attorney-in-fact,~~ agent, with powers to make health care decisions for the patient, appointed by the patient pursuant to ~~Article 1 or Article 2 of~~ Chapter ~~32A~~ 32C of the General Statutes, to the extent of the authority ~~granted;~~granted.

(4) The patient's ~~spouse;~~spouse.

(5) A majority of the patient's reasonably available parents and children who are at least 18 years of ~~age;~~age.

(6) A majority of the patient's reasonably available siblings who are at least 18 years of ~~age; or~~age.

(7) An individual who has an established relationship with the patient, who is acting in good faith on behalf of the patient, and who can reliably convey the patient's wishes.

If none of the above is reasonably available then at the discretion of the attending physician the life-prolonging measures may be withheld or discontinued upon the direction and under the supervision of the attending physician.

…."

SECTION 2.7. G.S. 122C-73 reads as rewritten:

"**§ 122C-73. Scope, use, and authority of advance instruction for mental health treatment.**

…

(f) An advance instruction for mental health treatment may be combined with a health care power of attorney or general power of attorney that is executed in accordance with the

requirements of Chapter 32A or Chapter 32C of the General Statutes so long as each form shall be executed in accordance with its own statute."

SECTION 2.8. Articles 1, 2, 2A, 2B, and 5 of Chapter 32A of the General Statutes are repealed.

PART III. EFFECTIVE DATE AND AUTHORIZATION FOR THE PRINTING OF OFFICIAL AND DRAFTERS' COMMENTS

SECTION 3. This act becomes effective January 1, 2018. The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Comments to the Uniform Power of Attorney Act (2006) and all explanatory comments of the drafters of this act as the Revisor may deem appropriate.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-154 **H.B. 120**

AN ACT TO ADD NATIONAL GUARD MEMBERS, EMPLOYEES, AND RETIREES TO THE LIST OF INDIVIDUALS ELIGIBLE TO PURCHASE FROM CORRECTION ENTERPRISES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 148-132 reads as rewritten:

"**§ 148-132. Distribution of products and services.**

The Section of Correction Enterprises of the Division of Adult Correction is empowered and authorized to market and sell products and services produced by Correction Enterprises to any of the following entities:

(1) Any public agency or institution owned, managed, or controlled by the State.

(2) Any county, city, or town in this State.

(3) Any federal, state, or local public agency or institution in any other state of the union.

(4) An entity or organization that has tax-exempt status pursuant to section 501(c)(3) of the Internal Revenue Code. Products purchased by an entity pursuant to this subdivision may not be resold.

(5) Any current employee or retiree of the State of North ~~Carolina~~Carolina, member, employee, or retiree of the North Carolina National Guard, or of a unit of local government of this State, verified through federal or State-issued identification, or through proof of retirement status, but purchases by a State employee or retiree, National Guard member, employee, or retiree, or local governmental employee or retiree may not exceed two thousand five hundred dollars ($2,500) during any calendar year. Products purchased by State employees or retirees, National Guard members, employees or retirees, and local governmental employees and retirees under this section may not be resold.

(6) Private contractors when the goods purchased will be used to perform work under a contract with a public agency."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-155 **H.B. 486**

AN ACT TO DIRECT THE UNIVERSITY OF NORTH CAROLINA SYSTEM AND THE STATE COMMUNITY COLLEGE SYSTEM TO ADOPT AND IMPLEMENT A UNIFORM POLICY TO REQUIRE THAT A STUDENT WHO IS A NATIONAL GUARD SERVICE MEMBER PLACED ON ACTIVE DUTY STATUS BE GIVEN AN EXCUSED ABSENCE FOR THE PERIOD OF TIME THE STUDENT IS ON ACTIVE

DUTY AND TO PROVIDE ADDITIONAL OPTIONS TO THE STUDENT FOR COMPLETION OR WITHDRAWAL FROM CLASSES THAT WILL NOT PENALIZE THE STUDENT ACADEMICALLY; TO BROADEN THE NATIONAL GUARD TUITION ASSISTANCE PROGRAM TO COVER STUDENTS ENROLLED IN AN APPROVED PROFESSIONAL CERTIFICATION PROGRAM; TO ENSURE COMPLIANCE WITH FEDERAL LAW FOR IN-STATE TUITION FOR VETERANS; AND TO PROHIBIT THE CLOSURE OF THE EASTERN CAROLINA STATE VETERANS CEMETERY IN GOLDSBORO.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(3b) The Board of Governors shall adopt a policy to be applied uniformly throughout The University of North Carolina to provide that any student enrolled in a constituent institution who is a National Guard service member placed onto State active duty status during an academic term shall be given an excused absence for the period of time the student is on active duty. The policy shall further provide all of the following:

a. The student shall be given the opportunity to make up any test or other work missed during the excused absence.

b. The student shall be given the option, when feasible, to continue classes and coursework during the academic term through online participation for the period of time the student is placed on active duty.

c. The student shall be given the option of receiving a temporary grade of "incomplete (IN)" or "absent from the final exam (AB)" for any course that the student was unable to complete as a result of being placed on State active duty status; however, the student must complete the course requirements within the period of time specified by the constituent institution to avoid receiving a failing grade for the course.

d. The student shall be permitted to drop, with no penalty, any course that the student was unable to complete as a result of being placed on State active duty status."

SECTION 1.(b) The Board of Governors shall adopt the policies set out in G.S. 116-11(3b), as enacted by subsection (a) of this section, by July 1, 2017, and shall direct each constituent institution to implement those policies beginning with the 2017 fall academic term.

SECTION 2.(a) G.S. 115D-5 is amended by adding a new subsection to read:

"(x) The State Board of Community Colleges shall adopt a policy to be applied uniformly throughout the Community College System to provide that any student enrolled in a community college who is a National Guard service member placed onto State active duty status during an academic term shall be given an excused absence for the period of time the student is on active duty. The policy shall further provide all of the following:

(1) The student shall be given the opportunity to make up any test or other work missed during the excused absence.

(2) The student shall be given the option, when feasible, to continue classes and coursework during the academic term through online participation for the period of time the student is placed on active duty.

(3) The student shall be given the option of receiving a temporary grade of "incomplete (IN)" or "absent from the final exam (AB)" for any course that the student was unable to complete as a result of being placed on State active duty status; however, the student must complete the course requirements

within the period of time specified by the community college to avoid receiving a failing grade for the course.

(4) The student shall be permitted to drop, with no penalty, any course that the student was unable to complete as a result of being placed on State active duty status."

SECTION 2.(b) The State Board of Community Colleges shall adopt the policies set out in G.S. 115D-5(x), as enacted by subsection (a) of this section, by July 1, 2017, and shall direct each community college to implement those policies beginning with the 2017 fall academic term.

SECTION 3. G.S. 116-209.54(b) reads as rewritten:

"(b) This tuition assistance benefit shall be applicable to students in the following categories:

(1) Students seeking to achieve completion of their secondary school education at a community college or technical institute.
(2) Students seeking trade or vocational training or education.
(3) Students seeking to achieve a two-year associate degree.
(4) Students seeking to achieve a four-year baccalaureate degree.
(5) Students seeking to achieve a graduate degree.
(6) Students enrolled in a program granting a graduate certificate.
(7) Students enrolled in a professional certification program recommended by the Director of the North Carolina National Guard Education and Employment Center and approved by the North Carolina National Guard Education Services Officer."

SECTION 4. G.S. 116-143.3A reads as rewritten:

"**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33.**

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

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).
(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).
(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such service.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and enrolls within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.
(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.
(3) The veteran's abode is North Carolina.
(4) The veteran provides the institution of higher education at which the veteran intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the

in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, if the person meets all of the following criteria:

(1) The person qualifies for admission to the institution of higher education as defined in G.S. 116-143.1(a)(3) ~~and~~ and, with the exception of individuals described in subsections (c1) and (c2) of this section, enrolls in the institution of higher education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The person's abode is North Carolina.

(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(c1) Recipients using transferred Post-9/11 GI Bill benefits (38 U.S.C. § 3319) while the transferor is on active duty in the Armed Forces, the commissioned corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration are eligible for the in-State tuition rate, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(c2) Recipients of the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. § 3311(b)(9)), whose parent or spouse died in the line of duty, without regard as to whether the death in the line of duty followed a period of active duty service of 90 days or more, are eligible to receive in-State tuition under this section, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(d) After the expiration of the three-year period following discharge ~~or death~~ as described in 38 U.S.C. § 3679(c), any enrolled veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other enrolled individual described in subsection (c) of this section entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SECTION 5. The Department of Military and Veterans Affairs (DMVA) shall not close any of the State-owned veterans cemeteries. DMVA shall continue to operate all the State-owned veterans cemeteries and shall maintain the current level of operations at each of those cemeteries. The Office of State Budget and Management shall realign the base budget for the Department of Military and Veterans Affairs for the 2017-2019 fiscal biennium to increase receipts and include operational costs of the Eastern Carolina State Veterans Cemetery in Goldsboro.

SECTION 6. Section 5 of this act is effective when this act becomes law. Section 4 of this act becomes effective July 1, 2017. The remainder of this act is effective when it becomes law. Sections 1 and 2 of this act apply beginning with the 2017 fall academic semester.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-156 **H.B. 487**

AN ACT TO PROVIDE DEFINITIONS TO CLARIFY THE NATIONAL GUARD REEMPLOYMENT RIGHTS AND TO EXTEND THE REEMPLOYMENT APPLICATION PERIOD FOR NATIONAL GUARD MEMBERS WHO HAVE INCURRED AN INJURY DURING THE PERFORMANCE OF STATE ACTIVE DUTY AND TO ADD ADDITIONAL PROTECTIONS FOR ACTIVE AND RESERVE NATIONAL GUARD MEMBERS UPON EARLY TERMINATION OF A RENTAL AGREEMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Article 16 of Chapter 127A of the General Statutes reads as rewritten:

"Article 16.

"National Guard Reemployment Rights.

"**§ 127A-201. Entitlement.**

Any member of the North Carolina National Guard or the National Guard of another state who, at the direction of a state's Governor, enters ~~State~~ state duty, is entitled, upon honorable release from ~~State~~ state duty, to all the reemployment rights provided for in this Article.

"**§ 127A-201.1. Definitions.**

The following definitions apply in this Article:

(1) Benefit of employment. – A term, condition, or privilege of employment, including any wages, salary, advantage, profit, privilege, gain, status, account, or interest that accrues by reason of an employment contract or agreement or an employer policy, plan, or practice. The definition also includes rights and benefits under a pension plan, a health plan, an employee stock ownership plan, insurance coverage and awards, bonuses, severance pay, supplemental unemployment benefits, vacations, and the opportunity to select work hours or location of employment.

(2) Qualified. – Having the ability to perform the essential tasks of an employment position.

(3) Seniority. – Longevity in employment together with any benefits of employment which accrue with, or are determined by, longevity in employment.

(4) State duty. – Any of the following:

a. In the case of a member of the North Carolina National Guard, State active duty under an order of the Governor pursuant to this Chapter.

b. In the case of a member of the National Guard of another state, service under an order of the governor of that state, which is similar to State active duty.

"**§ 127A-202. Rights.**

(a) ~~Upon release from state duty,~~ Release From State Duty. – Upon an employee's release from state duty, the employee's previous employer shall reemploy the employee in the employee's previous position within five days of the employee's release from state duty. If the employee's state duty lasted 30 days or less, the employee shall make written application to the employee's previous employer for reemployment no later than the first regularly scheduled work period which begins eight hours after the employee has safely traveled from the place of state service to the employee's residence. If the employee's state duty lasted more than 30 days, the employee shall make written application to the employee's previous employer for reemployment within ~~five~~ 14 days of the employee's release from ~~duty or from hospitalization continuing after release.~~ state duty. If the employee is still qualified for the employee's previous employment, the employee shall be restored to ~~his~~ the employee's previous position or to a position of like seniority, ~~status~~ status, and salary, unless the employer's circumstances now

make the restoration unreasonable. If the employee is no longer qualified for the employee's previous employment, the employee shall be placed in another position, for which the employee is qualified, and which will give the employee appropriate seniority, ~~status~~ status, and salary, unless the employer's circumstances now make the placement unreasonable.

(b) Period of Recovery. – Notwithstanding the time limitations of subsection (a) of this section, if an employee is hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, the performance of state duty, the employee shall make written application for reemployment within the period of recovery. The period of recovery is the period necessary for the employee to recover from the illness or injury, not to exceed two years unless the Commissioner of Labor extends the period. The Commissioner may extend the two-year period of recovery only if (i) the employee files with the Commissioner a written request for extension at least 15 days prior to the expiration of the two-year period of recovery and (ii) the Commissioner finds that reemployment during the two-year period would place an undue burden on the employee. The Commissioner, if extending the two-year period of recovery, shall notify the employee's previous employer of the amount of the extension. A party who is dissatisfied with a decision of the Commissioner may commence a contested case under Article 3 of Chapter 150B of the General Statutes.

…

"**§ 127A-203. Penalties for denial.**

If any employer, public or private, fails or refuses to comply with G.S. 127A-202, the superior court for the district of the employer's place of business may, upon the filing of a motion, petition, or other appropriate pleading by the employee, require the employer to comply with G.S. 127A-202 and to compensate the employee for any loss of wages or benefits of employment suffered by reason of the employer's unlawful failure or refusal."

SECTION 2. G.S. 42-45 reads as rewritten:

"**§ 42-45. Early termination of rental agreement by military personnel, surviving family members, or lawful representative.**

(a) Any member of the Armed Forces of the United ~~States~~ States, the Active Guard and Reserve under section 101 of Title 10 of the United States Code, or a military technician under section 10216 of Title 10 of the United States Code who (i) is required to move pursuant to permanent change of station orders to depart 50 miles or more from the location of the dwelling unit, or (ii) is prematurely or involuntarily discharged or released from active duty with the Armed Forces of the United States, may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination to be effective on a date stated in the notice that is at least 30 days after the landlord's receipt of the notice. The notice to the landlord must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer.

(a1) Any member of the Armed Forces of the United ~~States~~ States, the Active Guard and Reserve under section 101 of Title 10 of the United States Code, or a military technician under section 10216 of Title 10 of the United States Code who is deployed with a military unit for a period of not less than 90 days may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination. The notice to the landlord must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer. Termination of a lease pursuant to this subsection is effective 30 days after the first date on which the next rental payment is due or 45 days after the landlord's receipt of the notice, whichever is shorter, and payable after the date on which the notice of termination is delivered.

(a2) Upon termination of a rental agreement under this section, the tenant is liable for the rent due under the rental agreement prorated to the effective date of the termination payable at such time as would have otherwise been required by the terms of the rental agreement. The tenant is not liable for any other rent or damages due to the early termination of the tenancy except the liquidated damages provided in subsection (b) of this section. If a member

terminates the rental agreement pursuant to this section 14 or more days prior to occupancy, no damages or penalties of any kind shall be due.

(a3) If a member of the Armed Forces of the United ~~States~~ States, the Active Guard and Reserve under section 101 of Title 10 of the United States Code, or a military technician under section 10216 of Title 10 of the United States Code dies while on active duty, then an immediate family member, or a lawful representative of the member's estate, may terminate the member's rental agreement for a dwelling unit by providing the landlord with a written notice of termination to be effective on the date described in subsection (a1) of this section. A copy of the death certificate, official military personnel casualty report, or letter from the commanding officer verifying the member's death must accompany the notice for this subsection to be effective. Termination of the member's lease obligations under this subsection shall also terminate the lease obligations of any cotenants who are immediate family members. If the member was a cotenant with a person who is not an immediate family member, then the termination shall relate only to the obligation of the member under the rental agreement. The prorated charges in subsection (a2) of this section and the liquidated damages provisions of subsection (b) of this section shall apply to any claims against the member's estate.

(b) In consideration of early termination of the rental agreement, the tenant is liable to the landlord for liquidated damages provided the tenant has completed less than nine months of the tenancy and the landlord has suffered actual damages due to loss of the tenancy. The liquidated damages shall be in an amount no greater than one month's rent if the tenant has completed less than six months of the tenancy as of the effective date of termination, or one-half of one month's rent if the tenant has completed at least six but less than nine months of the tenancy as of the effective date of termination.

(c) The provisions of this section may not be waived or modified by the agreement of the parties under any circumstances. Nothing in this section shall affect the rights established by G.S. 42-3."

SECTION 3. This act is effective when it becomes law. Section 1 of this act applies to state duty, as defined in this act, commencing on or after that date. Section 2 of this act applies to lease agreements entered into on or after that date.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-157 **H.B. 155**

AN ACT TO MAKE VARIOUS CHANGES TO EDUCATION LAWS.

The General Assembly of North Carolina enacts:

PART I. MODIFY SCHOOL/CLASS SIZE REPORT DATE

SECTION 1.(a) G.S. 115C-47(10), as amended by Section 2(a) of S.L. 2017-9, reads as rewritten:

"(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the class size requirements set forth in G.S. 115C-301 for kindergarten through third grade are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he or she shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).

Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception, as required in G.S. 115C-301(g).

At the end of ~~September~~October and end of February of each school year, the local board of education, through the superintendent, shall file a report with the Superintendent of Public Instruction, in a format prescribed by the Superintendent of Public Instruction, describing the organization for each school in the local school administrative unit, as required by G.S. 115C-301(f).

In addition to assuring that the requirements of G.S. 115C-301 are met, each local board of education shall also have the duty to provide an adequate number of classrooms to meet the requirements of that statute."

SECTION 1.(b) G.S. 115C-301(f), as amended by Section 2(b) of S.L. 2017-9, reads as rewritten:

"(f) Biannual Reports. – At the end of ~~September~~October and end of February of each school year, each local board of education, through the superintendent, shall file a report, based on information provided by the principal, for each school within the local school administrative unit with the Superintendent of Public Instruction. The report shall be filed in a format prescribed by the Superintendent of Public Instruction and shall include the organization for each school in the local school administrative unit, including the following information:

…."

SECTION 1.(c) This section is effective when it becomes law and applies beginning with the 2017-2018 school year.

PART II. MAKES CONFORMING CHANGES TO CAREER STATUS STATUTES TO ALIGN WITH NORTH CAROLINA SUPREME COURT DECISION

SECTION 2.(a) Section 9.6(a) of S.L. 2013-360 is repealed.

SECTION 2.(b) G.S. 115C-325 reads as rewritten:

"**§ 115C-325. System of employment for public school teachers.**

(a) Definition of Terms. – ~~As~~ Notwithstanding G.S. 115C-325.1, as used in this ~~section~~ section, the following definitions apply, unless the context requires otherwise:

(1) Repealed by Session Laws 1997-221, s. 13(a).

(1a) "Career employee" as used in this section ~~means:~~ means

~~a.~~ ~~An~~ an employee who ~~has obtained~~was awarded career status with that local board as a teacher ~~as provided in G.S. 115C-325(c);~~prior to August 1, 2013.

~~b. An employee who has obtained career status with that local board in an administrative position as provided in G.S. 115C-325(d)(2);~~

~~c. A probationary teacher during the term of the contract as provided in G.S. 115C-325(m); and~~

~~d. A school administrator during the term of a school administrator contract as provided in G.S. 115C-287.1(c).~~

~~(1b) "Career school administrator" means a school administrator who has obtained career status in an administrative position as provided in G.S. 115C-325(d)(2).~~

~~(1c) "Career teacher" means a teacher who has obtained career status as provided in G.S. 115C-325(c).~~

(1d) Repealed by Session Laws 2011-348, s. 1, effective July 1, 2011, and applicable to persons recommended for dismissal or demotion on or after that date.

(2) Repealed by Session Laws 1997, c. 221, s. 13(a).

~~(3) "Day" means calendar day. In computing any period of time, Rule 6 of the North Carolina Rules of Civil Procedure shall apply.~~

(4) "Demote" means to reduce the salary of a person who is classified or paid by the State Board of Education as a classroom ~~teacher or as a school administrator.~~teacher. The word "demote" does not include: (i) a suspension without pay pursuant to G.S. 115C-325(f)(1); (ii) the elimination or reduction of bonus payments, including merit-based supplements, or a systemwide modification in the amount of any applicable local supplement; or (iii) any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral director.

(4a) "Disciplinary suspension" means a final decision to suspend a ~~teacher or school administrator~~career employee without pay for no more than 60 days under G.S. 115C-325(f)(2).

~~(4b) "Exchange teacher" means a nonimmigrant alien teacher participating in an exchange visitor program designated by the United States Department of State pursuant to 22 C.F.R. Part 62 or by the United States Department of Homeland Security pursuant to 8 C.F.R. Part 214.2(q).~~

(4c) "Hearing officer" means a person selected under G.S. 115C-325(h)(7).

~~(5) "Probationary teacher" means a licensed person, other than a superintendent, associate superintendent, or assistant superintendent, who has not obtained career teacher status and whose major responsibility is to teach or to supervise teaching.~~

(5a) [Expired.]

~~(5b) "School administrator" means a principal, assistant principal, supervisor, or director whose major function includes the direct or indirect supervision of teaching or any other part of the instructional program as provided in G.S. 115C-287.1(a)(3).~~

(6) "Teacher" means a person who holds at least a current, not provisional or expired, Class A license or a regular, not provisional or expired, vocational license issued by the State Board of Education; whose major responsibility is to teach or directly supervises teaching or who is classified by the State Board of Education or is paid either as a classroom teacher or instructional support personnel; and who is employed to fill a full-time, permanent position.

(7) Redesignated.

~~(8) "Year" for purposes of computing time as a probationary teacher shall be not less than 120 workdays performed as a probationary teacher in a full-time permanent position in a school year. Workdays performed pending the outcome of a criminal history check as provided in G.S. 115C-332 are included in computing time as a probationary teacher.~~

(a1) This section shall apply only to career employees. No person who is employed as a teacher who did not acquire career status as a teacher by August 1, 2013, shall have career status.

(b) Personnel Files. – The superintendent shall maintain in his or her office a personnel file for each ~~teacher~~career employee that contains any complaint, commendation, or suggestion for correction or improvement about the ~~teacher's~~career employee's professional conduct, except that the superintendent may elect not to place in a ~~teacher's~~career employee's file (i) a letter of complaint that contains invalid, irrelevant, outdated, or false information or (ii) a letter of complaint when there is no documentation of an attempt to resolve the issue. The complaint, commendation, or suggestion shall be signed by the person who makes it and shall be placed in the ~~teacher's~~career employee's file only after five days' notice to the ~~teacher.~~employee. Any denial or explanation relating to such complaint, commendation, or suggestion that the ~~teacher~~career employee desires to make shall be placed in the file. Any ~~teacher~~career employee

may petition the local board of education to remove any information from his or her personnel file that he or she deems invalid, irrelevant, or outdated. The board may order the superintendent to remove said information if it finds the information is invalid, irrelevant, or outdated.

The personnel file shall be open for the ~~teacher's~~career employee's inspection at all reasonable times but shall be open to other persons only in accordance with such rules and regulations as the board adopts. Any preemployment data or other information obtained about a ~~teacher~~career employee before his or her employment by the board may be kept in a file separate from his or her personnel file and need not be made available to ~~him.~~him or her. No data placed in the preemployment file may be introduced as evidence at a hearing on the dismissal or demotion of a ~~teacher,~~career employee, except the data may be used to substantiate G.S. 115C-325(e)(1)g. or G.S. 115C-325(e)(1)o. as grounds for dismissal or demotion.

(c) (1) through (3) Repealed.

(4) Leave of Absence. – A career ~~teacher~~ employee who has been granted a leave of absence by a board shall maintain his or her career status if he or she returns to his or her teaching position at the end of the authorized leave.

(5), (6) Repealed.

(d) Career ~~Teachers and Career School Administrators.~~Employees.

(1) A career ~~teacher or career school administrator~~employee shall not be subjected to the requirement of annual appointment nor shall he or she be dismissed, demoted, or employed on a part-time basis without his or her consent except as provided in subsection ~~(e).~~(e) of this section.

(2) ~~a.~~ ~~The provisions of this subdivision do not apply to a person who is ineligible for career status as provided by G.S. 115C-325(c)(3).~~

b. Repealed by Session Laws 1997, c. 221, s. 13(a).

c. Subject to G.S. 115C-287.1, when a teacher has performed the duties of supervisor or principal for three consecutive years, the board, near the end of the third year, shall vote upon his or her employment for the next school year. The board shall give him or her written notice of that decision by June 1 of his or her third year of employment as a supervisor or principal. If a majority of the board votes to reemploy the teacher as a principal or supervisor, and it has notified him or her of that decision, it may not rescind that action but must proceed under the provisions of this section. If a majority of the board votes not to reemploy the teacher as a principal or supervisor, he or she shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal. A supervisor or principal who has not held that position for three years and whose contract will not be renewed for the next school year shall be notified by June 1 and shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal.

A year, for purposes of computing time as a probationary principal or supervisor, shall not be less than 145 workdays performed as a full-time, permanent principal or supervisor in a contract year.

~~A principal or supervisor who has obtained career status in that position in any North Carolina public school system may be required by the board of education in another school system to serve an additional three-year probationary period in that position before being eligible for career status. However, he may, at the option of the board of education, be granted career status immediately or after serving a probationary period of one or two additional years. A principal or supervisor with career status who resigns and within five~~

~~years is reemployed by the same school system need not serve another probationary period in that position of more than two years and may, at the option of the board, be reemployed immediately as a career principal or supervisor or be given career status after only one year. In any event, if he is reemployed for a third consecutive year, he shall automatically become a career principal or supervisor.~~

(e) Grounds for Dismissal or Demotion of a Career Employee.

(1) Grounds. – No career employee shall be dismissed or demoted or employed on a part-time basis except for one or more of the following:

a. Inadequate performance.
b. Immorality.
c. Insubordination.
d. Neglect of duty.
e. Physical or mental incapacity.
f. Habitual or excessive use of alcohol or nonmedical use of a controlled substance as defined in Article 5 of Chapter 90 of the General Statutes.
g. Conviction of a felony or a crime involving moral turpitude.
h. Advocating the overthrow of the government of the United States or of the State of North Carolina by force, violence, or other unlawful means.
i. Failure to fulfill the duties and responsibilities imposed upon teachers ~~or school administrators~~ by the General Statutes of this State.
j. Failure to comply with such reasonable requirements as the board may prescribe.
k. Any cause which constitutes grounds for the revocation of the career ~~teacher's~~ employee's teaching ~~license or the career school administrator's administrator license.~~license.
l. A justifiable decrease in the number of positions due to district reorganization, decreased enrollment, or decreased funding, provided that there is compliance with subdivision ~~(2).~~(2) of this subsection.
m. Failure to maintain his or her license in a current status.
n. Failure to repay money owed to the State in accordance with the provisions of Article 60, Chapter 143 of the General Statutes.
o. Providing false information or knowingly omitting a material fact on an application for employment or in response to a preemployment inquiry.

(2) Reduction in Force. –

a. A local board of education shall adopt a policy for implementing a reduction in force pursuant to sub-subdivision (e)(1)*l.* of this section that includes the following criteria:

1. In determining which positions shall be subject to a reduction, a local board of education shall consider the following:

I. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.

II. Organizational considerations, such as anticipated organizational needs of the local school administrative unit and program or school enrollment.

2. In identifying which ~~teachers~~career employees in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and ~~teacher~~ evaluations.

b. Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)*l.*, the superintendent shall give written notice to the career employee by certified mail or personal delivery of his or her intention to make such recommendation and shall set forth as part of his or her recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he or she shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a hearing officer shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)*l*.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)*l.*, above, his or her name shall be placed on a list of available career employees to be maintained by the board.

(3) Inadequate Performance. – In determining whether the professional performance of a career employee is adequate, consideration shall be given to regular and special evaluation reports prepared in accordance with the published policy of the employing local school administrative unit and to any published standards of performance which shall have been adopted by the board. Failure to notify a career employee of an inadequacy or deficiency in performance shall be conclusive evidence of satisfactory performance. Inadequate performance for a ~~teacher~~ career employee shall mean (i) the failure to perform at a proficient level on any standard of the evaluation instrument or (ii) otherwise performing in a manner that is below standard. ~~However, for a probationary teacher, a performance rating below proficient may or may not be deemed adequate at that stage of development by a superintendent or designee.~~ For a career ~~teacher,~~employee, a performance rating below proficient shall constitute inadequate performance unless the principal noted on the instrument that the ~~teacher~~career employee is making adequate progress toward proficiency given the circumstances.

(4) Three-Year Limitation on Basis of Dismissal or Demotion. – Dismissal or demotion under subdivision (1) above, except paragraphs g. and o. thereof,

shall not be based on conduct or actions which occurred more than three years before the written notice of the superintendent's intention to recommend dismissal or demotion is mailed to the career employee. The three-year limitation shall not apply to dismissals or demotions pursuant to subdivision (1)b. above when the charge of immorality is based upon a career employee's sexual misconduct toward or sexual harassment of students or staff.

(f) (1) Suspension without Pay. – If a superintendent believes that cause exists for dismissing a career employee for any reason specified in G.S. 115C-325(e)(1) and that immediate suspension of the career employee is necessary, the superintendent may suspend the career employee without pay. Before suspending a career employee without pay, the superintendent shall meet with the career employee and give him or her written notice of the charges against ~~him,~~him or her, an explanation of the bases for the charges, and an opportunity to respond. Within five days after a suspension under this paragraph, the superintendent shall initiate a dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for dismissal, demotion, or disciplinary suspension without pay exist, the career employee shall be reinstated immediately, shall be paid for the period of suspension, and all records of the suspension shall be removed from the career employee's personnel file.

(2) Disciplinary Suspension Without Pay. – A career employee recommended for disciplinary suspension without pay ~~pursuant to G.S. 115C-325(a)(4a)~~ may request a hearing before the board. If no request is made within 15 days, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if one is held, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such suspension.

a. Board hearing for disciplinary suspensions for more than 10 days or for certain types of intentional misconduct. – The procedures for a board hearing under G.S. 115C-325(j3) shall apply if any of the following circumstances exist:

1. The recommended disciplinary suspension without pay is for more than 10 days; or
2. The disciplinary suspension is for intentional misconduct, such as inappropriate sexual or physical conduct, immorality, insubordination, habitual or excessive alcohol or nonmedical use of a controlled substance as defined in Article 5 of Chapter 90 of the General Statutes, any cause that constitutes grounds for the revocation of the ~~teacher's or school administrator's~~career employee's license, or providing false information.

b. Board hearing for disciplinary suspensions of no more ~~that~~than 10 days. – The procedures for a board hearing under G.S. 115C-325(j2) shall apply to all disciplinary suspensions of no more than 10 days that are not for intentional misconduct as specified in ~~G.S. 115C-325(f)(2)a.2.~~sub-sub-subdivision a.2. of this subdivision.

(f1) Suspension with Pay. – If a superintendent believes that cause may exist for dismissing or demoting a career employee for any reasons specified in G.S. 115C-325(e)(1), but that additional investigation of the facts is necessary and circumstances are such that the career employee should be removed immediately from his or her duties, the superintendent may suspend the career employee with pay for a reasonable period of time, not to exceed 90 days.

The superintendent shall notify the board of education within two days of his or her action and shall notify the career employee within two days of the action and the reasons for it. If the superintendent has not initiated dismissal or demotion proceedings against the career employee within the 90-day period, the career employee shall be reinstated to his or her duties immediately and all records of the suspension with pay shall be removed from the career employee's personnel file at his or her request. However, if the superintendent and the employee agree to extend the 90-day period, the superintendent may initiate dismissal or demotion proceedings against the career employee at any time during the period of the extension.

~~(f2) Procedure for Demotion of Career School Administrator. – If a superintendent intends to recommend the demotion of a career school administrator, the superintendent shall give written notice to the career school administrator by certified mail or personal delivery and shall include in the notice the grounds upon which the superintendent believes the demotion is justified. The notice shall include a statement that if the career school administrator requests a hearing within 15 days after receipt of the notice, the administrator shall be entitled to have the grounds for the proposed demotion reviewed by the local board of education. If the career school administrator does not request a board hearing within 15 days, the superintendent may file the recommendation of demotion with the board. If, after considering the superintendent's recommendation and the evidence presented at the hearing if one is held, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board may by resolution order the demotion. The procedures for a board hearing under G.S. 115C-325(j3) shall apply to all demotions of career school administrators.~~

(g) Repealed by Session Laws 1997, c. 221, s. 13(a).

(h) Procedure for Dismissal or Demotion of Career Employee.

(1) ~~a.~~ A career employee may not be dismissed, demoted, or reduced to part-time employment except upon the superintendent's recommendation.

~~b. G.S. 115C-325(f2) shall apply to the demotion of a career school administrator.~~

(2) Before recommending to a board the dismissal or demotion of the career employee, the superintendent shall give written notice to the career employee by certified mail or personal delivery of his or her intention to make such recommendation and shall set forth as part of his or her recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The superintendent also shall meet with the career employee and provide written notice of the charges against the career employee, an explanation of the basis for the charges, and an opportunity to respond if the career employee has not done so under G.S. 115C-325(f)(1). The notice shall include a statement to the effect that if the career employee within 14 days after the date of receipt of the notice requests a review, he or she may request to have the grounds for the proposed recommendations of the superintendent reviewed by an impartial hearing officer appointed by the Superintendent of Public Instruction as provided for in G.S. 115C-325(h)(7). A copy of G.S. 115C-325 shall also be sent to the career employee. If the career employee does not request a hearing before a hearing officer within the 14 days provided, the superintendent may submit his or her recommendation to the board.

(3) Within the 14-day period after receipt of the notice, the career employee may file with the superintendent a written request for either (i) a hearing on the grounds for the superintendent's proposed recommendation by a hearing officer or (ii) a hearing within 10 days before the board on the superintendent's recommendation. If the career employee requests an immediate hearing before the board, he or she forfeits his or her right to a

hearing by a hearing officer. If no request is made within that period, the superintendent may file his or her recommendation with the board. The board, if it sees fit, may by resolution (i) reject the superintendent's recommendation or (ii) accept or modify the superintendent's recommendation and dismiss, demote, reinstate, or suspend the career employee without pay. If a request for review is made, the superintendent shall not file the recommendation for dismissal with the board until a report of the hearing officer is filed with the superintendent. Failure of the hearing officer to submit the report as required by G.S. 115C-325(i1)(1) shall entitle the career employee to a hearing before the board under the same procedures as provided in G.S.115C-325(j).

(4) Repealed by Session Laws 1997, c. 221, s. 13(a).

(5) Repealed by Session Laws 2011-348, s. 1, effective July 1, 2011, and applicable to persons recommended for dismissal or demotion on or after that date.

(6) If a career employee requests a review by a hearing officer, the superintendent shall notify the Superintendent of Public Instruction within five days of his or her receipt of the request.

(7) Within five days of being notified of the request for a hearing before a hearing officer, the Superintendent of Public Instruction shall submit to both parties a list of hearing officers trained and approved by the State Board of Education. Within five days of receiving the list, the parties may jointly select a hearing officer from that list, or, if the parties cannot agree to a hearing officer, each party may strike up to one-third of the names on the list and submit its strikeout list to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall then appoint a hearing officer from those individuals remaining on the list. Further, the parties may jointly agree on another hearing officer not on the State Board of Education's list, provided that individual is available to proceed in a timely manner and is willing to accept the terms of appointment required by the State Board of Education. No person eliminated by the career employee or superintendent shall be designated as the hearing officer for that case.

(8) The superintendent and career employee shall serve a copy to the other party of all documents submitted to the Superintendent of Public Instruction and to the designated hearing officer and include a signed certificate of service similar to that required in court pleadings.

…

(j3) Board Hearing for Certain Disciplinary ~~Suspensions, Demotions of Career School Administrators,~~ Suspensions and for Reductions in Force. – The following procedures shall apply for a board hearing under ~~G.S. 115C-325(e)(2), G.S. 115C-325(f2),~~G.S. 115C-325(e)(2) and G.S. 115C-325(f)(2)a:

(1) The hearing shall be private.

(2) The hearing shall be conducted in accordance with reasonable rules adopted by the State Board of Education to govern such hearings.

(3) At the hearing, the career employee and the superintendent shall have the right to be present and to be heard, to be represented by counsel, and to present through witnesses any competent testimony relevant to the issue of whether grounds exist for a disciplinary suspension without pay under ~~G.S. 115C-325(f)(2)a., a demotion of a career school administrator under G.S. 115C-325(f2),~~G.S. 115C-325(f)(2)a. or whether the grounds for a dismissal or demotion due to a reduction in force is justified.

(4) Rules of evidence shall not apply to a hearing under this subsection and the board may give probative effect to evidence that is of a kind commonly relied on by reasonably prudent persons in the conduct of serious affairs.

(5) At least eight days before the hearing, the superintendent shall provide to the career employee a list of witnesses the superintendent intends to present, a brief statement of the nature of the testimony of each witness, and a copy of any documentary evidence the superintendent intends to present.

(6) At least six days before the hearing, the career employee shall provide the superintendent a list of witnesses the career employee intends to present, a brief statement of the nature of the testimony of each witness, and a copy of any documentary evidence the career employee intends to present.

(7) No new evidence may be presented at the hearing except upon a finding by the board that the new evidence is critical to the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence according to the schedule provided in this subsection.

(8) The board may subpoena and swear witnesses and may require them to give testimony and to produce records and documents relevant to the grounds for suspension without pay.

(9) The board shall decide all procedural issues, including limiting cumulative evidence, necessary for a fair and efficient hearing.

(10) The superintendent shall provide for making a transcript of the hearing. If the career employee contemplates an appeal of the board's decision to a court of law, the career employee may request and shall receive at no charge a transcript of the proceedings.

(k), (*l*) Repealed by Session Laws 1997, c. 221, s. 13(a).

~~(m) Probationary Teacher.~~

~~(1) The board of any local school administrative unit may not discharge a probationary teacher during the school year except for the reasons for and by the procedures by which a career employee may be dismissed as set forth in subsections (e), (f), (f1), and (h) to (j3) above.~~

~~(2) The board, upon recommendation of the superintendent, may refuse to renew the contract of any probationary teacher or to reemploy any teacher who is not under contract for any cause it deems sufficient: Provided, however, that the cause may not be arbitrary, capricious, discriminatory or for personal or political reasons.~~

~~(3) The superintendent shall provide written notice to a probationary teacher no later than May 15 of the superintendent's intent to recommend nonrenewal and the teacher's right, within 10 days of receipt of the superintendent's recommendation, to (i) request and receive written notice of the reasons for the superintendent's recommendation for nonrenewal and the information that the superintendent may share with the board to support the recommendation for nonrenewal; and (ii) request a hearing for those teachers eligible for a hearing under G.S. 115C-325(m)(4). The failure to file a timely request within the 10 days shall result in a waiver of the right to this information and any right to a hearing. If a teacher files a timely request, the superintendent shall provide the requested information and arrange for a hearing, if allowed, and the teacher shall be permitted to submit supplemental information to the superintendent and board prior to the board making a decision or holding a hearing as provided in this section. The board shall adopt a policy to provide for the orderly exchange of information prior to the board's decision on the superintendent's recommendation for nonrenewal.~~

~~(4) If the probationary teacher is eligible for career status pursuant to G.S. 115C-325(c)(1) and (c)(2) and the superintendent recommends not to give the probationary teacher career status, the probationary teacher has the right to a hearing before the board unless the reason is a justifiable board- or superintendent-approved decrease in the number of positions due to district reorganization, decreased enrollment, or decreased funding.~~

~~(5) For probationary contracts that are not in the final year before the probationary teacher is eligible for career status, the probationary teacher shall have the right to petition the local board of education for a hearing, and the local board may grant a hearing regarding the superintendent's recommendation for nonrenewal. The local board of education shall notify the probationary teacher making the petition of its decision whether to grant a hearing.~~

~~(6) Any hearing held according to this subsection shall be pursuant to the provisions of G.S. 115C-45(c).~~

~~(7) The board shall notify a probationary teacher whose contract will not be renewed for the next school year of its decision by June 15; provided, however, if a teacher submits a request for information or a hearing, the board shall provide the nonrenewal notification by July 1 or such later date upon the written consent of the superintendent and teacher.~~

(n) Appeal. – Any career employee who has been dismissed or demoted under G.S. 115C-325(e)(2), or under G.S. 115C-325(j2), or who has been suspended without pay under ~~G.S. 115C-325(a)(4a), or any school administrator whose contract is not renewed in accordance with G.S. 115C-287.1, or any probationary teacher whose contract is not renewed under G.S. 115C-325(m)(2)~~ G.S. 115C-325(f)(2) shall have the right to appeal from the decision of the board to the superior court for the superior court district or set of districts as defined in G.S. 7A-41.1 in which the career employee is ~~employed.~~employed on one or more of the following grounds that the decision:

(1) Is in violation of constitutional provisions.
(2) Is in excess of the statutory authority or jurisdiction of the board.
(3) Was made upon unlawful procedure.
(4) Is affected by other error of law.
(5) Is unsupported by substantial evidence in view of the entire record as submitted.
(6) Is arbitrary or capricious.

This appeal shall be filed within a period of 30 days after notification of the decision of the board. The cost of preparing the transcript shall be determined under G.S. 115C-325(j2)(8) or G.S. 115C-325(j3)(10). A career employee who has been demoted or ~~dismissed, or a school administrator whose contract is not renewed,~~ dismissed who has not requested a hearing before the board of education pursuant to this section shall not be entitled to judicial review of the board's action.

(o) Resignation. –

(1) If a career employee has been recommended for dismissal under G.S. 115C-325(e)(1) and the employee chooses to resign without the written agreement of the superintendent, then:
   a. The superintendent shall report the matter to the State Board of Education.
   b. The career employee shall be deemed to have consented to (i) the placement in the employee's personnel file of the written notice of the superintendent's intention to recommend dismissal and (ii) the release of the fact that the superintendent has reported this employee to the State Board of Education to prospective employers, upon

request. The provisions of G.S. 115C-321 shall not apply to the release of this particular information.

c. The career employee shall be deemed to have voluntarily surrendered his or her license pending an investigation by the State Board of Education in a determination whether or not to seek action against the employee's license. This license surrender shall not exceed 45 days from the date of resignation. Provided further that the cessation of the license surrender shall not prevent the State Board of Education from taking any further action it deems appropriate. The State Board of Education shall initiate investigation within five working days of the written notice from the superintendent and shall make a final decision as to whether to revoke or suspend the career employee's license within 45 days from the date of resignation.

(2) A ~~teacher, career or probationary,~~career employee who is not recommended for dismissal should not resign without the consent of the superintendent unless he or she has given at least 30 days' notice. If a ~~teacher~~career employee who is not recommended for dismissal does resign without giving at least 30 days' notice, the board may request that the State Board of Education revoke the ~~teacher's~~career employee's license for the remainder of that school year. A copy of the request shall be placed in the ~~teacher's~~career employee's personnel file.

(p) Section Applicable to Certain Institutions. – Notwithstanding any law or regulation to the contrary, this section shall apply to all ~~persons~~career employees employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services and Public Instruction and the Divisions of Juvenile Justice and Adult Correction of the Department of Public Safety regardless of the age of the students.

(p1) Procedure for Dismissal of ~~School Administrators and Teachers~~ Career Employees Employed in Low-Performing Residential Schools. –

(1) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the dismissal by the Secretary of Health and Human Services of ~~teachers, principals, assistant principals, directors, supervisors, and other licensed personnel~~career employees assigned to a residential school that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Part 3A of Article 3 of Chapter 143B of the General Statutes. The Secretary shall dismiss a ~~teacher, principal, assistant principal, director, supervisor, or other licensed personnel~~career employee when the Secretary receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the ~~teacher or school administrator.~~career employee.

The Secretary may dismiss a ~~teacher, principal, assistant principal, director, supervisor, or other licensed personnel~~career employee when:

a. The Secretary determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under Part 3A of Article 3 of Chapter 143B of the General Statutes; and

b. That assistance team makes the recommendation to dismiss the ~~teacher, principal, assistant principal, director, supervisor, or other licensed personnel~~career employee for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career employee.

Within 30 days of any dismissal under this subdivision, a ~~teacher, principal, assistant principal, director, supervisor, or other licensed personnel~~career employee may request a hearing before a panel of three members designated by the Secretary. The Secretary shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the Secretary, with further right of judicial review under Chapter 150B of the General Statutes.

(2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the dismissal by the Secretary of Health and Human Services of licensed ~~staff members~~career employees who have engaged in a remediation plan under G.S. 115C-105.38A(c) but who, after one retest, fail to meet the general knowledge standard set by the State Board. The failure to meet the general knowledge standard after one retest shall be substantial evidence of the inadequate performance of the licensed ~~staff member.~~career employee.

Within 30 days of any dismissal under this subdivision, a licensed ~~staff member~~career employee may request a hearing before a panel of three members designated by the Secretary of Health and Human Services. The Secretary shall adopt procedures to ensure that due process rights are afforded to licensed ~~staff members~~career employees recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the Secretary, with further right of judicial review under Chapter 150B of the General Statutes.

(3) ~~The Secretary of Health and Human Services or the superintendent of a residential school may terminate the contract of a school administrator dismissed under this subsection.~~ Nothing in this subsection shall prevent the Secretary from refusing to renew the contract of any person employed in a school identified as low-performing under Part 3A of Article 3 of Chapter 143B of the General Statutes.

~~(4) Neither party to a school administrator contract is entitled to damages under this subsection.~~

(5) The Secretary of Health and Human Services shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection.

(q) Procedure for Dismissal of ~~School Administrators and Teachers~~Career Employees Employed in Low-Performing Schools. –

~~(1) Notwithstanding any other provision of this section or any other law, this subdivision governs the State Board's dismissal of principals assigned to low-performing schools to which the Board has assigned an assistance team:~~

~~a. The State Board through its designee may, at any time, recommend the dismissal of any principal who is assigned to a low-performing school to which an assistance team has been assigned. The State Board through its designee shall recommend the dismissal of any principal when the Board receives from the assistance team assigned to that principal's school two consecutive evaluations that include written findings and recommendations regarding the principal's inadequate performance.~~

~~b. If the State Board through its designee recommends the dismissal of a principal under this subdivision, the principal shall be suspended with pay pending a hearing before a panel of three members of the State Board. The purpose of this hearing, which shall be held within~~

~~60 days after the principal is suspended, is to determine whether the principal shall be dismissed.~~

~~c. The panel shall order the dismissal of the principal if it determines from available information, including the findings of the assistance team, that the low performance of the school is due to the principal's inadequate performance.~~

~~d. The panel may order the dismissal of the principal if (i) it determines that the school has not made satisfactory improvement after the State Board assigned an assistance team to that school; and (ii) the assistance team makes the recommendation to dismiss the principal for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career employee.~~

~~e. If the State Board or its designee recommends the dismissal of a principal before the assistance team assigned to the principal's school has evaluated that principal, the panel may order the dismissal of the principal if the panel determines from other available information that the low performance of the school is due to the principal's inadequate performance.~~

~~f. In all hearings under this subdivision, the burden of proof is on the principal to establish that the factors leading to the school's low performance were not due to the principal's inadequate performance. In all hearings under sub-subdivision d. of this subdivision, the burden of proof is on the State Board to establish that the school failed to make satisfactory improvement after an assistance team was assigned to the school and to establish one or more of the grounds established for dismissal or demotion of a career employee under G.S. 115C-325(e)(1).~~

~~g. In all hearings under this subdivision, two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team are substantial evidence of the inadequate performance of the principal.~~

~~h. The State Board shall adopt procedures to ensure that due process rights are afforded to principals under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.~~

(2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of ~~teachers, assistant principals, directors, and supervisors~~career employees assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a ~~teacher, assistant principal, director, or supervisor~~career employee when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the ~~teacher or school administrator.~~career employee.

The State Board may dismiss a ~~teacher, assistant principal, director, or supervisor~~ career employee when:

a. The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and

b. That assistance team makes the recommendation to dismiss the ~~teacher, assistant principal, director, or supervisor~~ career employee for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career ~~teacher.~~employee.

A ~~teacher, assistant principal, director, or supervisor~~career employee may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(2a) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of licensed ~~staff members~~career employees who have engaged in a remediation plan under G.S. 115C-105.38A(a) but who, after one retest, fail to meet the general knowledge standard set by the State Board. The failure to meet the general knowledge standard after one retest shall be substantial evidence of the inadequate performance of the licensed ~~staff member.~~career employee.

A licensed ~~staff member~~career employee may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to licensed ~~staff members~~career employees recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

~~(3) The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school identified as low-performing under G.S. 115C-105.37.~~

~~(4) Neither party to a school administrator contract is entitled to damages under this subsection.~~

(5) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection."

SECTION 2.(c) G.S. 115C-218.90(a)(3) reads as rewritten:

"(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. ~~A~~A teacher who has received a leave of absence to teach at a charter school may return to a public school in the local school administrative unit at the end of the leave of absence or upon the end of employment at the charter school if an appropriate position is available. If a teacher ~~who~~ has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at a charter ~~school~~school, the teacher may return to a public school in the local school

administrative unit with career status at the end of the leave of absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers ~~and that teacher shall have priority on all positions for which that teacher is qualified~~ in accordance with G.S. 115C-325(e)(2)."

SECTION 2.(d) G.S. 115C-238.68(3) reads as rewritten:

"(3) Leave of absence from local school administrative unit. – If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at the regional school, the local school administrative unit shall grant the leave for one year. For the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. ~~A~~A teacher who has received a leave of absence to teach at a regional school may return to a public school in the local school administrative unit at the end of the leave of absence or upon the end of employment at the regional school if an appropriate position is available. If a teacher ~~who~~ has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at the regional ~~school~~school, the teacher may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the regional school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers in accordance with G.S. 115C-325(e)(2)."

SECTION 2.(e) G.S. 115C-287.1 reads as rewritten:

"**§ 115C-287.1. Method of employment of principals, assistant principals, supervisors, and directors.**

…

(f1) If, prior to appointment as a school administrator, the school administrator held career status as a teacher in the local school administrative unit in which he or she is employed as a school administrator, the school administrator shall retain career status as a teacher if the school administrator is not offered a new, renewed, or extended contract by the local board of education, unless the school administrator voluntarily relinquished career status or is dismissed or demoted pursuant to G.S. 115C-325.

(h) An individual who holds a provisional assistant principal's license and who is employed as an assistant principal under G.S. 115C-284(c) shall be considered a school administrator for purposes of this section. Notwithstanding subsection (b) of this section, a local board may enter into one-year contracts with a school administrator who holds a provisional assistant principal's license. If the school administrator held career status as a teacher in the local school administrative unit prior to being employed as an assistant principal and the State Board of Education for any reason does not extend the school administrator's provisional assistant principal's license, the school administrator shall retain career status as a teacher unless the school administrator voluntarily relinquished career status or is dismissed or demoted pursuant to G.S. 115C-325. Nothing in this subsection or G.S. 115C-284(c) shall be construed to require a local board to extend or renew the contract of a school administrator who holds a provisional assistant principal's license."

SECTION 2.(f) G.S. 115C-296(b)(1)a.1. reads as rewritten:

"1. Continuing licensure of a teacher as defined in ~~G.S. 115C-325(6)~~ G.S. 115C-325(6), or a teacher as defined in G.S. 115C-325.1(6), who has (i) 30 or more years of teaching experience in North Carolina upon the date of retirement of the teacher and (ii) served as a substitute teacher at least once every three years since retirement."

SECTION 2.(g) G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2014-2015 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or G.S. 115C-325.4 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

SECTION 2.(h) G.S. 115C-325.1 reads as rewritten:

"**§ 115C-325.1. Definitions.**

~~As~~Except as otherwise provided in G.S. 115C-325, as used in this Part, the following definitions apply:

…."

SECTION 2.(i) G.S. 115C-404(b) reads as rewritten:

"(b) Documents received under this section shall be used only to protect the safety of or to improve the education opportunities for the student or others. Information gained in accordance with G.S. 7B-3100 shall not be the sole basis for a decision to suspend or expel a

student. Upon receipt of each document, the principal shall share the document with those individuals who have (i) direct guidance, teaching, or supervisory responsibility for the student, and (ii) a specific need to know in order to protect the safety of the student or others. Those individuals shall indicate in writing that they have read the document and that they agree to maintain its confidentiality. Failure to maintain the confidentiality of these documents as required by this section is grounds for the dismissal of an employee who is not employed on contract, grounds for dismissal of an employee on contract in accordance with G.S. 115C-325.4(a)(9), and grounds for dismissal of an employee who is a career ~~teacher~~employee in accordance with G.S. 115C-325(e)(1)i."

SECTION 2.(j) G.S. 116-239.10(4) reads as rewritten:

"(4) Leave of absence from local school administrative unit. – If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at the lab school, the local school administrative unit shall grant the leave for one year. For the initial year of the lab school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of the lab school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that local board under this subdivision. ~~A~~A teacher who has received a leave of absence to teach at a lab school may return to a public school in the local school administrative unit at the end of the leave of absence or upon the end of employment at the lab school if an appropriate position is available. If a teacher ~~who~~ has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at the lab ~~school~~school, the teacher may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the lab school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers in accordance with G.S. 115C-325(e)(2)."

SECTION 2.(k) G.S. 143B-146.8(b) reads as rewritten:

"(b) Action Plans. – If a licensed employee in a participating school that has been identified as low-performing receives an unsatisfactory or below standard rating on any function of the evaluation that is related to the employee's instructional duties, the individual or team that conducted the evaluation shall recommend to the principal that: (i) the employee receive an action plan designed to improve the employee's performance; or (ii) the principal recommend that the employee who is a career ~~teacher~~employee be dismissed or demoted as provided in G.S. 115C-325 or the employee who is a teacher on contract not be recommended for renewal; or (iii) if the employee who is a teacher on contract engages in inappropriate conduct or performs inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment that a proceeding for immediate dismissal or demotion under G.S. 115C-325.4 be instituted. The principal shall determine whether to develop an action plan, to not recommend renewal of the employee's contract, or to recommend a dismissal proceeding. The person who evaluated the employee or the employee's supervisor shall develop the action plan unless an assistance team or assessment team conducted the evaluation. If an assistance team or assessment team conducted the evaluation, that team shall develop the action plan in collaboration with the employee's supervisor. Action plans shall be designed to be completed within 90 instructional days or before the beginning of the next school year. The State Board shall develop guidelines that include strategies to assist in evaluating licensed personnel and developing effective action plans within the time allotted

under this section. The State Board may adopt policies for the development and implementation of action plans or professional development plans for personnel who do not require action plans under this section."

SECTION 2.(*l*) Section 9.6(i) of S.L. 2013-360 is repealed.

SECTION 2.(m) Section 9.6(j) of S.L. 2013-360 reads as rewritten:

"**SECTION 9.6.(j)** Subsection (b) of this section becomes effective July 1, 2014. G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this section, shall apply to all teachers on ~~one- or~~ one-, two-, or four-year contracts beginning July 1, 2014. ~~G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this section, shall apply to all teachers employed by local boards of education or the State on or after July 1, 2018.~~"

SECTION 2.(n) Sections 9.7(o) through 9.7(t) of S.L. 2013-360 and Sections 9.7(v) through 9.7(x) of S.L. 2013-360 are repealed.

SECTION 2.(o) Section 9.7(y) of S.L. 2013-360 reads as rewritten:

"**SECTION 9.7.(y)** Subsection (u) of this section becomes effective August 1, 2013. Subsections (a) through (n) of this section become effective July 1, 2014. ~~Subsections (o) through (t) and (v) through (x) become effective June 30, 2018.~~"

SECTION 2.(p) Section 8.38(c) of S.L. 2015-241 is repealed.

SECTION 2.(q) This section is effective when it becomes law.

PART III. AUTHORIZE ASSISTANT PRINCIPALS AT CERTAIN SCHOOLS TO CONDUCT EVALUATIONS FOR BEGINNING TEACHERS

SECTION 3.(a) G.S. 115C-333(a) reads as rewritten:

"(a) Annual Evaluations; Low-Performing Schools. – Local school administrative units shall evaluate at least once each year all licensed employees assigned to a school that has been identified as low-performing. The evaluation shall occur early enough during the school year to provide adequate time for the development and implementation of a mandatory improvement plan if one is recommended under subsection (b) of this section. If the employee is a teacher with career status as defined under G.S. 115C-325(a)(6), or a teacher as defined under G.S. 115C-325.1(6), either the principal, the assistant principal who supervises the teacher, or an assistance team assigned under G.S. 115C-105.38 shall conduct the evaluation. If the employee is a school administrator as defined under G.S. 115C-287.1(a)(3), either the superintendent or the superintendent's designee shall conduct the evaluation.

All teachers in low-performing schools who have been employed for less than three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a principal. For high schools with at least 1,500 students, the annual evaluation may be conducted by an assistant principal, provided that at least one evaluation in such a teacher's first three years of employment is conducted by a principal. All teachers in low-performing schools who have been licensed as a teacher for less than two years shall be observed at least three times annually by the principal or the principal's designee, at least once annually by a teacher, and at least once annually by a principal, and at least two of those observations shall be conducted in the first semester of the school year, and if practicable, at least one of those observations shall be conducted within the first grading period of the school year. This section shall not be construed to limit the duties and authority of an assistance team assigned to a low-performing school under G.S. 115C-105.38.

A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board."

SECTION 3.(b) G.S. 115C-333.1(a) reads as rewritten:

"(a) Annual Evaluations. – All teachers who are assigned to schools that are not designated as low-performing and who have not been employed for at least three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a

principal. For high schools with at least 1,500 students, the annual evaluation may be conducted by an assistant principal, provided that at least one evaluation in such a teacher's first three years of employment is conducted by a principal. All teachers who are assigned to schools that are not designated as low-performing and who have been licensed as a teacher for less than two years shall be observed at least three times annually by the principal or the principal's designee, at least once annually by a teacher, and at least once annually by a principal, and at least two of those observations shall be conducted in the first semester of the school year, and if practicable, at least one of those observations shall be conducted within the first grading period of the school year. All teachers with career status or on a four-year contract who are assigned to schools that are not designated as low-performing shall be evaluated annually unless a local board adopts rules that allow teachers with career status or on a four-year contract to be evaluated more or less frequently, provided that such rules are not inconsistent with State or federal requirements. Local boards also may adopt rules requiring the annual evaluation of nonlicensed employees. A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board."

SECTION 3.(c) This section is effective when it becomes law and applies beginning with the 2017-2018 school year.

PART IV. SUPERINTENDENT STUDY STUDENT HEALTH ISSUES

SECTION 4.(a) The Superintendent of Public Instruction shall convene a work group to study effective and positive intervention measures or policy changes to address risky behaviors and encourage student health and mental health. The work group shall consist of personnel from within the Department of Public Instruction with expertise in student health issues, including mental health, as well as personnel from the Department of Health and Human Services, Division of Public Health. The Superintendent may also appoint representatives from various public and private stakeholder groups as well as representatives from local school administrative units and charter schools. The Superintendent shall report on the work group's findings and recommendations to the State Board of Education and the Joint Legislative Education Oversight Committee by April 1, 2018.

SECTION 4.(b) This section is effective when it becomes law.

PART V. STATE BOARD OF EDUCATION INTERAGENCY ADVISORY COMMITTEE AND SCHOOL-BASED MENTAL HEALTH INITIATIVE DELAY IMPLEMENTATION

SECTION 5.(a) The State Board of Education shall not adopt or implement any policies or recommendations from the Interagency Advisory Committee established by the State Board of Education in Policy ADVS-009 until October 1, 2018.

SECTION 5.(b) The State Board of Education shall change the timelines for the development and implementation of plans and training required by Policy SHLT-003 regarding school-based student mental health initiatives as follows for local school administrative units: (i) development of the plans to assess mental health and substance use needs shall occur during the 2018-2019 school year; (ii) the implementation plan and three-year review cycle shall commence in the 2019-2020 school year; and (iii) school mental health training will be provided by the Department of Public Instruction to the local school administrative units during the 2019-2020 school year. The State Board of Education shall change the timelines for the development and implementation of plans and training required by Policy SHLT-003 regarding school-based student mental health initiatives as follows for charter schools: (i) development of the plans to assess mental health and substance use needs shall occur during the 2019-2020 school year; (ii) the implementation plan and three-year review cycle shall commence in the 2020-2021 school year; and (iii) school mental health training will be provided by the Department of Public Instruction to charter schools during the 2020-2021 school year.

SECTION 5.(c) The State Board of Education shall provide notice to local school administrative units participating in the "Whole School, Whole Community, Whole Child" pilot program regarding Parts IV and V of this act and shall allow the units to withdraw from the pilot program at their discretion.

SECTION 5.(d) This section is effective when it becomes law.

PART VI. STUDY/EXPAND COMPUTER SCIENCE TO ALL STUDENTS

SECTION 6.(a) The Superintendent of Public Instruction and the Department of Public Instruction, in collaboration with the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute) and the North Carolina School of Science and Mathematics (NC School of Science and Math), shall develop recommendations to further the teaching and student learning of computational thinking and computer science in North Carolina K-12 schools. In developing recommendations, the Superintendent and the Department, in collaboration with the Friday Institute and the NC School of Science and Math, shall do at least the following:

(1) Develop curriculum guidelines that are aligned with K-12 Computer Science Framework (October 2016) developed by the CSforAll Consortium.

(2) Develop recommendations to increase the number of teachers prepared to teach computational thinking and computer science, addressing both preservice educator preparation for teachers and professional development for in-service teachers.

(3) Develop policy recommendations.

(4) Align recommendations with the ongoing implementation of the Digital Learning Plan in North Carolina by the Department and the Friday Institute.

SECTION 6.(b) By January 15, 2018, the Superintendent of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the recommendations, including any proposed legislation, developed in accordance with this act.

SECTION 6.(c) This section is effective when it becomes law.

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-158 **H.B. 236**

AN ACT TO PROVIDE FOR THE CLERK TO APPOINT AN INTERIM GUARDIAN AD LITEM ON THE CLERK'S OWN MOTION; TO PROVIDE FOR THE CLERK TO EXTEND THE TIME FOR FILING INVENTORY IN THE PROPERTY OF THE DECEASED; TO PROVIDE FOR ISSUANCE OF AN ORDER FOR AN ARREST WHEN A PERSON FAILS TO APPEAR AFTER BEING SERVED WITH A SHOW CAUSE IN A CIVIL PROCEEDING; TO AMEND HOW COSTS IN ADMINISTRATION OF ESTATES ARE ASSESSED; TO ALLOW FOR TEMPORARY ASSISTANCE FOR DISTRICT ATTORNEYS WHEN THERE IS A CONFLICT OF INTEREST; TO AMEND OTHER STATUTES GOVERNING THE GENERAL COURT OF JUSTICE, AS RECOMMENDED BY THE NORTH CAROLINA ADMINISTRATIVE OFFICE OF THE COURTS; TO PROVIDE FOR THE ESTABLISHMENT OF AN ARBITRATION AND MEDIATION PROGRAM FOR THE NORTH CAROLINA BUSINESS COURT; TO AMEND STATUTES GOVERNING MEDIATION IN THE GENERAL COURT OF JUSTICE; AND TO AMEND THE LAW GOVERNING THE REGULATION OF MEDIATORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1A-1, Rule 5(e), reads as rewritten:

"**Rule 5. Service and filing of pleadings and other papers.**

…

(e) (1) Filing with the court defined. – The filing of pleadings and other papers with the court as required by these rules shall be made by filing them with the clerk of the court, pursuant to the rules promulgated under G.S. 7A-109 or subdivision (2) of this section, except that the judge may permit the papers to be filed with him, in which event he shall note thereon the filing date and forthwith transmit them to the office of the clerk.

(2) Filing by electronic means. – If, pursuant to ~~G.S. 7A-34~~G.S. 7A-34, G.S. 7A-49.5, and G.S. 7A-343, the Supreme Court and the Administrative Officer of the Courts establish uniform rules, regulations, costs, procedures and specifications for the filing of pleadings or other court papers by electronic means, filing may be made by the electronic means when, in the manner, and to the extent provided therein.

(3) The failure to affix a date stamp or file stamp on any order or judgment filed in a civil action, estate proceeding, or special proceeding shall not affect the sufficiency, validity, or enforceability of the order or judgment if the clerk or the court, after giving the parties adequate notice and opportunity to be heard, enters the order or judgment nunc pro tunc to the date of filing."

SECTION 2. G.S. 1A-1, Rule 58, reads as rewritten:

"**Rule 58. Entry of judgment.**

Subject to the provisions of Rule 54(b), a judgment is entered when it is reduced to writing, signed by the judge, and filed with the clerk of ~~court.~~court pursuant to Rule 5. The party designated by the judge or, if the judge does not otherwise designate, the party who prepares the judgment, shall serve a copy of the judgment upon all other parties within three days after the judgment is entered. Service and proof of service shall be in accordance with Rule 5. If service is by mail, three days shall be added to the time periods prescribed by Rule 50(b), Rule 52(b), and Rule 59. All time periods within which a party may further act pursuant to Rule 50(b), Rule 52(b), or Rule 59 shall be tolled for the duration of any period of noncompliance with this service requirement, provided however that no time period under Rule 50(b), Rule 52(b), or Rule 59 shall be tolled longer than 90 days from the date the judgment is entered. Subject to the provisions of Rule 7(b)(4), consent for the signing and entry of a judgment out of term, session, county, and district shall be deemed to have been given unless an express objection to such action was made on the record prior to the end of the term or session at which the matter was heard.

Notwithstanding any other law to the contrary, any judgment entered by a magistrate in a small claims action pursuant to Article 19 of Chapter 7A shall be entered in accordance with this Rule except judgments announced and signed in open court at the conclusion of a trial are considered to be served on the parties, and copies of any judgment not announced and signed in open court at the conclusion of a trial shall be served by the magistrate on all parties in accordance with this Rule, within three days after the judgment is entered. If service is by mail, three days shall be added to the time periods prescribed by G.S. 7A-228. All time periods within which a party may further act pursuant to G.S. 7A-228 shall be tolled for the duration of any period of noncompliance of this service requirement, provided that no time period shall be tolled longer than 90 days from the date judgment is entered."

SECTION 3. G.S. 28A-9-2(a) reads as rewritten:

"**§ 28A-9-2. Summary revocation.**

(a) Grounds. – Letters testamentary, letters of administration, or letters of collection, shall be revoked by the clerk of superior court without hearing when:

(1) After letters of administration or collection have been issued, a will is subsequently admitted to probate.

(2) After letters testamentary have been issued:

a. The will is set aside, or

b. A subsequent testamentary paper revoking the appointment of the executor is admitted to probate.

(3) Any personal representative or collector required to give a new bond or furnish additional security pursuant to G.S. 28A-8-3 fails to do so within the time ordered.

(4) A nonresident personal representative refuses or fails to obey any citation, notice, or process served on that nonresident personal representative or the process agent of the nonresident personal representative.

(5) A trustee in bankruptcy, liquidating agent, or receiver has been appointed for any personal representative or collector, or any personal representative or collector has executed an assignment for the benefit of creditors.

(6) A personal representative has failed to file an inventory or an annual account with the clerk of superior court, as required by Article 20 and Article 21 of this Chapter, and proceedings to compel such filing pursuant to G.S. 28A-20-2 or 28A-21-4 cannot be had because service cannot be completed because the personal representative cannot be found.

(7) A personal representative or collector is a licensed attorney, and the clerk is in receipt of an order entered pursuant to G.S. 84-28 enjoining, suspending, or disbarring the attorney."

SECTION 4. G.S. 35A-1290 reads as rewritten:

"**§ 35A-1290. Removal by Clerk.**

…

(b) It is the clerk's duty to remove a guardian or to take other action sufficient to protect the ward's interests in the following cases:

(1) The guardian wastes the ward's money or estate or converts it to his own use.

(2) The guardian in any manner mismanages the ward's estate.

(3) The guardian neglects to care for or maintain the ward or his dependents in a suitable manner.

(4) The guardian or his sureties are likely to become insolvent or to become nonresidents of the State.

(5) The original appointment was made on the basis of a false representation or a mistake.

(6) The guardian has violated a fiduciary duty through default or misconduct.

(7) The guardian has a private interest, whether direct or indirect, that might tend to hinder or be adverse to carrying out his duties as guardian.

~~(c) It is the clerk's duty to remove a guardian or to take other action sufficient to protect the ward's interests in the following cases:~~

~~(1)~~(8) The guardian has been adjudged incompetent by a court of competent jurisdiction and has not been restored to competence.

~~(2)~~(9) The guardian has been convicted of a felony under the laws of the United States or of any state or territory of the United States or of the District of Columbia and his citizenship has not been restored.

~~(3)~~(10) The guardian was originally unqualified for appointment and continues to be unqualified, or the guardian would no longer qualify for appointment as guardian due to a change in residence, a change in the charter of a corporate guardian, or any other reason.

~~(4)~~(11) The guardian is the ward's spouse and has lost his rights as provided by Chapter 31A of the General Statutes.

~~(5)~~(12) The guardian fails to post, renew, or increase a bond as required by law or by order of the court.

~~(6)~~(13) The guardian refuses or fails without justification to obey any citation, notice, or process served on him in regard to the guardianship.

~~(7)~~(14) The guardian fails to file required accountings with the clerk.

~~(8)~~(15) The clerk finds the guardian unsuitable to continue serving as guardian for any reason.

~~(9)~~(16) The guardian is a nonresident of the State and refuses or fails to obey any citation, notice, or process served on the guardian or the guardian's process agent.

(17) The guardian is a licensed attorney, and the clerk is in receipt of an order entered pursuant to G.S. 84-28 enjoining, suspending, or disbarring the attorney."

SECTION 5. G.S. 30-17 reads as rewritten:

"**§ 30-17. When children entitled to an allowance.**

Whenever any parent dies survived by any child under the age of 18 years, including an adopted child or a child with whom the widow may be pregnant at the death of her husband, or a child who is less than 22 years of age and is a full-time student in any educational institution, or a child under 21 years of age who has been declared mentally incompetent, or a child under 21 years of age who is totally disabled, or any other person under the age of 18 years residing with the deceased parent at the time of death to whom the deceased parent or the surviving parent stood in loco parentis, every such child shall be entitled to receive an allowance of five thousand dollars ($5,000) for the child's support for the year next ensuing the death of the parent. The allowance shall be in addition to the child's share of the deceased parent's estate and shall be exempt from any lien by judgment or execution against the property of the deceased parent. The personal representative of the deceased parent shall, within one year after the parent's death, assign to every such child the allowance herein provided for; but if there is no personal representative or if the personal representative fails or refuses to act within 10 days after written application by a guardian or next friend on behalf of the child, the allowance may be assigned by a magistrate or clerk of court upon application.

If the child resides with the surviving spouse of the deceased parent at the time the allowance is paid, the allowance shall be paid to the surviving spouse for the benefit of the child. If the child resides with its surviving parent who is other than the surviving spouse of the deceased parent, the allowance shall be paid to the surviving parent for the use and benefit of the child. The payment shall be made regardless of whether the deceased died testate or intestate or whether the surviving spouse petitioned for an elective share under Article 1A of Chapter 30 of the General Statutes. Provided, however, the allowance shall not be available to a deceased father's child born out of wedlock, unless the deceased father has recognized the paternity of the child by deed, will, or other paper-writing, or unless the deceased father died prior to or within one year after the birth of the child and is established to have been the father of the child by DNA testing. If the child does not reside with a surviving spouse or a surviving parent when the allowance is paid, the allowance shall be paid to the child's general ~~guardian,~~guardian or guardian of the estate, if any, and if none, to the clerk of the superior court who shall receive and disburse the allowance for the benefit of the child."

SECTION 6. G.S. 35A-1114 reads as rewritten:

"**§ 35A-1114. Appointment of interim guardian.**

(a) At the time of or subsequent to the filing of a petition under this Article, the petitioner or guardian ad litem may also file a verified motion with the clerk seeking the appointment of an interim guardian.

(b) The motion filed by the petitioner or guardian ad litem shall set forth facts tending to show:

(1) That there is reasonable cause to believe that the respondent is incompetent, and

(2) One or both of the following:

a. That the respondent is in a condition that constitutes or reasonably appears to constitute an imminent or foreseeable risk of harm to his physical well-being and that requires immediate intervention;

b. That there is or reasonably appears to be an imminent or foreseeable risk of harm to the respondent's estate that requires immediate intervention in order to protect the respondent's interest, and

(3) That the respondent needs an interim guardian to be appointed immediately to intervene on his behalf prior to the adjudication hearing.

(c) Upon filing of the motion for appointment of an interim ~~guardian,~~guardian by the petitioner or the guardian ad litem, the clerk shall immediately set a date, time, and place for a hearing on the motion. The motion and a notice setting the date, time, and place for the hearing shall be served promptly on the respondent and on his counsel or guardian ad litem and other persons the clerk may designate. The hearing shall be held as soon as possible but no later than 15 days after the motion has been served on the respondent.

(c1) The motion and notice setting the date, time, and place for the hearing shall be served promptly on the petitioner, the respondent and on his counsel or guardian ad litem, and other persons the clerk may designate. The hearing shall be held as soon as possible but not later than 15 days after the motion has been served on the respondent.

…."

SECTION 7. G.S. 35A-1112 reads as rewritten:

"**§ 35A-1112. Hearing on petition; adjudication order.**

…

(b1) At the hearing on the petition, on the clerk's own motion, the clerk may appoint an interim guardian pursuant to G.S. 35A-1114(d) and (e) if the clerk determines such an appointment to be in the best interests of the respondent.

…."

SECTION 8. G.S. 28A-20-1 reads as rewritten:

"**§ 28A-20-1. Inventory within three months.**

~~Every~~Unless the time for filing the inventory has been extended by the clerk of superior court, every personal representative and collector, within three months after the qualification of that personal representative or collector, shall return to the clerk, on oath, a just, true and perfect inventory of all the real and personal property of the deceased, which have come to the hands of the personal representative or collector, or to the hands of any person for the personal representative or collector, which inventory shall be signed by the personal representative or collector and be recorded by the clerk."

SECTION 9. G.S. 28A-21-1 reads as rewritten:

"**§ 28A-21-1. Annual accounts.**

Until the final account has been filed pursuant to G.S. 28A-21-2, the personal representative or collector shall, for so long as any of the property of the estate remains in the control, custody or possession of the personal representative or collector, file annually in the office of the clerk of superior court an inventory and account, under oath, of the amount of property received by the personal representative or collector, or invested by the personal representative or collector, and the manner and nature of such investment, and the receipts and disbursements of the personal representative or collector for the past year. Such accounts shall be due 30 days after the expiration of one year from the date of qualification of the personal representative or collector, or if a fiscal year is selected by the fifteenth day of the fourth month after the close of the fiscal year selected by the personal representative or collector, and annually on the same date thereafter. The election of a fiscal year shall be made by the personal representative or collector upon filing of the first annual account. In no event may a personal representative or collector select a fiscal year-end which is more than twelve months from the date of death of the decedent or, in the case of trust administration, the date of the opening of the trust. Any fiscal year selected may not be changed without the permission of the clerk of superior court.

The personal representative or collector shall produce vouchers for all payments or verified proof for payments in lieu of vouchers. The clerk of superior court may examine, under oath, such accounting party, or any other person, concerning the receipts, disbursements or any other matter relating to the estate. The clerk of superior court must carefully review and audit such

account and, if the clerk approves the account, the clerk must endorse the approval of the clerk thereon, which shall be prima facie evidence of correctness, and cause the same to be recorded."

SECTION 10. G.S. 28A-21-2 reads as rewritten:

"**§ 28A-21-2. Final accounts.**

(a) Unless the time for filing the final account has been extended by the clerk of superior court, the personal representative or collector must file the final account for settlement within one year after qualifying or within six months after receiving a State estate or inheritance tax release, or in the time period for filing an annual account pursuant to G.S. 28A-21-1, whichever is later. If no estate or inheritance tax return was required to be filed for the estate, the personal representative or collector shall so certify in the final account filed with the clerk of superior court. Such certification shall list the amount and value of all of the decedent's property, and with respect to real estate, its particular location within or outside the State, including any property transferred by the decedent over which the decedent had retained any interest, or any property transferred within three years prior to the date of the decedent's death, and after being filed and accepted by the clerk of superior court shall be prima facie evidence that such property is free of any State inheritance or State estate tax liability. The personal representative or collector shall produce vouchers for all payments or verified proof for all payments in lieu of vouchers. With the approval of the clerk of superior court, such account may be filed voluntarily at any time. In all cases, the accounting shall be reviewed, audited and recorded by the clerk of superior court in the manner prescribed in G.S. 28A-21-1.

(a1) If no estate or inheritance tax return was required to be filed for the estate, the personal representative or collector shall so certify in the final account filed with the clerk of superior court. Such certification shall list the amount and value of all of the decedent's property and, with respect to real estate, its particular location within or outside the State, including any property transferred by the decedent over which the decedent had retained any interest, or any property transferred within three years prior to the date of the decedent's death, and, after being filed and accepted by the clerk of superior court, shall be prima facie evidence that such property is free from any State inheritance or State estate tax liability. This subsection only applies to estates of decedents who died before January 1, 2013.

(a2) The personal representative or collector shall produce vouchers for all payments or verified proof for all payments in lieu of vouchers. With the approval of the clerk of superior court, such account may be filed voluntarily at any time. In all cases, the accounting shall be reviewed, audited, and recorded by the clerk of superior court in the manner prescribed by G.S. 28A-21-1.

(b) Except as provided in subsection (a), after the date specified in the general notice to creditors as provided for in G.S. 28A-14-1, if all of the debts and other claims against the estate of the decedent duly presented and legally owing have been paid in the case of a solvent estate or satisfied pro rata according to applicable statutes in the case of an insolvent estate, the personal representative or collector may file the personal representative's or collector's final account to be reviewed, audited and recorded by the clerk of superior court. Nothing in this subsection shall be construed as limiting the right of the surviving spouse or minor children to file for allowances under G.S. 30-15 through 30-18 and the right of a surviving spouse to file for property rights under G.S. 29-30."

SECTION 11. G.S. 5A-23(b) reads as rewritten:

"(b) Except when the clerk of superior court has original subject matter jurisdiction and issued the order or when the General Statutes specifically provide for the exercise of contempt power by the clerk of superior court, proceedings under this section are before a district court judge, unless a court superior to the district court issued the order in which case the proceedings are before that court. When the proceedings are before a superior court, venue is in the superior court district or set of districts as defined in G.S. 7A-41.1 of the court which issued the order. Otherwise, venue is in the county where the order was issued."

SECTION 13. G.S. 7A-307 reads as rewritten:

"**§ 7A-307. Costs in administration of estates.**

(a) In the administration of the estates of decedents, minors, incompetents, of missing persons, and of trusts under wills and under powers of attorney, in trust proceedings under G.S. 36C-2-203, in estate proceedings under G.S. 28A-2-4, and in collections of personal property by affidavit, the following costs shall be assessed:

(1) For the use of the courtroom and related judicial facilities, the sum of ten dollars ($10.00), to be remitted to the county. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.

(1a) For the upgrade, maintenance, and operation of the judicial and county courthouse telecommunications and data connectivity, the sum of four dollars ($4.00), to be credited to the Court Information Technology Fund.

(2) For support of the General Court of Justice, the sum of one hundred six dollars ($106.00), plus an additional forty cents (40¢) per one hundred dollars ($100.00), or major fraction thereof, of the gross estate, not to exceed six thousand dollars ($6,000). Gross estate shall include the fair market value of all personalty when received, and all proceeds from the sale of realty coming into the hands of the fiduciary, but shall not include the value of realty. In collections of personal property by affidavit, the fee based on the gross estate shall be computed from the information in the final affidavit of collection made pursuant to G.S. 28A-25-3 and shall be paid when that affidavit is filed. In all other cases, this fee shall be computed from the information reported in the ~~inventory and shall be paid when the inventory is filed with the clerk.~~inventory. If additional gross estate, including income, comes into the hands of the fiduciary after the filing of the inventory, the fee for such additional value shall be ~~assessed and paid upon~~ computed from the information reported in the ~~filing of any~~ account or report disclosing such additional value. For each filing the minimum fee shall be fifteen dollars ($15.00). Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and fifty cents ($1.50) of each one hundred six-dollar ($106.00) General Court of Justice fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4.

(2a) Notwithstanding subdivision (2) of this subsection, the fee of forty cents (40¢) per one hundred dollars ($100.00), or major fraction, of the gross estate, not to exceed six thousand dollars ($6,000), shall not be assessed on personalty received by a trust under a will when the estate of the decedent was administered under Chapters 28 or 28A of the General Statutes. Instead, a fee of twenty dollars ($20.00) shall be assessed on the filing of each annual and final account. However, the fee shall be assessed only on newly contributed or acquired assets, all interest or other income that accrues or is earned on or with respect to any existing or newly contributed or acquired assets, and realized gains on the sale of any and all trust assets. Newly contributed or acquired assets do not include assets acquired by the sale, transfer, exchange, or otherwise of the amount of trust property on which fees were previously assessed.

(2b) Notwithstanding subdivisions (1) and (2) of this subsection, no costs shall be assessed when the estate is administered or settled pursuant to G.S. 28A-25-6.

(2c) Notwithstanding subdivision (2) of this subsection, the fee of forty cents (40¢) per one hundred dollars ($100.00), or major fraction, of the gross estate shall not be assessed on the gross estate of a trust that is the subject of

a proceeding under G.S. 36C-2-203 if there is no requirement in the trust that accountings be filed with the clerk.

(2d) Notwithstanding subdivisions (1) and (2) of this subsection, the only cost assessed in connection with the qualification of a limited personal representative under G.S. 28A-29-1 shall be a fee of twenty dollars ($20.00) to be assessed upon the filing of the petition.

(3) For probate of a will without qualification of a personal representative, the clerk shall assess a facilities fee as provided in subdivision (1) of this subsection and shall assess for support of the General Court of Justice, the sum of twenty dollars ($20.00).

(4) For the support of the General Court of Justice, the sum of twenty dollars ($20.00) shall accompany any filing of a notice of hearing on a motion not listed in G.S. 7A-308 that is filed with the clerk. No costs shall be assessed to a notice of hearing on a motion containing as a sole claim for relief the taxing of costs, including attorneys' fees, or to a motion filed pursuant to G.S. 1C-1602 or G.S. 1C-1603. No more than one fee shall be assessed for any motion for which a notice of hearing is filed, regardless of whether the hearing is continued, rescheduled, or otherwise delayed.

(5) For the filing of a caveat to a will, the clerk shall assess for support of the General Court of Justice, the sum of two hundred dollars ($200.00).

(6) Notwithstanding subdivisions (1) and (2) of this subsection, the only cost assessed in connection with the reopening of an estate administration under G.S. 28A-23-5 shall be forty cents (40¢) per one hundred dollars ($100.00), or major fraction, of any additional gross estate, including income, coming into the hands of the fiduciary after the estate is reopened; provided that the total cost assessed when added to the total cost assessed in all prior administrations of the estate shall not exceed six thousand dollars ($6,000).

(b) In collections of personal property by affidavit, the facilities fee and thirty dollars ($30.00) of the General Court of Justice fee shall be paid at the time of filing the qualifying affidavit pursuant to G.S. 28A-25-1. ~~In all other cases, these fees shall be paid at the time of filing of the first inventory.~~ If the sole asset of the estate is a cause of action, these fees shall be paid at the time of the qualification of the fiduciary.

(b1) The clerk shall assess the following miscellaneous fees:

(1) Filing and indexing a will with no probate
– first page ..... $ 1.00
– each additional page or fraction thereof ..... .25

(2) Issuing letters to fiduciaries, per letter over five letters issued 1.00

(3) Inventory of safe deposits of a decedent, per box, per day 15.00

(4) Taking a deposition 10.00

(5) Docketing and indexing a will probated in another county in the State
– first page 6.00
– each additional page or fraction thereof ..... .25

(6) Hearing petition for year's allowance to surviving spouse or child,
in cases not assigned to a magistrate, and allotting the same 8.00

(c) The following additional expenses, when incurred, are also assessable or recoverable, as the case may be:

(1) Witness fees, as provided by law.

(2) Counsel fees, as provided by law.

(3) Costs on appeal, of the original transcript of testimony, if any, insofar as essential to the appeal.

(4) Fees for personal service of civil process, and other sheriff's fees, as provided by law.

(5) Fees of guardians ad litem, referees, receivers, commissioners, surveyors, arbitrators, appraisers, and other similar court appointees, as provided by law.

(d) Costs assessed before the clerk shall be added to costs assessable on appeal to the judge or upon transfer to the civil issue docket.

(e) Nothing in this section shall affect the liability of the respective parties for costs, as provided by law."

SECTION 14. G.S. 7A-64 reads as rewritten:

"**§ 7A-64. Temporary assistance for district attorneys.**

(a) A district attorney may apply to the Director of the Administrative Office of the Courts to:

(1) Temporarily assign an assistant district attorney from another district, after consultation with the district attorney thereof, to assist in the prosecution of cases in the requesting district;

(2) Authorize the temporary appointment, by the requesting district attorney, of a qualified attorney to assist the requesting district attorney; or

(3) Enter into contracts with local governments for the provision of services by the State pursuant to G.S. 153A-212.1 or G.S. 160A-289.1.

(a1) Repealed by Session Laws 2012-7, s. 9, effective June 7, 2012.

(b) The Director of the Administrative Office of the Courts may provide this assistance only upon a showing by the requesting district attorney ~~or the Chair of the North Carolina Innocence Inquiry Commission, as appropriate, supported~~supported by facts, that:

(1) Criminal cases have accumulated on the dockets of the superior or district courts of the district beyond the capacity of the district attorney and the district attorney's full-time assistants to keep the dockets reasonably current;

(2) The overwhelming public interest warrants the use of additional resources for the speedy disposition of cases involving drug offenses, domestic violence, or other offenses involving a threat to public safety; or

(3) ~~There is an allegation of or evidence of prosecutorial misconduct in the case that is the subject of the hearing under G.S. 15A-1469.~~There is a conflict of interest.

(c) The length of service and compensation of any temporary appointee or the terms of any contract entered into with local governments shall be fixed by Director of the Administrative Office of the Courts in each case. Nothing in this section shall be construed to obligate the General Assembly to make any appropriation to implement the provisions of this section or to obligate the Administrative Office of the Courts to provide the administrative costs of establishing or maintaining the positions or services provided for under this section. Further, nothing in this section shall be construed to obligate the Administrative Office of the Courts to maintain positions or services initially provided for under this section."

SECTION 16. G.S. 122C-268(g) reads as rewritten:

"(g) Hearings may be held in an appropriate room not used for treatment of clients at the facility in which the respondent is being treated if it is located within the judge's district court district as defined in G.S. 7A-133, by ~~interactive videoconferencing~~ audio and video transmission between a treatment facility and a ~~courtroom,~~ courtroom in which the judge and the respondent can see and hear each other, or in the judge's chambers. A hearing may not be held in a regular courtroom, over objection of the respondent, if in the discretion of a judge a more suitable place is available. If the respondent has counsel, the respondent shall be allowed to communicate fully and confidentially with his attorney during the proceeding. Prior to the use of the audio and video transmission, the procedures and type of equipment for audio and video transmission shall be submitted to the Administrative Office of the Courts by the chief district court judge and approved by the Administrative Office of the Courts."

SECTION 17. G.S. 58-76-15 reads as rewritten:

"**§ 58-76-15. Summary remedy on official bond.**

When a sheriff, coroner, ~~clerk,~~ county or town treasurer, or other officer, collects or receives any money by virtue or under color of his office, and on demand fails to pay the same to the person entitled to require the payment thereof, the person thereby aggrieved may move for judgment in the superior court against such officer and his sureties for any sum demanded; and the court shall try the same and render judgment at the session when the motion shall be made, but 10 days' notice in writing of the motion must have been previously given."

SECTION 18. G.S. 58-76-25 reads as rewritten:

"**§ 58-76-25. Evidence against principal admissible against sureties.**

In actions brought upon the official bonds of ~~clerks of courts,~~ sheriffs, coroners, or other public officers, and also upon the bonds of executors, administrators, collectors or guardians, when it may be necessary for the plaintiff to prove any default of the principal obligors, any receipt or acknowledgment of such obligors, or any other matter or thing which by law would be admissible and competent for or toward proving the same as against him, shall in like manner be admissible and competent as presumptive evidence only against all or any of his sureties who may be defendants with or without him in said actions."

SECTION 19. G.S. 1-110(b) reads as rewritten:

"(b) Whenever a motion to proceed as an indigent is filed pro se by an inmate in the custody of the Division of Adult Correction of the Department of Public Safety, the motion to proceed as an indigent and the proposed complaint shall be presented to any superior court judge of the judicial district. This judge shall determine whether the complaint is frivolous. In the discretion of the court, a frivolous case may be dismissed by order. The clerk of superior court shall serve a copy of the order of dismissal upon the prison inmate. If the judge determines that the inmate may proceed as an indigent, the clerk of superior court shall issue service of process nunc pro tunc to the date of filing upon the ~~defendant shall issue without further order of the court.~~defendant."

SECTION 20. G.S. 1A-1, Rule 3, reads as rewritten:

"**Rule 3. Commencement of action.**

~~(a)~~ A civil action is commenced by filing a complaint with the court. The clerk shall enter the date of filing on the original complaint, and such entry shall be prima facie evidence of the date of filing.

A civil action may also be commenced by the issuance of a summons when

(1) A person makes application to the court stating the nature and purpose of his action and requesting permission to file his complaint within 20 days and

(2) The court makes an order stating the nature and purpose of the action and granting the requested permission.

The summons and the court's order shall be served in accordance with the provisions of Rule 4. When the complaint is filed it shall be served in accordance with the provisions of Rule 4 or by registered mail if the plaintiff so elects. If the complaint is not filed within the period specified in the clerk's order, the action shall abate.

~~(b) The clerk shall maintain as prescribed by the Administrative Office of the Courts a separate index of all medical malpractice actions, as defined in G.S. 90-21.11. Upon the commencement of a medical malpractice action, the clerk shall provide a current copy of the index to the senior regular resident judge of the district in which the action is pending.~~"

SECTION 21. G.S. 122C-264 reads as rewritten:

"**§ 122C-264. Duties of clerk of superior court and the district attorney.**

…

~~(c) The clerk of superior court of the county where outpatient commitment is to be supervised shall keep a separate list regarding outpatient commitment and shall prepare quarterly reports listing all active cases, the assigned supervisor, and the disposition of all hearings, supplemental hearings, and rehearings.~~

(f) The clerk of superior court of the county where inpatient commitment hearings and rehearings are held shall provide all notices, send all records and maintain a record of all

proceedings as required by this Part; provided that if the respondent has been committed to a 24-hour facility in a county other than his county of residence and the district court hearing is held in the county of the facility, the clerk of superior court in the county of the facility shall forward the record of the proceedings to the clerk of superior court in the county of respondent's residence, where they shall be maintained by receiving clerk."

SECTION 22. G.S. 14-208.12A(a) reads as rewritten:

"(a) Ten years from the date of initial county registration, a person required to register under this Part may petition the superior court to terminate the 30-year registration requirement if the person has not been convicted of a subsequent offense requiring registration under this Article.

If the reportable conviction is for an offense that occurred in North Carolina, the petition shall be filed in the district where the person was convicted of the offense.

If the reportable conviction is for an offense that occurred in another state, the petition shall be filed in the district where the person resides. A person who petitions to terminate the registration requirement for a reportable conviction that is an out-of-state offense shall also do the following: (i) provide written notice to the sheriff of the county where the person was convicted that the person is petitioning the court to terminate the registration requirement and (ii) include with the petition at the time of its filing, an affidavit, signed by the petitioner, that verifies that the petitioner has notified the sheriff of the county where the person was convicted of the petition and that provides the mailing address and contact information for that sheriff.

Regardless of where the offense occurred, if the defendant was convicted of a reportable offense in any federal court, the conviction will be treated as an out-of-state offense for the purposes of this section."

SECTION 23. G.S. 7B-2901(a) reads as rewritten:

"(a) The clerk shall maintain a complete record of all juvenile cases filed in the clerk's office alleging abuse, neglect, or dependency. The records shall be withheld from public inspection and, except as provided in this subsection, may be examined only by order of the court. The record shall include the summons, petition, custody order, court order, written motions, the electronic or mechanical recording of the hearing, and other papers filed in the proceeding. The recording of the hearing shall be reduced to a written transcript only when notice of appeal has been timely given. After the time for appeal has expired with no appeal having been filed, the recording of the hearing may be erased or destroyed upon the written order of the ~~court.~~court or in accordance with a retention schedule approved by the Director of the Administrative Office of the Courts and the Department of Natural and Cultural Resources under G.S. 121-5(c).

The following persons may examine the juvenile's record maintained pursuant to this subsection and obtain copies of written parts of the record without an order of the court:

(1) The person named in the petition as the juvenile;
(2) The guardian ad litem;
(3) The county department of social services; and
(4) The juvenile's parent, guardian, or custodian, or the attorney for the juvenile or the juvenile's parent, guardian, or custodian."

SECTION 24. G.S. 7B-3000(d) reads as rewritten:

"(d) Any portion of a juvenile's record consisting of an electronic or mechanical recording of a hearing shall be transcribed only when notice of appeal has been timely given and shall be copied electronically or mechanically, only by order of the court. After the time for appeal has expired with no appeal having been filed, the court may enter a written order directing the clerk to destroy the recording of the ~~hearing.~~hearing, or the recording may be destroyed in accordance with a retention schedule approved by the Director of the Administrative Office of the Courts and the Department of Natural and Cultural Resources under G.S.121-5(c)."

SECTION 25. G.S. 7B-603(b1) reads as rewritten:

"(b1) The court may require payment of the fee for an attorney appointed pursuant to G.S. 7B-602 or ~~G.S. 7B-1101~~G.S. 7B-1101.1 from the respondent. In no event shall the respondent be required to pay the fees for a court-appointed attorney in an abuse, neglect, or dependency proceeding unless the juvenile has been adjudicated to be abused, neglected, or dependent or, in a proceeding to terminate parental rights, unless the respondent's rights have been terminated. At the dispositional hearing or other appropriate hearing, the court shall make a determination whether the respondent should be held responsible for reimbursing the State for the respondent's attorneys' fees. This determination shall include the respondent's financial ability to pay.

If the court determines that the respondent is responsible for reimbursing the State for the respondent's attorneys' fees, the court shall so order. If the respondent does not comply with the order at the time of disposition, the court shall file a judgment against the respondent for the amount due the State."

SECTION 26. G.S. 84-2 reads as rewritten:

"**§ 84-2. Persons disqualified.**

No justice, judge, magistrate, full-time district attorney, full-time assistant district attorney, full-time public defender, full-time assistant public defender, clerk, deputy or assistant clerk of the General Court of Justice, register of deeds, deputy or assistant register of deeds, sheriff or deputy sheriff shall engage in the private practice of law. As used in this section, the private practice of law shall not include the performance of pro bono legal services by a lawyer, other than a justice or judge of the general court of justice, who is otherwise disqualified by this section if the pro bono services are sponsored or organized by a professional association of lawyers or a nonprofit corporation rendering legal services pursuant to G.S. 84-5.1. Persons violating this provision shall be guilty of a Class 3 misdemeanor and only fined not less than two hundred dollars ($200.00)."

SECTION 26.3. G.S. 132-1.10 reads as rewritten:

"**§ 132-1.10. Social security numbers and other personal identifying information.**

…

(f1) Without a request made pursuant to subsection (f) of this section, a register of ~~deeds or~~deeds, clerk of ~~court~~ court, or the Administrative Office of the Courts may remove from ~~an image~~ images or ~~copy~~ copies of ~~an~~ publicly accessible official ~~record placed on a register of deeds' or clerk of court's Internet Web site available to the general public, or placed on an Internet Web site available to the general public used by a register of deeds or clerk of court to display public records, a person's social security or drivers license number~~ records any of the identifying and financial information listed in subsection (f) of this section that is contained in that official record. Registers of ~~deeds and~~deeds, clerks of ~~court~~ court, and the Administrative Office of the Courts may apply optical character recognition technology or other reasonably available technology to publicly accessible official records ~~placed on Internet Web sites available to the general public~~ in order to, in good faith, identify and redact ~~social security and drivers license numbers.~~any of the identifying and financial information listed in subsection (f) of this section. Notwithstanding the foregoing, law enforcement personnel, judicial officials, and parties to a case and their counsel shall be entitled to access, inspect, and copy unredacted records.

…."

SECTION 26.6. In order to make North Carolina a leading jurisdiction for the resolution of business, commercial, financial, and other legal disputes, the Director of the Administrative Office of the Courts, in consultation with the Chief Justice of the Supreme Court, shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate a report recommending whether and how to establish an arbitration program within the North Carolina Business Court, including how parties may make themselves subject to the jurisdiction of said program, required qualifications and trainings for arbitrators, and requirements for persons who may represent parties in arbitration proceedings before the Business Court. Such recommendations may include suggestions on the form of

appeal for both binding and nonbinding arbitrations in cases arbitrated under such a proposal. The Director of the Administrative Office of the Courts or through the North Carolina Dispute Resolution Commission may also include recommendations for establishing a mediation program operated by the Business Court, including suggestions as to how parties may make themselves subject to the jurisdiction of said program, required qualifications for mediators, and for persons who may represent parties in mediation proceedings.

SECTION 26.7.(a) G.S. 7A-38.1 reads as rewritten:

"**§ 7A-38.1. Mediated settlement conferences in superior court civil actions.**

…

(*l*) Inadmissibility of negotiations. – Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except:

(1) In proceedings for sanctions under this section;

(2) In proceedings to enforce or rescind a settlement of the action;

(3) In disciplinary ~~proceedings~~ hearings before the State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals;~~the Dispute Resolution Commission; or

(4) In proceedings to enforce laws concerning juvenile or elder abuse.

As used in this section, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this subsection or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties against whom enforcement is sought. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a mediated settlement conference or other settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals,~~the Dispute Resolution Commission, and proceedings to enforce laws concerning juvenile or elder abuse.

…."

SECTION 26.7.(b) G.S. 7A-38.4A reads as rewritten:

"**§ 7A-38.4A. Settlement procedures in district court actions.**

…

(j) Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except:

(1) In proceedings for sanctions under this section;

(2) In proceedings to enforce or rescind a settlement of the action;

(3) In disciplinary proceedings before the State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals;~~the Dispute Resolution Commission; or

(4) In proceedings to enforce laws concerning juvenile or elder abuse.

As used in this subsection, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this section or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties against whom enforcement is sought and in all other respects complies with the requirements of Chapter 50 of the General Statutes. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding under this section, shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals;~~the Dispute Resolution Commission, and proceedings to enforce laws concerning juvenile or elder abuse.

…."

SECTION 26.7.(c) G.S. 7A-38.3B reads as rewritten:

"**§ 7A-38.3B. Mediation in matters within the jurisdiction of the clerk of superior court.**

…

(g) Inadmissibility of Negotiations. – Evidence of statements made or conduct occurring during a mediation conducted pursuant to this section, whether attributable to any participant, mediator, expert, or neutral observer, shall not be subject to discovery and shall be inadmissible in any proceeding in the matter or other civil actions on the same claim, except in:

(1) Proceedings for sanctions pursuant to this section;

(2) Proceedings to enforce or rescind a written and signed settlement agreement;

(3) Incompetency, guardianship, or estate proceedings in which a mediated agreement is presented to the clerk;

(4) Disciplinary ~~proceedings~~ hearings before the ~~North Carolina~~ State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals;~~the Dispute Resolution Commission; or

(5) Proceedings for abuse, neglect, or dependency of a juvenile, or for abuse, neglect, or exploitation of an adult, for which there is a duty to report under G.S. 7B-301 and Article 6 of Chapter 108A of the General Statutes, respectively.

No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in mediation.

As used in this section, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

(h) Testimony. – No mediator or neutral observer shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to the mediation in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the matter except to attest to the signing of any agreements reached in mediation, and except in:

(1) Proceedings for sanctions pursuant to this section;

(2) Disciplinary ~~proceedings~~ hearings before the ~~North Carolina~~ State Bar or ~~any agency established to enforce standards of conduct for mediators or other neutrals;~~the Dispute Resolution Commission; or

(3) Proceedings for abuse, neglect, or dependency of a juvenile, or for abuse, neglect, or exploitation of an adult, for which there is a duty to report under G.S. 7B-301 and Article 6 of Chapter 108A of the General Statutes, respectively.

…."

SECTION 26.7.(d) G.S. 7A-38.3D reads as rewritten:

"**§ 7A-38.3D. Mediation in matters within the jurisdiction of the district criminal courts.**

…

(k) Testimony. – No mediator or neutral observer present at the mediation shall be compelled to testify or produce evidence concerning statements made and conduct occurring in or related to a mediation conducted under this section in any proceeding in the same action for any purpose, except in:

(1) Proceedings for abuse, neglect, or dependency of a juvenile, or for abuse, neglect, or exploitation of an adult, for which there is a duty to report under G.S. 7B-301 and Article 6 of Chapter 108A of the General Statutes, respectively.

(2) Disciplinary ~~proceedings~~ hearings before the ~~North Carolina~~ State Bar or ~~any agency established to enforce standards of conduct for mediators.~~the Dispute Resolution Commission.

(3) Proceedings in which the mediator acts as a witness pursuant to subsection (j) of this section.

(4) Trials of a felony, during which a presiding judge may compel the disclosure of any evidence arising out of the mediation, excluding a statement made by the defendant in the action under mediation, if it is to be introduced in the trial or disposition of the felony and the judge determines that the introduction of the evidence is necessary to the proper administration of justice and the evidence cannot be obtained from any other source.

…."

SECTION 26.8. G.S. 7A-38.2 reads as rewritten:

"**§ 7A-38.2. Regulation of mediators and other neutrals.**

(a) The Supreme Court may adopt standards of conduct for mediators and other neutrals who are certified or otherwise qualified pursuant to G.S. 7A-38.1, 7A-38.3, 7A-38.3B, 7A-38.3D, 7A-38.3E, and 7A-38.4A, or who participate in proceedings conducted pursuant to those sections. The standards may also regulate mediator and other neutral training programs. The Supreme Court may adopt procedures for the enforcement of those standards.

(b) The administration of the certification and qualification of mediators and other neutrals, and mediator and other neutral training programs shall be conducted through the Dispute Resolution Commission, established under the Judicial Department. The Supreme Court shall adopt rules and regulations governing the operation of the Commission. The Commission shall exercise all of its duties independently of the Director of the Administrative Office of the Courts, except that the Commission shall consult with the Director regarding personnel and budgeting matters.

(c) The Dispute Resolution Commission shall consist of ~~16~~ 17 members: five judges appointed by the Chief Justice of the Supreme Court, at least two of whom shall be active superior court judges, and at least two of whom shall be active district court judges; one clerk of superior court appointed by the Chief Justice of the Supreme Court; two mediators certified to conduct superior court mediated settlement conferences and two mediators certified to conduct equitable distribution mediated settlement conferences appointed by the Chief Justice of the Supreme Court; one certified district criminal court mediator who is a representative of a community mediation center appointed by the Chief Justice of the Supreme Court; a district attorney appointed by the Chief Justice of the Supreme Court; two practicing attorneys who are not certified as mediators appointed by the President of the North Carolina State Bar, one of whom shall be a family law specialist; and three citizens knowledgeable about mediation, one of whom shall be appointed by the Governor, one by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and one by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. ~~Members shall initially serve four-year terms, except that one judge, one mediator, one attorney, and the citizen member appointed by the Governor, shall be appointed for an initial term of two years. Incumbent~~

~~members as of September 30, 1998 shall serve the remainder of the terms to which they were appointed. Members appointed to newly-created membership positions effective October 1, 1998 shall serve initial terms of two years. Thereafter,~~Commission members shall serve three-year terms and shall be ineligible to serve more than two consecutive terms. Members appointed to fill unexpired terms shall be eligible to serve two consecutive terms upon the expiration of the unexpired term. The Chief Justice shall designate one of the members to serve as chair for a two-year term. Members of the Commission shall be compensated pursuant to G.S. 138-5.

Vacancies shall be filled for unexpired terms and full terms in the same manner as incumbents were appointed. Appointing authorities may receive and consider suggestions and recommendations of persons for appointment from the Dispute Resolution Commission, the Family Law, Litigation, and Dispute Resolution Sections of the North Carolina Bar Association, the North Carolina Association of Professional Family Mediators, the North Carolina Conference of Clerks of Superior Court, the North Carolina Conference of Court Administrators, the Mediation Network of North Carolina, the Dispute Resolution Committee of the Supreme Court, the Conference of Chief District Court Judges, the Conference of Superior Court Judges, the Director of the Administrative Office of the Courts, and the Child Custody Mediation Advisory Committee of the Administrative Office of the Courts.

(d) An administrative fee, not to exceed two hundred dollars ~~($200.00),~~ ($200.00) per certification, may be charged by the ~~Administrative Office of the Courts~~Dispute Resolution Commission to applicants for certification and annual renewal of certification for mediators and mediation training programs operating under this Article. The fees collected ~~may be used by the Director of the Administrative Office of the Courts to establish and maintain the operations of the Commission and its staff. Notwithstanding the provisions of G.S. 143C-1-2(b), certification and renewal fees collected by the Dispute Resolution Commission are nonreverting and are only to be used at the direction of the Commission.~~shall be deposited in a Dispute Resolution Fund. The Fund shall be established within the Judicial Department as a nonreverting, interest-bearing special revenue account. Accordingly, interest and other investment income earned by the Fund shall be credited to it. All moneys collected through the fees authorized and assessed under this statute shall be remitted to the Fund. Moneys in the Fund shall be used to support the operations of the Commission and used at the direction of the Commission.

(e) The chair of the Commission may employ an executive ~~secretary~~ director and other staff as necessary to assist the Commission in carrying out its duties. The chair may also employ special counsel or call upon the Attorney General to furnish counsel to assist the Commission in conducting hearings pursuant to its certification or qualification and regulatory responsibilities. Special counsel or counsel furnished by the Attorney General may present the evidence in support of a denial or revocation of certification or qualification or a complaint against a mediator, other neutral, training program, or trainers or staff affiliated with a program. Special counsel or counsel furnished by the Attorney General may also represent the Commission when its final determinations are the subject of an appeal.

(f) In connection with any investigation or hearing conducted pursuant to an application for certification or qualification of any mediator, other neutral, or training program, or conducted pursuant to any disciplinary matter, the chair of the Dispute Resolution Commission or his/her designee, may:

(1) Administer oaths and affirmations;

(2) Sign and issue subpoenas in the name of the Dispute Resolution Commission or direct its executive secretary to issue such subpoenas on its behalf requiring attendance and the giving of testimony by witnesses and the production of books, papers, and other documentary evidence;

(3) Apply to the General Court of Justice, Superior Court Division, for any order necessary to enforce the ~~power~~ powers conferred in this ~~section.~~section,

including an order for injunctive relief pursuant to G.S. 1A-1, Rule 65, when a certified mediator's conduct necessitates prompt action.

(g) The General Court of Justice, Superior Court Division, may enforce subpoenas issued in the name of the Dispute Resolution Commission and requiring attendance and the giving of testimony by witnesses and the production of books, papers, and other documentary evidence.

(h) The Commission shall keep confidential all information in its files pertaining to the initial and renewal applications for certification of mediators, the qualification of other neutrals, and the initial and renewal applications for certification or qualification of training programs for mediators or other neutrals, ~~and the renewal of such certifications and qualifications. However, disciplinary matters reported by an applicant for certification or qualification, a mediator, other neutral, trainer, or manager shall be treated as a complaint as set forth below.~~ except that in the case of an initial or renewal application for certification in the District Criminal Court Mediation Program, Commission staff shall notify the Executive Director of the Mediation Network of North Carolina, Inc., and the Executive Director of the community mediation center that is sponsoring the application of any matter regarding the qualifications, character, conduct, or fitness to practice of the applicant. The Commission shall also keep confidential the identity of those persons requesting informal guidance or the issuance of formal advisory opinions from the Commission or its staff.

~~Unless an applicant, mediator, other neutral, or training program trainer or manager requests otherwise, all~~ All information in the Commission's disciplinary files pertaining to a complaint regarding the ~~conduct~~ moral character, conduct, or fitness to practice of ~~an applicant,~~ a mediator, other neutral, trainer, or ~~manager~~ other training program personnel shall remain ~~confidential~~ confidential, unless the subject of the complaint requests otherwise, until such time as ~~a~~ all of the following conditions are met:

(1) A preliminary investigation is ~~completed and a~~ completed.

(2) A determination is made that probable cause exists to believe that the ~~applicant,~~ words or actions of the mediator, neutral, trainer, or ~~manager's words or actions:~~other training program personnel:

~~(1)~~a. Violate standards for the conduct of mediators or other neutrals;

~~(2)~~b. Violate other standards of professional conduct to which the ~~applicant,~~ mediator, neutral, trainer, or ~~manager~~ other training program personnel is subject;

~~(3)~~c. Violate program ~~rules;~~rules or applicable governing law; or

~~(4)~~d. Consist of conduct or actions that are inconsistent with good moral character or reflect a lack of fitness to serve as a mediator, other neutral, trainer, or ~~manager.~~other training program personnel.

(3) One of the following events has occurred:

a. The respondent does not appeal the determination before the time permitted for an appeal has expired.

b. Upon a timely filed appeal, the Commission holds a hearing and issues a decision affirming the determination.

Upon a finding of probable cause under this subsection against a mediator arising out of a mediated settlement conference, Commission staff shall provide notice of the finding of probable cause to any mediation program or agency under whose auspices the mediated settlement conference was conducted. Commission shall also make reasonable efforts to notify any such agency or program of any public sanction imposed by the Commission pursuant to Supreme Court rules governing the operation of the Commission against a certified mediator who serves as a mediator for any such agency or program. Commission staff and members of the Grievance and Disciplinary Committee of the Commission may share information with other committee chairs or committees of the Commission when relevant to a review of any matter before such other committee.

The Commission may publish names, contact information, and biographical information for mediators, neutrals, and training programs that have been certified or qualified.

(i) ~~The Commission shall conduct its initial review of all applications for certification and certification renewal or qualification and qualification renewal in private. The Commission shall also conduct its initial review of complaints regarding the qualifications of any certified mediator, other neutral, or training program, but not involving issues of ethics or conduct, in private. Appeals of denials of applications for certification, qualification, or renewal and appeals of revocations of certification or qualification for reasons that do not relate to ethics or conduct, shall be heard by the Commission in private unless the applicant, certified mediator, qualified neutral, or certified or qualified training program requests a public hearing.~~All appeals from denials of initial applications for mediator certification and initial applications for mediator training program certification shall be held in private, unless the applicant requests a public hearing. Appeals from a denial of a mediator or mediator training program application for certification renewal or reinstatement that relate to moral character, conduct, or fitness to practice shall be open to the public, except that for good cause shown, the presiding officer may exclude from the hearing room all persons except the parties, counsel, and those engaged in the hearing. All other appeals from denials of a mediator training program's application for certification renewal shall be held in private, unless the applicant requests a public hearing.

(j) ~~The Commission shall conduct in private its initial review of all matters relating to the ethics or conduct of an applicant for certification, qualification, or renewal of certification or qualification or the ethics or conduct of a mediator, other neutral, trainer, or training program manager. If an applicant appeals the Commission's initial determination that sanctions be imposed, the hearing of such appeal by the Commission~~ Appeals from the Commission's initial determination after review and investigation of a complaint that probable cause exists to believe that the conduct of a mediator, neutral, trainer, or other training program personnel violated a provision set out in subdivision (2) of subsection (h) of this section shall be open to the public, except that for good cause shown, the presiding officer may exclude from the hearing room all persons except the parties, counsel, and those engaged in the hearing. No hearing shall be closed to the public over the objection of ~~an applicant,~~ the mediator, ~~other~~ neutral, trainer, or training program ~~manager.~~personnel that is the subject of the complaint.

(k) Appeals of final determinations by the Commission to deny certification or renewal of certification, to revoke certification, or to discipline a mediator, trainer, or other training program ~~manager~~ personnel shall be filed in the General Court of Justice, Wake County Superior Court Division. Notice of appeal shall be filed within 30 days of the date of the Commission's decision.

(*l*) The Commission may issue a cease and desist letter to any individual who falsely represents himself or herself to the public as certified or as eligible to be certified pursuant to this section, or who uses any words, letters, titles, signs, cards, Web site postings, or advertisements that expressly or implicitly convey such misrepresentation to the public. If the individual continues to make such false representations after receipt of the cease and desist letter, the Commission, through its Chair, may petition the Superior Court of Wake County for an injunction restraining the individual's conduct and for any other relief that the court deems appropriate."

SECTION 27. Section 22 of this act is effective when it becomes law and applies to petitions filed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-159 **H.B. 310**

AN ACT TO REFORM COLLOCATION OF SMALL WIRELESS COMMUNICATIONS INFRASTRUCTURE TO AID IN DEPLOYMENT OF NEW TECHNOLOGIES.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds the following:

(1) The design, engineering, permitting, construction, modification, maintenance, and operation of wireless facilities are instrumental to the provision of emergency services and to increasing access to advanced technology and information for the citizens of North Carolina.

(2) Cities and counties play a key role in facilitating the use of the public rights-of-way.

(3) Wireless services providers and wireless infrastructure providers must have access to the public rights-of-way and the ability to attach to poles and structures in the public rights-of-way to densify their networks and provide next generation services.

(4) Small wireless facilities, including facilities commonly referred to as small cells and distributed antenna systems, often may be deployed most effectively in the public rights-of-way.

(5) Expeditious processes and reasonable and nondiscriminatory rates, fees, and terms related to such deployments are essential to the construction and maintenance of wireless facilities.

(6) Wireless facilities help ensure the State remain competitive in the global economy.

(7) The timely design, engineering, permitting, construction, modification, maintenance, and operation of wireless facilities are matters of statewide concern and interest.

SECTION 2.(a) G.S. 160A-400.51(4a) is recodified as G.S. 160A-400.51(4d).

SECTION 2.(b) G.S. 160A-400.51(7a) is recodified as G.S. 160A-400.51(7b).

SECTION 2.(c) Part 3E of Article 19 of Chapter 160A of the General Statutes, as amended by subsections (a) and (b) of this section, reads as rewritten:

"Part 3E. Wireless Telecommunications Facilities.

"**§ 160A-400.50. Purpose and compliance with federal law.**

…

(c) This Part shall not be construed to authorize a city to require the construction or installation of wireless facilities or to regulate wireless services other than as set forth herein.

"**§ 160A-400.51. Definitions.**

The following definitions apply in this Part.

(1) Antenna. – Communications equipment that transmits, receives, or transmits and receives electromagnetic radio signals used in the provision of all types of wireless communications services.

(1a) Applicable codes. – The North Carolina State Building Code and any other uniform building, fire, electrical, plumbing, or mechanical codes adopted by a recognized national code organization together with State or local amendments to those codes enacted solely to address imminent threats of destruction of property or injury to persons.

(2) Application. – ~~A formal request submitted to the city to construct or modify a wireless support structure or a wireless facility.~~A request that is submitted by an applicant to a city for a permit to collocate wireless facilities or to approve the installation, modification, or replacement of a utility pole, city utility pole, or wireless support structure.

(2a) Base station. – A station at a specific site authorized to communicate with mobile stations, generally consisting of radio receivers, antennas, coaxial cables, power supplies, and other associated electronics.

(3) Building permit. – An official administrative authorization issued by the city prior to beginning construction consistent with the provisions of G.S. 160A-417.

(3a) City right-of-way. – A right-of-way owned, leased, or operated by a city, including any public street or alley that is not a part of the State highway system.

(3b) City utility pole. – A pole owned by a city in the city right-of-way that provides lighting, traffic control, or a similar function.

(4) Collocation. – The ~~placement or installation~~ placement, installation, maintenance, modification, operation, or replacement of wireless facilities ~~on~~ on, under, within, or on the surface of the earth adjacent to existing structures, including ~~electrical transmission towers,~~utility poles, city utility poles, water towers, buildings, and other structures capable of structurally supporting the attachment of wireless facilities in compliance with applicable codes. The term "collocation" does not include the installation of new utility poles, city utility poles, or wireless support structures.

(4a) Communications facility. – The set of equipment and network components, including wires and cables and associated facilities used by a communications service provider to provide communications service.

(4b) Communications service. – Cable service as defined in 47 U.S.C. § 522(6), information service as defined in 47 U.S.C. § 153(24), telecommunications service as defined in 47 U.S.C. § 153(53), or wireless services.

(4c) Communications service provider. – A cable operator as defined in 47 U.S.C. § 522(5); a provider of information service, as defined in 47 U.S.C. § 153(24); a telecommunications carrier, as defined in 47 U.S.C. § 153(51); or a wireless provider.

(4d) Eligible facilities request. – A request for modification of an existing wireless tower or base station that involves collocation of new transmission equipment or replacement of transmission equipment but does not include a substantial modification.

(5) Equipment compound. – An area surrounding or near the base of a wireless support structure within which a wireless facility is located.

(5a) Fall zone. – The area in which a wireless support structure may be expected to fall in the event of a structural failure, as measured by engineering standards.

(6) Land development regulation. – Any ordinance enacted pursuant to this Part.

(6a) Micro wireless facility. – A small wireless facility that is no larger in dimension than 24 inches in length, 15 inches in width, and 12 inches in height and that has an exterior antenna, if any, no longer than 11 inches.

(7) Search ring. – The area within which a wireless support facility or wireless facility must be located in order to meet service objectives of the wireless service provider using the wireless facility or wireless support structure.

(7a) Small wireless facility. – A wireless facility that meets both of the following qualifications:

a. Each antenna is located inside an enclosure of no more than six cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all of its exposed elements, if enclosed, could fit within an enclosure of no more than six cubic feet.

b. All other wireless equipment associated with the facility has a cumulative volume of no more than 28 cubic feet. For purposes of this sub-subdivision, the following types of ancillary equipment are not included in the calculation of equipment volume: electric meters, concealment elements, telecommunications demarcation boxes, ground-based enclosures, grounding equipment, power transfer switches, cut-off switches, vertical cable runs for the connection of power and other services, or other support structures.

(7b) Substantial modification. – The mounting of a proposed wireless facility on a wireless support structure that substantially changes the physical dimensions of the support structure. A mounting is presumed to be a substantial modification if it meets any one or more of the criteria listed below. The burden is on the local government to demonstrate that a mounting that does not meet the listed criteria constitutes a substantial change to the physical dimensions of the wireless support structure.

a. Increasing the existing vertical height of the structure by the greater of (i) more than ten percent (10%) or (ii) the height of one additional antenna array with separation from the nearest existing antenna not to exceed 20 feet.

b. Except where necessary to shelter the antenna from inclement weather or to connect the antenna to the tower via cable, adding an appurtenance to the body of a wireless support structure that protrudes horizontally from the edge of the wireless support structure the greater of (i) more than 20 feet or (ii) more than the width of the wireless support structure at the level of the appurtenance.

c. Increasing the square footage of the existing equipment compound by more than 2,500 square feet.

(8) Utility pole. – A structure that is designed for and used to carry lines, cables, ~~or wires~~ wires, lighting facilities, or small wireless facilities for telephone, cable television, ~~or~~ electricity, ~~or to provide lighting.~~lighting, or wireless services.

(8a) Water tower. – A water storage tank, a standpipe, or an elevated tank situated on a support structure originally constructed for use as a reservoir or facility to store or deliver water.

(9) Wireless facility. – ~~The set of equipment and network components, exclusive of the underlying wireless support structure or tower, including antennas, transmitters, receivers, base stations, power supplies, cabling, and associated equipment necessary to provide wireless data and wireless telecommunications services to a discrete geographic area.~~Equipment at a fixed location that enables wireless communications between user equipment and a communications network, including (i) equipment associated with wireless communications and (ii) radio transceivers, antennas, wires, coaxial or fiber-optic cable, regular and backup power supplies, and comparable equipment, regardless of technological configuration. The term includes small wireless facilities. The term shall not include any of the following:

a. The structure or improvements on, under, within, or adjacent to which the equipment is collocated.

b. Wireline backhaul facilities.

c. Coaxial or fiber-optic cable that is between wireless structures or utility poles or city utility poles or that is otherwise not immediately adjacent to or directly associated with a particular antenna.

(9a) Wireless infrastructure provider. – Any person with a certificate to provide telecommunications service in the State who builds or installs wireless communication transmission equipment, wireless facilities, or wireless support structures for small wireless facilities but that does not provide wireless services.

(9b) Wireless provider. – A wireless infrastructure provider or a wireless services provider.

(9c) Wireless services. – Any services, using licensed or unlicensed wireless spectrum, including the use of Wi-Fi, whether at a fixed location or mobile, provided to the public using wireless facilities.

(9d) Wireless services provider. – A person who provides wireless services.

(10) Wireless support structure. – A new or existing structure, such as a monopole, lattice tower, or guyed tower that is designed to support or capable of supporting wireless facilities. A utility pole or a city utility pole is not a wireless support structure.

…

"**§ 160A-400.54. Collocation of small wireless facilities.**

(a) Except as expressly provided in this Part, a city shall not prohibit, regulate, or charge for the collocation of small wireless facilities.

(b) A city may not establish a moratorium on (i) filing, receiving, or processing applications or (ii) issuing permits or any other approvals for the collocation of small wireless facilities.

(c) Small wireless facilities that meet the height requirements of G.S. 160A-400.55(b)(2) shall only be subject to administrative review and approval under subsection (d) of this section if they are collocated (i) in a city right-of-way within any zoning district or (ii) outside of city rights-of-way on property other than single-family residential property.

(d) A city may require an applicant to obtain a permit to collocate a small wireless facility. A city shall receive applications for, process, and issue such permits subject to the following requirements:

(1) A city may not, directly or indirectly, require an applicant to perform services unrelated to the collocation for which approval is sought. For purposes of this subdivision, "services unrelated to the collocation," includes in-kind contributions to the city such as the reservation of fiber, conduit, or pole space for the city.

(2) The wireless provider completes an application as specified in form and content by the city. A wireless provider shall not be required to provide more information to obtain a permit than communications service providers that are not wireless providers.

(3) A permit application shall be deemed complete unless the city provides notice otherwise in writing to the applicant within 30 days of submission or within some other mutually agreed upon time frame. The notice shall identify the deficiencies in the application which, if cured, would make the application complete. The application shall be deemed complete on resubmission if the additional materials cure the deficiencies identified.

(4) The permit application shall be processed on a nondiscriminatory basis and shall be deemed approved if the city fails to approve or deny the application within 45 days from the time the application is deemed complete or a mutually agreed upon time frame between the city and the applicant.

(5) A city may deny an application only on the basis that it does not meet any of the following: (i) the city's applicable codes; (ii) local code provisions or regulations that concern public safety, objective design standards for decorative utility poles, city utility poles, or reasonable and nondiscriminatory stealth and concealment requirements, including screening or landscaping for ground-mounted equipment; (iii) public safety and reasonable spacing requirements concerning the location of ground-mounted equipment in a right-of-way; or (iv) the historic preservation requirements in subsection 160A-400.55(h). The city must (i) document the basis for a denial, including the specific code provisions on which the denial was based and (ii) send the documentation to the applicant on or before the day the city denies an application. The applicant may cure the deficiencies identified by the city and resubmit the application within 30 days of the denial without paying an additional application fee. The city

shall approve or deny the revised application within 30 days of the date on which the application was resubmitted. Any subsequent review shall be limited to the deficiencies cited in the prior denial.

(6) An application must include an attestation that the small wireless facilities shall be collocated on the utility pole, city utility pole, or wireless support structure and that the small wireless facilities shall be activated for use by a wireless services provider to provide service no later than one year from the permit issuance date, unless the city and the wireless provider agree to extend this period or a delay is caused by a lack of commercial power at the site.

(7) An applicant seeking to collocate small wireless facilities at multiple locations within the jurisdiction of a city shall be allowed at the applicant's discretion to file a consolidated application for no more than 25 separate facilities and receive a permit for the collocation of all the small wireless facilities meeting the requirements of this section. A city may remove small wireless facility collocations from a consolidated application and treat separately small wireless facility collocations (i) for which incomplete information has been provided or (ii) that are denied. The city may issue a separate permit for each collocation that is approved.

(8) The permit may specify that collocation of the small wireless facility shall commence within six months of approval and shall be activated for use no later than one year from the permit issuance date, unless the city and the wireless provider agree to extend this period or a delay is caused by a lack of commercial power at the site.

(e) A city may charge an application fee that shall not exceed the lesser of (i) the actual, direct, and reasonable costs to process and review applications for collocated small wireless facilities; (ii) the amount charged by the city for permitting of any similar activity; or (iii) one hundred dollars ($100.00) per facility for the first five small wireless facilities addressed in an application, plus fifty dollars ($50.00) for each additional small wireless facility addressed in the application. In any dispute concerning the appropriateness of a fee, the city has the burden of proving that the fee meets the requirements of this subsection.

(f) A city may impose a technical consulting fee for each application, not to exceed five hundred dollars ($500.00), to offset the cost of reviewing and processing applications required by this section. The fee must be based on the actual, direct, and reasonable administrative costs incurred for the review, processing, and approval of an application. A city may engage an outside consultant for technical consultation and the review of an application. The fee imposed by a city for the review of the application shall not be used for either of the following:

(1) Travel expenses incurred in the review of a collocation application by an outside consultant or other third party.

(2) Direct payment or reimbursement for an outside consultant or other third party based on a contingent fee basis or results-based arrangement.

In any dispute concerning the appropriateness of a fee, the city has the burden of proving that the fee meets the requirements of this subsection.

(g) A city may require a wireless services provider to remove an abandoned wireless facility within 180 days of abandonment. Should the wireless services provider fail to timely remove the abandoned wireless facility, the city may cause such wireless facility to be removed and may recover the actual cost of such removal, including legal fees, if any, from the wireless services provider. For purposes of this subsection, a wireless facility shall be deemed abandoned at the earlier of the date that the wireless services provider indicates that it is abandoning such facility or the date that is 180 days after the date that such wireless facility ceases to transmit a signal, unless the wireless services provider gives the city reasonable evidence that it is diligently working to place such wireless facility back in service.

(h) A city shall not require an application or permit or charge fees for (i) routine maintenance; (ii) the replacement of small wireless facilities with small wireless facilities that are the same size or smaller; or (iii) installation, placement, maintenance, or replacement of micro wireless facilities that are suspended on cables strung between existing utility poles or city utility poles in compliance with applicable codes by or for a communications service provider authorized to occupy the city rights-of-way and who is remitting taxes under G.S. 105-164.4(a)(4c) or G.S. 105-164.4(a)(6).

(i) Nothing in this section shall prevent a city from requiring a work permit for work that involves excavation, affects traffic patterns, or obstructs vehicular traffic in the city right-of-way.

"**§ 160A-400.55. Use of public right-of-way.**

(a) A city shall not enter into an exclusive arrangement with any person for use of city rights-of-way for the construction, operation, marketing, or maintenance of wireless facilities or wireless support structures or the collocation of small wireless facilities.

(b) Subject to the requirements of G.S. 160A-400.54, a wireless provider may collocate small wireless facilities along, across, upon, or under any city right-of-way. Subject to the requirements of this section, a wireless provider may place, maintain, modify, operate, or replace associated utility poles, city utility poles, conduit, cable, or related appurtenances and facilities along, across, upon, and under any city right-of-way. The placement, maintenance, modification, operation, or replacement of utility poles and city utility poles associated with the collocation of small wireless facilities, along, across, upon, or under any city right-of-way shall be subject only to review or approval under subsection (d) of G.S. 160A-400.54 if the wireless provider meets all the following requirements:

(1) Each new utility pole and each modified or replacement utility pole or city utility pole installed in the right-of-way shall not exceed 50 feet above ground level.

(2) Each new small wireless facility in the right-of-way shall not extend more than 10 feet above the utility pole, city utility pole, or wireless support structure on which it is collocated.

(c) Nothing in this section shall be construed to prohibit a city from allowing utility poles, city utility poles, or wireless facilities that exceed the limits set forth in subdivision (1) of subsection (b) of this section.

(d) Applicants for use of a city right-of-way shall comply with a city's undergrounding requirements prohibiting the installation of above-ground structures in the city rights-of-way without prior zoning approval, if those requirements (i) are nondiscriminatory with respect to type of utility, (ii) do not prohibit the replacement of structures existing at the time of adoption of the requirements, and (iii) have a waiver process.

(d1) Notwithstanding subsection (d) of this section, in no instance in an area zoned single-family residential where the existing utilities are installed underground may a utility pole, city utility pole, or wireless support structure exceed forty (40) feet above ground level, unless the city grants a waiver or variance approving a taller utility pole, city utility pole, or wireless support structure.

(e) Except as provided in this part, a city may assess a right-of-way charge under this section for use or occupation of the right-of-way by a wireless provider, subject to the restrictions set forth under G.S. 160A-296(a)(6). In addition, charges authorized by this section shall meet all of the following requirements:

(1) The right-of-way charge shall not exceed the direct and actual cost of managing the city rights-of-way and shall not be based on the wireless provider's revenue or customer counts.

(2) The right-of-way charge shall not exceed that imposed on other users of the right-of-way, including publicly, cooperatively, or municipally owned utilities.

(3) The right-of-way charge shall be reasonable and nondiscriminatory.

Nothing in this subsection is intended to establish or otherwise affect rates charged for attachments to utility poles, city utility poles, or wireless support structures. At its discretion, a city may provide free access to city rights-of-way on a nondiscriminatory basis in order to facilitate the public benefits of the deployment of wireless services.

(f) Nothing in this section is intended to authorize a person to place, maintain, modify, operate, or replace a privately owned utility pole or wireless support structure or to collocate small wireless facilities on a privately owned utility pole, a privately owned wireless support structure, or other private property without the consent of the property owner.

(g) A city may require a wireless provider to repair all damage to a city right-of-way directly caused by the activities of the wireless provider, while occupying, installing, repairing, or maintaining wireless facilities, wireless support structures, city utility poles, or utility poles and to return the right-of-way to its functional equivalence before the damage. If the wireless provider fails to make the repairs required by the city within a reasonable time after written notice, the city may undertake those repairs and charge the applicable party the reasonable and documented cost of the repairs. The city may maintain an action to recover the costs of the repairs.

(h) This section shall not be construed to limit local government authority to enforce historic preservation zoning regulations consistent with Part 3C of Article 19 of this Chapter, the preservation of local zoning authority under 47 U.S.C. § 332(c)(7), the requirements for facility modifications under 47 U.S.C. § 1455(a), or the National Historic Preservation Act of 1966, 54 U.S.C. § 300101, et seq., as amended, and the regulations, local acts, and city charter provisions adopted to implement those laws.

(i) A wireless provider may apply to a city to place utility poles in the city rights-of-way, or to replace or modify utility poles or city utility poles in the public rights-of way, to support the collocation of small wireless facilities. A city shall accept and process the application in accordance with the provisions of G.S. 160A-400.54(d), applicable codes, and other local codes governing the placement of utility poles or city utility poles in the city rights-of-way, including provisions or regulations that concern public safety, objective design standards for decorative utility poles or city utility poles, or reasonable and nondiscriminatory stealth and concealment requirements, including those relating to screening or landscaping, or public safety and reasonable spacing requirements. The application may be submitted in conjunction with the associated small wireless facility application.

"**§ 160A-400.56. Access to city utility poles to install small wireless facilities.**

(a) A city may not enter into an exclusive arrangement with any person for the right to collocate small wireless facilities on city utility poles. A city shall allow any wireless provider to collocate small wireless facilities on its city utility poles at just, reasonable, and nondiscriminatory rates, terms, and conditions, but in no instance may the rate exceed fifty dollars ($50.00) per city utility pole per year. The North Carolina Utilities Commission shall not consider this subsection as evidence in a proceeding initiated pursuant to G.S. 62-350(c).

(b) A request to collocate under this section may be denied only if there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering principles, and those limitations cannot be remedied by rearranging, expanding, or otherwise reengineering the facilities at the reasonable and actual cost of the city to be reimbursed by the wireless provider. In granting a request under this section, a city shall require the requesting entity to comply with applicable safety requirements, including the National Electrical Safety Code and the applicable rules and regulations issued by the Occupational Safety and Health Administration.

(c) If a city that operates a public enterprise as permitted by Article 16 of this Chapter has an existing city utility pole attachment rate, fee, or other term with an entity, then, subject to termination provisions, that attachment rate, fee, or other term shall apply to collocations by that entity or its related entities on city utility poles.

(d) Following receipt of the first request from a wireless provider to collocate on a city utility pole, a city shall, within 60 days, establish the rates, terms, and conditions for the use of

or attachment to the city utility poles that it owns or controls. Upon request, a party shall state in writing its objections to any proposed rate, terms, and conditions of the other party.

(e) In any controversy concerning the appropriateness of a rate for a collocation attachment to a city utility pole, the city has the burden of proving that the rates are reasonably related to the actual, direct, and reasonable costs incurred for use of space on the pole for such period.

(f) The city shall provide a good-faith estimate for any make-ready work necessary to enable the city utility pole to support the requested collocation, including pole replacement if necessary, within 60 days after receipt of a complete application. Make-ready work, including any pole replacement, shall be completed within 60 days of written acceptance of the good-faith estimate by the applicant. For purposes of this section, the term "make-ready work" means any modification or replacement of a city utility pole necessary for the city utility pole to support a small wireless facility in compliance with applicable safety requirements, including the National Electrical Safety Code, that is performed in preparation for a collocation installation.

(g) The city shall not require more make-ready work than that required to meet applicable codes or industry standards. Fees for make-ready work shall not include costs related to preexisting or prior damage or noncompliance. Fees for make-ready work, including any pole replacement, shall not exceed actual costs or the amount charged to other communications service providers for similar work and shall not include any consultant fees or expenses.

(h) Nothing in this Part shall be construed to apply to an entity whose poles, ducts, and conduits are subject to regulation under section 224 of the Communications Act of 1934, 47 U.S.C. § 151, et seq., as amended, or under G.S. 62-350.

(i) This section shall not apply to an excluded entity. Nothing in this section shall be construed to affect the authority of an excluded entity to deny, limit, restrict, or determine the rates, fees, terms, and conditions for the use of or attachment to its utility poles, city utility poles, or wireless support structures by a wireless provider. This section shall not be construed to alter or affect the provisions of G.S. 62-350, and the rates, terms, or conditions for the use of poles, ducts, or conduits by communications service providers, as defined in G.S. 62-350, are governed solely by G.S. 62-350. For purposes of this section, "excluded entity" means (i) a city that owns or operates a public enterprise pursuant to Article 16 of this Chapter consisting of an electric power generation, transmission, or distribution system or (ii) an electric membership corporation organized under Chapter 117 of the General Statutes that owns or controls poles, ducts, or conduits, but which is exempt from regulation under section 224 of the Communications Act of 1934, 47 U.S.C. § 151 et seq., as amended.

"**§ 160A-400.57. Applicability.**

(a) A city shall not adopt or enforce any ordinance, rule, regulation, or resolution that regulates the design, engineering, construction, installation, or operation of any small wireless facility located in an interior structure or upon the site of any stadium or athletic facility. This subsection does not apply to a stadium or athletic facility owned or otherwise controlled by the city. This subsection does not prohibit the enforcement of applicable codes.

(b) Nothing contained in this Part shall amend, modify, or otherwise affect any easement between private parties. Any and all rights for the use of a right-of-way are subject to the rights granted pursuant to an easement between private parties.

(c) Except as provided in this Part or otherwise specifically authorized by the General Statutes, a city may not adopt or enforce any regulation on the placement or operation of communications facilities in the rights-of-way of State-maintained highways or city rights-of-way by a provider authorized by State law to operate in the rights-of-way of State-maintained highways or city rights-of-way and may not regulate any communications services.

(d) Except as provided in this Part or specifically authorized by the General Statutes, a city may not impose or collect any tax, fee, or charge to provide a communications service over a communications facility in the right-of-way.

(e) The approval of the installation, placement, maintenance, or operation of a small wireless facility pursuant to this Part does not authorize the provision of any communications services or the installation, placement, maintenance, or operation of any communications facility, including a wireline backhaul facility, other than a small wireless facility, in the right-of-way."

SECTION 3.(a) G.S. 136-18 reads as rewritten:

"**§ 136-18. Powers of Department of Transportation.**

The said Department of Transportation is vested with the following powers:

…

(10) To make proper and reasonable rules, regulations and ordinances for the placing or erection of telephone, telegraph, electric and other lines, above or below ground, wireless facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, and other similar obstructions that may, in the opinion of the Department of Transportation, contribute to the hazard upon any of the said highways or in any way interfere with the same, and to make reasonable rules and regulations for the proper control thereof. And whenever the order of the said Department of Transportation shall require the removal of, or changes in, the location of telephone, telegraph, electric or other lines, wireless facilities, signboards, fences, gas, water, sewerage, oil, or other pipelines, or other similar obstructions, the owners thereof shall at their own expense, except as provided in G.S. 136-19.5(c), move or change the same to conform to the order of said Department of Transportation. Any violation of such rules and regulations or noncompliance with such orders shall constitute a Class 1 misdemeanor. For purposes of this subdivision, "wireless facilities" shall have the definition set forth in G.S. 160A-400.51.

…."

SECTION 3.(b) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-18.3A. Wireless communications infrastructure.**

(a) The definitions set forth in G.S. 160A-400.51 shall apply to this section.

(b) The Department of Transportation is authorized to issue permits to wireless providers for the collocation of wireless facilities and the construction, operation, modification, or maintenance of utility poles, wireless support structures, conduit, cable, and related appurtenances and facilities for the provision of wireless services along, across, upon, or under the rights-of-way of State-maintained highways. The permits and included requirements shall be issued and administered in a reasonable and nondiscriminatory manner.

(c) The Department of Transportation shall take action to approve or deny a permit application for collocation of a small wireless facility under this section within a reasonable period of time of receiving the application from a wireless provider.

(d) The collocation of small wireless facilities and the construction, operation, modification, or maintenance of utility poles, wireless support structures, conduit, cable, and related appurtenances and facilities for the provision of small wireless facilities along, across, upon, or under the rights-of-way of State-maintained highways shall be subject to all of the following requirements:

(1) The structures and facilities shall not obstruct or hinder the usual travel or public safety on any rights-of-way of State-maintained highways or obstruct the legal use of such rights-of-way of State-maintained highways by other utilities.

(2) Each new or modified utility pole and wireless support structure installed in the right-of-way of State-maintained highways shall not exceed the greater of (i) 10 feet in height above the height of the tallest existing utility pole, other than a utility pole supporting only wireless facilities, in place as of July

1, 2017, located within 500 feet of the new pole in the same rights-of-way or (ii) 50 feet above ground level.

(3) Each new small wireless facility in the right-of-way shall not extend (i) more than 10 feet above an existing utility pole, other than a utility pole supporting only wireless facilities, or wireless support structure in place as of July 1, 2017, or (ii) above the height permitted for a new utility pole or wireless support structure under subdivision (2) of this section."

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-160 **H.B. 337**

AN ACT TO MAKE VARIOUS REVISIONS TO THE LAWS GOVERNING THE USE OF UNMANNED AIRCRAFT SYSTEMS.

The General Assembly of North Carolina enacts:

MODEL AIRCRAFTS/REMOVE EXEMPTION FROM UNMANNED AIRCRAFT SYSTEMS LAWS

SECTION 1. G.S. 15A-300.1(a) reads as rewritten:

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

…

~~(2) Model aircraft. – An aircraft, as defined in G.S. 63-1, that is mechanically driven or launched into flight and that meets all of the following requirements:~~

~~a. Is flown solely for hobby or recreational purposes.~~

~~b. Is not used for payment, consideration, gratuity, or benefit, directly or indirectly charged, demanded, received, or collected, by any person for the use of the aircraft or any photographic or video image produced by the aircraft.~~

(3) Unmanned aircraft. – An aircraft, as defined in G.S. 63-1, that is operated without the possibility of human intervention from within or on the ~~aircraft and that does not meet the definition of model~~ aircraft.

…."

REMOVE RESTRICTION ON USE OF SPECIAL IMAGING TECHNOLOGY

SECTION 2. G.S. 15A-300.1(d) is repealed.

EMERGENCY MANAGEMENT EXCEPTION

SECTION 3. G.S. 15A-300.1 is amended by adding a new subsection to read:

"(c1) Emergency Management Exception. – Notwithstanding the provisions of subsection (b) of this section, an emergency management agency, as defined in G.S. 166A-19.3, may use unmanned aircraft systems for all functions and activities related to emergency management, including incident command, area reconnaissance, search and rescue, preliminary damage assessment, hazard risk management, and floodplain mapping."

ALIGN WITH FEDERAL LAW STANDARD

SECTION 4. G.S. 63-96 reads as rewritten:

"**§ 63-96. Permit required for commercial operation of unmanned aircraft systems.**

…

(b) No person shall be issued a permit under this section unless all of the following apply:

(1) The person is at least ~~16 years of age.~~the minimum age required by federal regulation for operation of an unmanned aircraft system.

(2) The person possesses a valid ~~drivers license issued by any state or territory of the United States or the District of Columbia.~~government-issued

photographic identification acceptable to the Federal Aviation Administration for issuing authorization to operate an unmanned aircraft system.

(3) The person has passed the knowledge test for operating an unmanned aircraft system as prescribed in G.S. 63-95(b).

(4) The person has satisfied all other applicable requirements of this Article or federal regulation.

…

(d) The Division shall develop and administer a program that complies with all applicable federal regulations to issue permits to operators of unmanned aircraft systems for commercial ~~purposes.~~purposes, including a fee structure for permits. Criteria and requirements established under the subdivisions set forth in this subsection shall be no more restrictive than the rules or regulations adopted by the Federal Aviation Administration setting forth the criteria and requirements under which a person may operate an unmanned aircraft system for commercial purposes. The program must include the following components:

…

~~(2) A fee structure for permits.~~

…

(7) A designation of the geographic area within which a permittee shall be authorized to operate an unmanned aircraft system. ~~The rules adopted by the Division for designating a geographic area pursuant to this subdivision shall be no more restrictive than the rules or regulations adopted by the Federal Aviation Administration for designating a geographic area for the commercial operation of unmanned aircraft systems.~~

…

(f) ~~The~~Subject to the limitations set forth in subsection (d) of this section, the Division may issue rules and regulations to implement the provisions of this section."

EXEMPT MODEL AIRCRAFT USED FOR HOBBY OR RECREATIONAL PURPOSES FROM TRAINING AND PERMITTING REQUIREMENTS OF STATE LAW

SECTION 5. Article 10 of Chapter 63 of the General Statutes is amended by adding a new section to read:

"**§ 63-94. Applicability of Article.**

(a) Applicability. — This Article does not apply to model aircraft, as defined in subsection (b) of this section.

(b) Model aircraft. – An aircraft, as defined in G.S. 63-1, that is mechanically driven or launched into flight and that meets all of the following requirements:

a. Is flown solely for hobby or recreational purposes.

b. Is not used for payment, consideration, gratuity, or benefit, directly or indirectly charged, demanded, received, or collected, by any person for the use of the aircraft or any photographic or video image produced by the aircraft."

EFFECTIVE DATE

SECTION 6. Section 1 of this act becomes effective December 1, 2017, and applies to offenses committed on or after that date and acts occurring and causes of action arising on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-161 **H.B. 362**

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-200(a) is amended by adding a new subdivision to read:

"(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be abused, neglected, or dependent. This jurisdiction does not extend to cases involving adult defendants alleged to be guilty of abuse or neglect.

The court also has exclusive original jurisdiction of the following proceedings:

…

(5a) Proceedings to review the placement of a young adult in foster care pursuant to G.S. 108A-48 and G.S. 7B-910.1.

…."

SECTION 2. G.S. 7B-404 reads as rewritten:

"**§ 7B-404. Immediate need for petition when clerk's office is closed.**

(a) When the office of the clerk is closed, a magistrate ~~may be authorized by the chief district court judge to draw, verify, and issue petitions as follows:~~shall accept for filing the following:

(1) ~~When the director of the department of social services requests a~~ A petition alleging a juvenile to be abused, neglected, or ~~dependent, or~~dependent.

(2) ~~When the director of the department of social services requests a~~ A petition alleging the obstruction of or interference with an assessment required by G.S. 7B-302.

(b) The authority of the magistrate under this section is limited to emergency situations when a petition ~~is required in order~~ must be filed to obtain a nonsecure custody order or an order under G.S. 7B-303. Any petition ~~issued~~ accepted for filing under this section shall be delivered to the clerk's office for processing as soon as that office is open for business."

SECTION 3. G.S. 7B-405 reads as rewritten:

"**§ 7B-405. Commencement of action.**

An action is commenced by the filing of a petition in the clerk's office when that office is open or by the ~~issuance~~ acceptance of a juvenile petition by a magistrate when the clerk's office is closed, which ~~issuance~~ shall constitute filing."

SECTION 4. G.S. 7B-407 reads as rewritten:

"**§ 7B-407. Service of summons.**

The summons shall be served under G.S. 1A-1, Rule ~~4(j)~~ 4, upon the parent, guardian, custodian, or caretaker, not less than five days prior to the date of the scheduled hearing. The time for service may be waived in the discretion of the court.

If service by publication under G.S. 1A-1, Rule ~~4(j1)~~ 4(j1), or service in a foreign country under Rule 4(j3), is required, the cost of the service by publication shall be advanced by the petitioner and may be charged as court costs as the court may direct."

SECTION 5. G.S. 7B-505 reads as rewritten:

"**§ 7B-505. Placement while in nonsecure custody.**

(a) A juvenile meeting the criteria set out in G.S. 7B-503 may be placed in nonsecure custody with the department of social services or a person designated in the order for temporary residential placement ~~in:~~in any of the following:

(1) A licensed foster home or a home otherwise authorized by law to provide such ~~care; or~~care.

(2) A facility operated by the department of social ~~services; or~~services.

(3) Any other home or facility, including ~~a relative's home~~ the home of a parent, relative, nonrelative kin, or other person with legal custody of a sibling of the juvenile, approved by the court and designated in the order.

(b) ~~The court shall order the department of social services to make diligent efforts to notify relatives and any custodial parents of the juvenile's siblings that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds such notification would be contrary to the best interests of the juvenile.~~ The court shall order the department of social services to make diligent efforts to notify relatives and

other persons with legal custody of a sibling of the juvenile that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B 506, unless the court finds the notification would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile.

…."

SECTION 6. G.S. 7B-505.1 reads as rewritten:

"**§ 7B-505.1. ~~Juvenile~~ Consent for medical care for a juvenile placed in nonsecure custody of a department of social services.**

(a) Unless the court orders otherwise, when a juvenile is placed in the nonsecure custody of a county department of social services, the director may arrange for, provide, or consent to any of the following:

(1) Routine medical and dental care or ~~treatment.~~treatment, including, but not limited to, treatment for common pediatric illnesses and injuries that require prompt intervention.

…."

SECTION 7. G.S. 7B-506 reads as rewritten:

"**§ 7B-506. Hearing to determine need for continued nonsecure custody.**

…

(b) At a hearing to determine the need for continued custody, the court shall receive testimony and shall allow the ~~guardian ad litem, or juvenile, and the juvenile's parent, guardian, custodian, or caretaker~~ parties the right to introduce evidence, to be heard in the person's own behalf, and to examine witnesses. The petitioner shall bear the burden at every stage of the proceedings to provide clear and convincing evidence that the juvenile's placement in custody is necessary. The court shall not be bound by the usual rules of evidence at such hearings.

…

(g1) The provisions of G.S. 7B-905.1 shall apply to determine visitation.

…."

SECTION 8. G.S. 7B-906.1 reads as rewritten:

"**§ 7B-906.1. Review and permanency planning hearings.**

(a) ~~In any case where custody is removed from a parent, guardian, or custodian, the~~ The court shall conduct a review hearing within 90 days from the date of the initial dispositional hearing held pursuant to G.S. 7B-901 and shall conduct a review hearing within six months thereafter. Within 12 months of the date of the initial order removing custody, there shall be a review hearing designated as a permanency planning hearing. Review hearings after the initial permanency planning hearing shall be designated as subsequent permanency planning hearings. ~~The subsequent~~ Subsequent permanency planning hearings shall be held at least every six months thereafter or earlier as set by the court to review the progress made in finalizing the permanent plan for the juvenile, or if necessary, to make a new permanent plan for the juvenile.

…

(d) At each hearing, the court shall consider the following criteria and make written findings regarding those that are relevant:

…

(3) Whether efforts to reunite the juvenile with either parent clearly would be unsuccessful or inconsistent with the juvenile's health or safety and need for a safe, permanent home within a reasonable period of time. The court shall consider efforts to reunite regardless of whether the juvenile resided with the parent, guardian, or custodian at the time of removal. If the court determines efforts would be unsuccessful or inconsistent, the court shall ~~consider other~~

~~permanent plans of care for the juvenile pursuant to G.S. 7B-906.2.~~schedule a permanency planning hearing within 30 days to address the permanent plans in accordance with this section and G.S. 7B-906.2, unless the determination is made at a permanency planning hearing.

…

(o) This section does not apply to post termination of parental rights' placement reviews."

SECTION 9. G.S. 7B-908 reads as rewritten:

"**§ 7B-908. Post termination of parental rights' placement court review.**

(a) The purpose of each placement review is to ensure that every reasonable effort is being made to provide for ~~a~~ permanent placement ~~plan~~ plans for the juvenile who has been placed in the custody of a county director or licensed child-placing agency, which ~~is~~ are consistent with the juvenile's best interests. At each review hearing the court may consider information from the department of social services, the licensed child-placing agency, the guardian ad litem, the child, the person providing care for the child, and any other person or agency the court determines is likely to aid in the review. The court may consider any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, that the court finds to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition.

(b) The court shall conduct a placement review not later than six months from the date of the termination hearing when parental rights have been terminated by a petition or motion brought by any person or agency designated in ~~G.S. 7B-1103(2)~~ G.S. 7B-1103(a)(2) through ~~(5)~~ (6), or one parent's parental rights have been terminated by court order and the other parent's parental rights have been relinquished under Chapter 48 of the General Statutes, and a county director or licensed child-placing agency has custody of the juvenile. The court shall conduct reviews every six months thereafter until the juvenile is the subject of a decree of adoption:

…

(c) The court shall consider at least the following in its review and make written findings regarding the following that are relevant:

(1) The adequacy of the ~~plan~~ permanency plans developed by the county department of social services or a licensed child-placing agency for a permanent placement ~~relative to~~ in the juvenile's best interests and the efforts of the department or agency to implement ~~such plan.~~the plans.

(2) Whether the juvenile has been listed for adoptive placement with ~~the North Carolina Adoption Resource Exchange, the North Carolina Photo Adoption Listing Service (PALS), or any other specialized adoption agency.~~NC Kids Adoption and Foster Care Network or any other child-specific recruitment program or whether there is an exemption to listing that the court finds is in the child's best interest.

(3) The efforts previously made by the department or agency to find a permanent ~~home~~ placement for the juvenile.

(4) Whether the current placement is in the juvenile's best interest.

(d) The court, after making findings of fact, shall ~~do one of the following:~~adopt concurrent permanent plans and identify the primary and secondary plan in accordance with G.S. 7B-906.2(a)(2) through (6). The court may specify efforts that are necessary to accomplish a permanent placement that is in the best interests of the juvenile.

~~(1) Affirm the county department's or child-placing agency's plans.~~

~~(2) If~~

(d1) If a juvenile is not placed with prospective adoptive parents as selected in G.S. 7B-1112.1, ~~order a placement or different plan the court finds to be in the juvenile's best interest after considering the department's recommendations.~~the court may order a placement

that the court finds to be in the juvenile's best interest after considering the department's recommendations.

~~In either case, the court may require specific additional steps that are necessary to accomplish a permanent placement that is in the best interests of the juvenile.~~

…."

SECTION 10. G.S. 7B-910.1(d) read as rewritten:

"(d) The clerk shall give written notice of the initial and any subsequent review hearings to the young adult ~~and~~ in foster care and the director of social services at least 15 days prior to the date of the hearing."

SECTION 11. G.S. 7B-1106(a) reads as rewritten:

"(a) Except as provided in G.S. 7B-1105, upon the filing of the petition, the court shall cause a summons to be issued. The summons shall be directed to the following persons or agency, not otherwise a party petitioner, who shall be named as respondents:

(1) The parents of the juvenile. However, a summons does not need to be directed to or served upon any parent who, under Chapter 48 of the General Statutes, has irrevocably relinquished the juvenile to a county department of social services or licensed child-placing agency or to any parent who has consented to the adoption of the juvenile by the petitioner.

(2) Any person who has been judicially appointed as guardian of the person of the juvenile.

(3) The custodian of the juvenile appointed by a court of competent jurisdiction.

(4) Any county department of social services or licensed child-placing agency to whom a juvenile has been released by one parent pursuant to Part 7 of Article 3 of Chapter 48 of the General Statutes or any county department of social services to whom placement responsibility for the child has been given by a court of competent jurisdiction.

(5) Repealed by Session Laws 2009-38, s. 3, effective May 27, 2009.

The summons shall notify the respondents to file a written answer within 30 days after service of the summons and petition. Service of the summons shall be completed as provided under the procedures established by G.S. 1A-1, Rule ~~4(j). But the~~ 4. Prior to service by publication under G.S. 1A-1, the court shall make findings of fact that a respondent cannot otherwise be served despite diligent efforts made by petitioner for personal service. The court shall approve the form of the notice before it is published. The parent of the juvenile shall not be deemed to be under a disability even though the parent is a minor."

SECTION 12. G.S. 7B-2503(1)c. reads as rewritten:

"c. If the director of the department of social services has received notice and an opportunity to be heard, place the juvenile in the custody of a department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. An order placing a juvenile in the custody or placement responsibility of a county department of social services shall contain a finding that the juvenile's continuation in the juvenile's own home would be contrary to the juvenile's best interest. This placement shall be reviewed in accordance with G.S. 7B-906.1. ~~The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide or consent to any psychiatric, psychological, educational, or other remedial evaluations~~

~~or treatment for the juvenile placed by a judge or the judge's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).~~"

SECTION 13. G.S. 7B-2506(1)c. reads as rewritten:

"c. If the director of the county department of social services has received notice and an opportunity to be heard, place the juvenile in the custody of the department of social services in the county of ~~his~~ the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. An order placing a juvenile in the custody or placement responsibility of a county department of social services shall contain a finding that the juvenile's continuation in the juvenile's own home would be contrary to the juvenile's best interest. This placement shall be reviewed in accordance with G.S. 7B-906.1. ~~The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or his designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).~~"

SECTION 14. G.S. 7B-3600 reads as rewritten:

"**§ 7B-3600. Judicial authorization of emergency treatment; procedure.**

A juvenile in need of emergency treatment under Article 1A of Chapter 90 of the General Statutes, whose physician is barred from rendering necessary treatment by reason of parental refusal to consent to treatment, may receive treatment with court authorization under the following procedure:

…

The court's authorization for treatment under this Article shall have the same effect as parental consent for treatment.

Following the court's authorization for treatment and after giving notice to the juvenile's parent, guardian, or custodian the court shall conduct a hearing in order to provide for payment for the treatment rendered. The court may order the parent or other responsible parties to pay the cost of treatment. If the court finds the parent is unable to pay the cost of treatment, the cost shall be a charge upon the county when so ordered.

This Article shall operate as a remedy in addition to the provisions in ~~G.S. 7B-903, 7B-2503, and 7B-2506.~~G.S. 7B-505.1 and G.S. 7B-903.1."

SECTION 15. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-162 **H.B. 384**

AN ACT TO STRENGTHEN THE ORGANIZED RETAIL THEFT LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-72.11 reads as rewritten:

"**§ 14-72.11. Larceny from a merchant.**

A person is guilty of a Class H felony if the person commits larceny against a merchant under any of the following circumstances:

(1) ~~If the property taken~~ By taking property that has a value of more than two hundred dollars ($200.00), ~~by~~ using an exit door erected and maintained to comply with the requirements of 29 C.F.R. § 1910.36 and ~~29 C.F.R. § 1910.37 upon which door has been placed a notice, sign, or poster providing information about the felony offense and punishment provided under this subsection,~~ 29 C.F.R. § 1910.37, to exit the premises of a store.

(2) By removing, destroying, or deactivating a component of an antishoplifting or inventory control device to prevent the activation of any antishoplifting or inventory control device.

(3) By affixing a product code created for the purpose of fraudulently obtaining goods or merchandise from a merchant at less than its actual sale price.

(4) When the property is infant formula valued in excess of one hundred dollars ($100.00). As used in this subsection, the term "infant formula," has the same meaning as found in 21 U.S.C. § 321(z).

(5) By exchanging property for cash, a gift card, a merchandise card, or some other item of value, knowing or having reasonable grounds to believe the property is stolen."

SECTION 2. G.S. 14-86.6 reads as rewritten:

"**§ 14-86.6. Organized retail theft.**

(a) A person is guilty of a Class H felony if the ~~person:~~person does either of the following:

(1) Conspires with another person to commit theft of retail property from retail establishments, with a value exceeding one thousand five hundred dollars ($1,500) aggregated over a 90-day period, with the intent to sell that retail property for monetary or other gain, and who takes or causes that retail property to be placed in the control of a retail property fence or other person in exchange for consideration.

(2) Receives or possesses any retail property that has been taken or stolen in violation of subdivision (1) of this subsection while knowing or having reasonable grounds to believe the property is stolen.

(a1) A person is guilty of a Class G felony if the person does either of the following:

(1) Conspires with another person to commit theft of retail property from one or more retail establishments, with a value exceeding twenty thousand dollars ($20,000) aggregated over a 90-day period, with the intent to sell that retail property for monetary or other gain, and who takes or causes that retail property to be placed in the control of a retail property fence or other person in exchange for consideration.

(2) Conspires with two or more other persons as an organizer, supervisor, financier, leader, or manager to engage for profit in a scheme or course of conduct to effectuate the transfer or sale of property stolen from a merchant in violation of this section.

(b) Any interest a person has acquired or maintained in violation of this section shall be subject to forfeiture pursuant to the procedures for forfeiture set out in G.S. 18B-504.

(c) Thefts of retail property occurring in more than one county may be aggregated into an alleged violation of this section. Each county where a part of the charged offense occurs has concurrent venue as described in G.S. 15A-132."

SECTION 3. G.S. 66-387 reads as rewritten:

"**§ 66-387. Definitions.**

The following definitions apply in this Part:

(1) Cash. – Lawful currency of the United States.

(2) Currency converter. – ~~A person~~Either (i) a person engaged in the business of purchasing goods from the public for cash at a permanently located retail store or (ii) an itinerant merchant as defined in G.S. 66-250(1) who holds himself or herself out to the public by signs, advertising, or other methods as engaging in that business. The term does not include any of the following:

a. ~~Pawnbrokers.~~Pawnbrokers, except with regard to the purchase of a gift card or merchandise card.

b. Persons whose goods purchases are made directly from manufacturers or wholesalers for their inventories.

c. Precious metals dealers, to the extent that their transactions are regulated under Part 2 of this Article.

d. Purchases by persons primarily in the business of obtaining from the public, either by purchase or exchange, used clothing, children's furniture, and children's products, ~~provided~~ provided (i) the amount paid for the individual item purchased is less than fifty dollars ~~($50.00).~~($50.00) and (ii) the individual item purchased is not a gift card or merchandise card of any value.

e. Purchases by persons primarily in the business of obtaining from the public, either by purchase or exchange, sporting goods and sporting equipment, ~~provided~~ provided (i) the amount paid for the individual item purchased is less than fifty dollars ~~($50.00).~~($50.00) and (ii) the individual item purchased is not a gift card or merchandise card of any value.

(2a) E-buyer. – A currency converter engaged in the business of purchasing gift cards or merchandise cards online.

(3) Pawn or pawn transaction. – A written bailment of personal property as security for a debt, redeemable on certain terms within 180 days, unless renewed, and with an implied power of sale on default.

(4) Pawnbroker. – A person engaged in the business of lending money on the security of pledged goods and who may also purchase merchandise for resale from dealers and traders.

(5) Pawnshop. – The location at which, or premises in which, a pawnbroker regularly conducts business.

(6) Person. – Any individual, corporation, joint venture, association, or any other legal entity, however organized.

(7) Pledged goods. – Tangible personal property which is deposited with, or otherwise actually delivered into, the possession of a pawnbroker in the course of his business in connection with a pawn transaction.

(8) Purchase. – An item purchased from an individual for the purpose of resale whereby the seller no longer has a vested interest in the item."

SECTION 4. G.S. 66-392 reads as rewritten:

"**§ 66-392. Record-keeping requirements for currency ~~converters.~~converters and e-buyers.**

…

(d) Notwithstanding subsection (a) of this section, an e-buyer shall record all of the following information, which shall be typed or written in ink and in the English language:

(1) A clear and accurate description of the goods purchased by the currency converter from the seller, including the brand of the gift card or merchandise card and the last four digits of the card number.

(2) The name, address, and phone number or e-mail address of the seller.

(3) The date of the purchase.

(4) If identification is captured by the e-buyer, the type of identification and the identification number provided to the e-buyer, including any photograph of the seller, if obtained.

(5) The IP address utilized by the seller if captured by the e-buyer.

(6) The purchase price and value of the gift card or merchandise card.

(7) A statement to the effect that "THE SELLER OF THIS ITEM ATTESTS THAT IT IS NOT STOLEN, HAS NO LIENS OR ENCUMBRANCES, AND IS THE SELLER'S TO SELL."

Unless subject to an active investigation by law enforcement, an e-buyer shall make the records described in this subsection available electronically via a secure connection upon a reasonable request to the law enforcement officials described in subsection (b) of this section, but no more frequently than on a monthly basis. If the request for information is related to an active investigation, an e-buyer shall make the record available to the investigating law enforcement agency electronically via a secure connection within one business day of the request."

SECTION 5. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date."

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-163 **H.B. 402**

AN ACT TO GENERALLY EXEMPT PERSONS WHO ARRANGE FOR RECYCLING OF RECYCLABLE MATERIALS FROM LIABILITY FOR HAZARDOUS SUBSTANCES RELEASED OR THREATENED TO BE RELEASED AT A FACILITY OWNED OR OPERATED BY ANOTHER PERSON.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-310.7 reads as rewritten:

"**§ 130A-310.7. Action for reimbursement; liability of responsible parties; notification of completed remedial action.**

(a) Notwithstanding any other provision or rule of law, and subject only to the defenses set forth in this subsection, any person who:

(1) Discharges or deposits; or

(2) Contracts or arranges for any discharge or deposit; or

(3) Accepts for discharge or deposit; or

(4) Transports or arranges for transport for the purpose of discharge or deposit any hazardous substance, the result of which discharge or deposit is the existence of an inactive hazardous substance or waste disposal site, shall be considered a responsible party. Neither an innocent landowner who is a bona fide purchaser of the inactive hazardous substance or waste disposal site without knowledge or without a reasonable basis for knowing that hazardous substance or waste disposal had occurred nor a person whose interest or ownership in the inactive hazardous substance or waste disposal site is based on or derived from a security interest in the property shall be considered a responsible party. A responsible party shall be directly liable to the State for any or all of the reasonably necessary expenses of developing and implementing a remedial action program for such site. The Secretary shall bring an action for reimbursement of the Inactive Hazardous Sites Cleanup Fund in the name of the State in the superior court of the county in which the site is located to recover such sum and the cost of bringing the action. The State must show that a danger to the public health or the environment existed and that the State complied with the provisions of this Part.

(b) There shall be no liability under this section for a person who can establish by a preponderance of the evidence that the danger to the public health or the environment caused by the site was caused solely by:

(1) An act of God; or

(2) An act of war; or

(3) An intentional act or omission of a third party (but this defense shall not be available if the act or omission is that of an employee or agent of the defendant, or if the act or omission occurs in connection with a contractual relationship with the defendant); or

(4) Any combination of the above causes.

(b1) Notwithstanding subsection (a) of this section, there shall be no liability under this section for a person who arranges for recycling of recyclable materials with respect to such materials if that person has complied with all standards, requirements, and criteria set forth in the Superfund Recycling Equity Act of 1999, 42 U.S.C. § 9627, as amended.

(c) The definitions set out in G.S. 130A-310.31(b) apply to this subsection. Any person may submit a written request to the Department for a determination that a site that is subject to this Part has been remediated to unrestricted use standards as provided in Part 5 of Article 9 of Chapter 130A of the General Statutes. A request for a determination that a site has been remediated to unrestricted use standards shall be accompanied by the fee required by G.S. 130A-310.39(a)(2). If the Department determines that the site has been remediated to unrestricted use standards, the Department shall issue a written notification that no further remediation will be required at the site. The notification shall state that no further remediation will be required at the site unless the Department later determines, based on new information or information not previously provided to the Department, that the site has not been remediated to unrestricted use standards or that the Department was provided with false or incomplete information. Under any of those circumstances, the Department may withdraw the notification and require responsible parties to remediate the site to unrestricted use standards."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-164 **H.B. 440**

AN ACT TO CLARIFY OBLIGATIONS AND THE RELATIONSHIP BETWEEN A FEDERAL HOME LOAN BANK AND A NORTH CAROLINA INSURANCE COMPANY DURING THE CONSERVATORSHIP AND REHABILITATION PROCESS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 58-30-10 reads as rewritten:

"**§ 58-30-10. Definitions.**

For the purposes of this Article only:

(1) ~~"Alien country" means any~~ Alien country. – Any other jurisdiction not in any state.

(2) ~~"Ancillary state" means any~~ Ancillary state. – Any state other than a domiciliary state.

(3) ~~"Court" means the~~ Court. – The Superior Court of Wake County.

(4) ~~"Creditor" means a~~ Creditor. – A person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed, or contingent.

(5) ~~"Delinquency proceeding" means any~~ Delinquency proceeding. – Any proceeding instituted against an insurer for the purpose of supervising, rehabilitating, conserving, or liquidating such insurer.

(6) ~~"Doing business" includes any~~ Doing business. – Includes any of the following acts by insurers, whether effected by mail or otherwise:

a. The issuance or delivery of contracts of insurance to persons resident in this State;

b. The solicitation of applications for such contracts, or other negotiations preliminary to the execution of such contracts;

c. The collection of premiums, membership fees, assessments, or other consideration for such contracts;

d. The transaction of matters subsequent to execution of such contracts and arising out of them;

e. Operating as an insurer under a license issued by the Department; or

f. The purchase of contracts of insurance issued to persons in this State by an assumption agreement.

(7) ~~"Domestic guaranty association" means the~~ Domestic guaranty association. – The Postassessment Insurance Guaranty Association in Article 48 of this Chapter, as amended; the North Carolina Self-Insurance Security Association in Article 4 of Chapter 97 of the General Statutes; the Life and Accident and Health Insurance Guaranty Association in Article 62 of this Chapter, as amended; or any other similar entity hereafter created by the General Assembly for the payment of claims of insolvent insurers.

(8) "~~Domiciliary state" means the~~ Domiciliary state. – The state in which an insurer is incorporated or organized; or, in the case of an alien insurer, its state of entry.

(9) ~~"Fair consideration" is~~ Fair consideration. – When given for property or obligation ~~when:~~means either of the following:

a. In exchange for such property or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or services are rendered or an obligation is incurred or an antecedent debt is ~~satisfied; or~~satisfied.

b. Such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

(9a) Federal home loan bank. – A federal home loan bank as defined and established under the federal Home Loan Bank Act, 12 U.S.C. § 1421, et seq.

(10) ~~"Foreign guaranty association" means a~~ Foreign guaranty association. – A guaranty association now in existence in or hereafter created by the legislature of any other state.

(11) ~~"Formal delinquency proceeding" means any~~ Formal delinquency proceeding. – Any liquidation or rehabilitation proceeding.

(12) ~~"General assets" means all~~ General assets. – All real, personal, or other property that is not specifically mortgaged, pledged, hypothecated, deposited, or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, "general assets" includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets that are held in trust and on deposit for the security or benefit of all policyholders in more than one state or all policyholders and creditors in more than one state shall be treated as "general assets". No person shall have a claim against general assets unless that claim is in an amount in excess of fifty dollars ($50.00).

(13) ~~"Insolvency" or "insolvent" means that an~~ Insolvency or insolvent. – An insurer is unable to pay its obligations when they are due, or that its admitted assets do not exceed its liabilities plus the greater of (i) any capital and surplus required by law for its organization; or (ii) the total par or stated value of its authorized and issued capital stock. For the purposes of this subdivision, "liabilities" includes reserves required by statute, by Department rules, or by specific requirements imposed by the Commissioner upon a subject company at the time of admission or subsequent thereto, except those reserves that are an allocation of surplus as specified in G.S. 58-65-95.

(14) ~~"Insurer" means any~~ Insurer. – An entity that is or should be licensed under Articles 7, 16, 26, 47, 49, 64, 65, or 67 of this Chapter.

(14a) Insurer-member. – An insurer that is a member of a federal home loan bank.

(15) ~~"Preferred claim" means any~~ Preferred claim. – Any claim with respect to which the provisions of this Article accord priority of payment from the general assets of the insurer.

(16) ~~"Receiver" includes~~ Receiver. – Includes a liquidator, rehabilitator, or conservator, as the context requires.

(17) ~~"Reciprocal state" means any~~ Reciprocal state. – Any state other than this State in which in substance and effect the provisions of G.S. 58-30-105(a), 58-30-270, 58-30-275, and 58-30-285 through 58-30-295 are in force, and in which provisions are in force requiring that the insurance regulator of that state be the receiver of a delinquent insurer; and in which provisions exist for the avoidance of fraudulent conveyances and preferential transfers.

(18) ~~"Secured claim" means any~~ Secured claim. – Any claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise; and includes any claim that has become a lien upon specific assets by reason of judicial process. "Secured claim" does not include a special deposit claim or a claim against general assets.

(19) ~~"Special deposit claim" means any~~ Special deposit claim. – Any claim in excess of fifty dollars ($50.00) secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but does not include any claim secured by general assets.

(20) ~~"Transfer" includes~~ Transfer. – Includes the sale and every other and different mode, whether direct or indirect, of disposing of or of parting with property, an interest therein, or the possession thereof; or of voluntarily fixing a lien upon property or an interest therein, whether absolutely or conditionally, by or without judicial proceedings. The retention of a security title to property delivered to a debtor is a transfer suffered by the debtor."

SECTION 1.(b) G.S. 58-30-20 reads as rewritten:

"**§ 58-30-20. Injunctions and orders.**

…

(c) Notwithstanding any provision in subsections (a) and (b) of this section to the contrary, after the seventh day following the filing of a delinquency proceeding, a federal home loan bank shall not be stayed or prohibited from exercising its rights regarding collateral pledged by an insurer-member. The federal home loan bank exercising its rights regarding collateral pledged by an insurer-member shall repurchase any outstanding capital stock in excess of the amount of its stock that the insurer-member is required to hold as a minimum investment to the extent the federal home loan bank determines in good faith the repurchase is (i) permissible under applicable law, regulations, obligations arising under regulations, and the federal home loan bank's capital plan and (ii) consistent with the capital stock practices currently applicable to the federal home loan bank's entire membership.

(d) Within 10 days of the appointment of a receiver for an insurer-member in a proceeding under this Article, the federal home loan bank shall provide the receiver with a process and time line for all of the following:

(1) The release of collateral that exceeds the amount required to support secured obligations remaining after any repayment of loans as determined under applicable agreements between the federal home loan bank and the insurer-member.

(2) The release of any collateral of the insurer-member remaining in the federal home loan bank's possession following repayment in full of all outstanding secured obligations of the insurer-member.

(3) The payment of fees owed by the insurer-member and the operation, maintenance, closure, or disposition of deposits and other accounts of the insurer-member as mutually agreed upon by the receiver and federal home loan bank.

(4) Any redemption or repurchase of federal home loan bank stock or excess stock of any class that the insurer-member is required to own.

(e) Upon request of a receiver appointed under this Article, the federal home loan bank shall provide any available options for an insurer-member subject to a delinquency proceeding to renew or restructure a loan. In determining which options to renew or restructure a loan are available, the federal home loan bank may consider market conditions, the terms of any loans outstanding to the insurer-member, the applicable policies of the federal home loan bank, and the federal laws and regulations applicable to the federal home loan bank."

SECTION 1.(c) Article 30 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-30-147. Voidable transfers for federal home loan banks.**

(a) The receiver for an insurer-member of a federal home loan bank shall not void any obligation to transfer or transfer of money or other property arising under a federal home loan bank security, pledge, collateral, or guarantee agreement or any other similar arrangement or credit enhancement related to a federal home loan bank security agreement when the agreement or arrangement is made (i) in the ordinary course of business and (ii) in compliance with the applicable federal home loan bank agreement.

(b) Notwithstanding subsection (a) of this section, a transfer may be avoided if the transfer is made with intent to hinder, delay, or defraud the insurer-member, the receiver for the insurer-member, existing creditors, or future creditors.

(c) Nothing in this section is intended to affect a receiver's rights regarding advances to an insurer-member in delinquency proceedings under 12 C.F.R. § 1266.4."

SECTION 2. G.S. 58-7-163 reads as rewritten:

"**§ 58-7-163. Assets not allowed.**

In addition to assets impliedly excluded by the provisions of G.S. 58-7-162, the following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

(1) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.

(2) Advances (other than policy loans) to officers, directors, and controlling stockholders, whether secured or not, and advances to employees, agents, and other persons on personal security only.

(3) Stock of the insurer or any material equity therein or loans secured thereby, or any material proportionate interest in the stock acquired or held through the ownership by the insurer of an interest in another firm, corporation, or business unit.

(4) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.

(5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value of the investments as determined under this Chapter.

(6) Bonds, notes, or other evidences of indebtedness that are secured by mortgages or deeds of trust that are in default, to the extent of the cost or carrying value that is in excess of the value as determined pursuant to other provisions of this Chapter.

(7) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.

(8) Certificates of contribution, surplus notes, or other similar evidences of indebtedness, to the extent that admission of these investments results in the double counting of these investments in the reporting entity's balance sheet.

(9) Any asset that is encumbered in any manner unless the asset is authorized under G.S. 58-7-187 or G.S. 58-7-162(13). For an asset that is used as collateral to secure access to advances from a federal home loan bank, as defined by G.S. 58-30-10(9a), the amount of the asset's par value that exceeds the par amount of any outstanding obligations to the federal home loan bank shall be considered an unencumbered admitted asset."

SECTION 3. This act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-165 **H.B. 462**

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER AMENDMENTS TO PROVISIONS APPLICABLE TO COMMERCIAL BANKS, PROVISIONS APPLICABLE TO BANK HOLDING COMPANIES, AND PROVISIONS APPLICABLE TO CREDIT UNIONS.

The General Assembly of North Carolina enacts:

PART I. COMMERCIAL BANKS

SECTION 1. G.S. 53C-1-4(25) reads as rewritten:

"(25) Deposit. – A "deposit" as defined in ~~Section 3(1)~~ Section 3(*l*) of the Federal Deposit Insurance Act, ~~12 U.S.C. § 1813(1).~~12 U.S.C. § 1813(*l*)."

SECTION 2. G.S. 53C-1-4(46) reads as rewritten:

"(46) Non-branch bank business office. – Any staffed physical location open to the ~~public in this State in which an office of a bank, out-of-state bank, depository institution established under the laws of another state, or federally chartered institution that is not a branch, an office of a separately organized subsidiary of such depository institution, or an office of the holding company of such depository institution,~~ public, at which any of the following institutions offers one or more banking or banking-related products or ~~services are offered, other than the taking of deposits.~~ services, but does not take deposits:

a. Bank.

b. Out-of-state bank.

c. Depository institution established under the laws of another state.

d. Federally chartered institution.

e. Separately organized subsidiary of a bank, out-of-state bank, depository institution established under the laws of another state, or federally chartered institution.

f. Holding company of a bank, out-of-state bank, depository institution established under the laws of another state, or federally chartered institution.

The provision of remote deposit capture facilities or services by a non-branch bank business office ~~shall not be deemed to be~~ does not constitute a taking of deposits. Non-branch bank business offices include loan production offices, mortgage loan offices, and insurance agency offices, or a combination thereof."

SECTION 3. G.S. 53C-2-7(b) reads as rewritten:

"(b) Notwithstanding any laws to the contrary, the following records ~~of the Commissioner shall be~~ in the custody of the OCOB are confidential and shall not be disclosed or be subject to discovery or public inspection:

(1) Records compiled during or in connection with an examination, audit, or investigation of any person, including records relating to any application for licensure or otherwise to the conduct of business. The OCOB may treat as confidential any response to an application.

(2) Records containing information compiled in preparation for or anticipation of or in the course of litigation, examination, audit, or ~~investigation.~~investigation or containing information that was privileged prior to being obtained by the Commissioner.

(3) Records containing ~~nonpublic~~ personal information about a ~~customer,~~ person, whether in paper, electronic, or other form, that is maintained by or on behalf of the financial institution; provided, however, that every report made by a North Carolina financial institution, with respect to a transaction between it and an officer, director, or affiliate thereof, which report is required to be filed with the Commissioner pursuant to this Chapter, shall be filed with the Commissioner in a form prescribed by the Commissioner and shall be open to inspection and copying by any person.

(4) Records containing information furnished in connection with an application bearing on the character, competency, or experience, or information about the personal finances of an existing or proposed organizer, officer, ~~or director~~ director, or employee of a depository institution, federally chartered institution, trust institution, holding company, or any other person subject to the Commissioner's jurisdiction.

…

(7) Records of North Carolina financial institutions in dissolution that have liquidated, that are under the Commissioner's supervisory control, or that are in receivership and that contain the names or other personal information of any ~~customers of the institutions.~~person.

(8) ~~Records~~ Minutes or other records that have been obtained by the Commissioner and that are related to meetings of, or have been prepared ~~by a compliance review committee or other committee of the board of directors of a North Carolina financial institution or established at the direction of such a board of directors that have been obtained by the Commissioner.~~by, any of the following bodies of a North Carolina financial institution:

a. The board of directors.

b. A compliance review committee of the board of directors.

c. Any other committee of the board of directors.

d. A committee established at the direction of the board of directors.

e. A committee established at the direction of a committee of the board of directors.

…

(12a) Records that are confidential under Chapter 132 of the General Statutes or protected from disclosure under other applicable law.

(13) Any record that would disclose any information set forth in any of the confidential records referred to in this subsection."

SECTION 4. G.S. 53C-4-12 reads as rewritten:

"**§ 53C-4-12. Compliance review committee.**

(a) For purposes of this section, the following definitions apply:

(1) "Compliance review committee" means ~~an audit, loan review, or compliance committee appointed by the board of directors of a bank, or~~ (i) a bank's board of directors, (ii) a committee authorized by the bank's board of directors, or (iii) any other committee or person to the extent the committee or person acts at the direction of or reports to ~~such a committee, whose~~ the bank's board of directors or a committee authorized by the bank's board of directors when any part of the functions ~~are~~ of the board, committee, or person is to audit, evaluate, report, or determine compliance with any of the ~~following:~~following standards or requirements:

…

e. Compliance with federal or State statutory or regulatory requirements.

f. Cybersecurity requirements.

…

(b) Banks shall maintain complete records of compliance review documents, and the documents shall be available for examination by the Commissioner or any bank supervisory agency or government agency having jurisdiction. Notwithstanding Chapter 132 of the General ~~Statutes,~~ Statutes or any other provision of the General Statutes, compliance review documents in the custody of a bank, the Commissioner, a government agency, or a bank supervisory agency are confidential, are not open for public inspection, and are not discoverable or admissible in evidence in a civil action against a bank, its directors, officers, or employees, unless the court finds that the interests of justice require that the documents be discoverable or admissible in evidence."

SECTION 5. G.S. 53C-5-1(b) reads as rewritten:

"(b) A bank shall also have the power to ~~engage:~~engage in any of the following activities:

…

(4) In any activity other than as ~~principal permitted under the Federal Deposit Insurance Act, 12 U.S.C. § 1831a.~~principal."

SECTION 6. G.S. 53C-6-7 reads as rewritten:

"**§ 53C-6-7. Payable on Death accounts.**

(a) If any ~~natural person~~ individual establishing a deposit account ~~shall execute~~ executes a written agreement with the bank containing a statement that it is executed pursuant to the provisions of this section and providing for the account to be held in the name of the ~~natural person~~ individual as owner for one or more beneficiaries, the account and any balance thereof shall be held as a Payable on Death account. The account shall have the following incidents:

…

(3) ~~Any owner may withdraw funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the owner's personal order.~~Unless the individual establishing the Payable on Death account has agreed with the bank that a withdrawal requires more than

one signature, payment by the bank to, on the order of, or at the direction of any owner is a total discharge of the bank's obligation as to the paid amount.

(4) If ~~the~~ any beneficiary is ~~a natural person,~~ an individual, there may be one or more beneficiaries, each of whom shall be an individual, and the following requirements shall apply:

…

(5) If ~~the~~ any beneficiary is ~~an entity other than a natural person,~~ not an individual, there shall be only one beneficiary.

…

(8) A pledge of a Payable on Death account by any owner, unless otherwise specifically agreed between the bank and all owners in writing, is a valid pledge and transfer of the account or of the pledged amount, is binding upon all owners and beneficiaries, does not operate to sever or terminate the joint ownership of all or any part of the account, and survives the death of any owner or any beneficiary.

The ~~natural person~~ individual establishing an account under this subsection shall sign a statement containing language set forth in a conspicuous manner and substantially similar to the ~~language set out below.~~following language. The following language may be on a signature card or in an explanation of the account that is set out in a separate document whose receipt is acknowledged by the ~~person~~ individual establishing the account:

"BANK (or name of institution)
PAYABLE ON DEATH ACCOUNT
G.S. 53C-6-7

I (or we) understand that by establishing a Payable on Death account under the provisions of North Carolina General Statute 53C-6-7 that:

1. During my (or our) lifetime I (or we), individually or jointly, may withdraw the money in the account.
2. By written direction to the bank (or name of institution) I (or we), individually or jointly, may change the beneficiary or beneficiaries.
3. Upon my (or our) death, the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by my (or our) heirs or be controlled by will.

_____"

…."

SECTION 7. G.S. 53C-6-8(d) reads as rewritten:

"(d) The written contract referred to in subsection (a) of this section shall provide that the principal may elect to extend the authority of the agent set out in subsection (a) of this section to act on behalf of the principal in regard to the account, notwithstanding the subsequent incapacity or mental incompetence of the principal. If the principal is ~~a natural person~~ an individual and elects to extend the authority of the agent, then upon the subsequent incapacity or mental incompetence of the principal, the agent may continue to exercise the authority, without the requirement of bond or of accounting to any court, until ~~such time as~~ the agent ~~shall receive~~ receives actual knowledge that the authority has been terminated. The duly qualified guardian of the estate of the incapacitated or incompetent principal, or the duly appointed attorney-in-fact for the incapacitated or incompetent principal acting pursuant to a durable power of attorney, as defined in G.S. 32A-8, which grants to the attorney-in-fact the authority in regard to the account that is granted to the agent by the written contract executed pursuant to the provisions of this section, shall have the power, upon notifying the agent and providing written notice to the bank where the personal agency account is established, to terminate the agent's authority to act on behalf of the principal with respect to the account. Upon termination of the agent's authority, the agent shall account to the guardian or attorney-in-fact for all actions of the agent in regard to the account during the incapacity or incompetence of the principal. If the principal is ~~a natural person~~ an individual and does not

elect to extend the authority of the agent, then upon the subsequent incapacity or mental incompetence of the principal, the authority of the agent set out in subsection (a) of this section terminates."

SECTION 8. G.S. 53C-6-18(a) reads as rewritten:

"(a) A bank may establish in this State or another state one or more non-branch bank business offices as defined by ~~G.S. 53C-1-4(46).~~G.S. 53C-1-4(46), subject to the following requirements:

(1) If a proposed non-branch bank business office will ~~offer a product, service, or other type of business not previously engaged in by the bank, the bank shall provide the Commissioner with~~ be used in connection with a new activity for which an application is required under G.S. 53C-5-1(d) or an investment for which a notice is required under G.S. 53C-5-2(e), that application or notice shall include written notification of the intent to open the office. The notification shall include the proposed location of the office and a description of the business to be conducted at the office. If the Commissioner does not request additional information or object to its establishment within 10 days of the date of receipt of the notification, the non-branch bank business office shall be deemed approved. In deciding whether to object to the establishment of a non-branch bank business office, the Commissioner shall consider, without limitation, whether the business proposed to be conducted at the non-branch bank business office is permissible for a bank, the costs of its establishment and ongoing operation and the impact of the costs on the bank's capital and profitability, and the ability of the bank's management to conduct the proposed business.

(2) If ~~a proposed non-branch bank business office will offer only products, services, or other types of business already engaged in by the bank,~~ written notification is not required under subdivision (a)(1) of this section, the bank shall provide the Commissioner with written notification of the ~~intent to open the office.~~location of the office and a description of the business to be conducted at the office."

SECTION 9. G.S. 53C-7-207 reads as rewritten:

"**§ 53C-7-207. Combination with a nonbank subsidiary.**

(a) Except as provided in subsection (c) of this section, a bank proposing to do any of the following combinations shall give prior written notice to the Commissioner that provides ~~such detail~~ the details of the proposed combination that ~~the Commissioner may require:~~are required by the Commissioner:

(1) Combine with a nonbank subsidiary, if the bank is the resulting entity of the combination.

(2) Combine a nonbank subsidiary with another ~~company,~~ company that is not a depository institution, if ~~a~~ the nonbank subsidiary is the resulting entity.

(3) Combine two or more nonbank subsidiaries of two or more banks under common control of the same holding company.

Unless the Commissioner, within 30 days of receiving the notice, notifies the bank or subsidiary that the Commissioner objects to the proposed combination, the bank or subsidiary may complete the combination. However, the Commissioner may extend the period to object to the proposed combination if the Commissioner determines that it raises issues that require additional information or additional time for analysis. While the objection period is so extended, the bank or subsidiary may not proceed with respect to the proposed combination.

(b) A bank may, pursuant to G.S. 53C-2-6, appeal an objection by the Commissioner.

(c) The prior written notice requirement of subsection (a) of this section is not required ~~for~~ (i) for a combination of a nonbank subsidiary and another company ~~when~~ that is not a depository institution, provided the nonbank subsidiary is not the resulting entity, (ii) for a

combination of two or more nonbank subsidiaries of the same bank, each of which shall be effected in accordance with applicable organizational law, or (iii) if all of the following apply:

(1) The bank is well-capitalized and well-managed as demonstrated by the supervisory rating it received during its most recent examination.

(2) The nonbank subsidiary with which the combination is to be made engages in either of the following activities:

…."

PART II. BANK HOLDING COMPANIES

SECTION 10. G.S. 53C-10-101 reads as rewritten:

"**§ 53C-10-101. ~~Holdings~~ Holding companies.**

Every holding company, as defined in G.S. 53C-1-4(39), ~~of a bank~~that directly or indirectly controls a depository institution or nonbank subsidiary that has an office located in this State shall register with the Commissioner and maintain that registration on an annual basis in the form prescribed by the Commissioner."

SECTION 11. G.S. 53-232 is recodified as G.S. 53C-10-303 and reads as rewritten:

"**§ 53C-10-303. Fees.**

~~Each bank~~ A holding company subject to this ~~act~~ Article shall pay the following fees:

(1) An initial registration fee of ~~$1,000.~~one thousand dollars ($1,000).

(2) An annual registration fee of ~~$750.00.~~seven hundred fifty dollars ($750.00).

(3) A fee of ~~$50.00~~ fifty dollars ($50.00) for the issuance of any certified copies of documents plus ~~$1.00~~ one dollar ($1.00) per page over a number of pages specified by the Commissioner."

SECTION 12. Article 18 of Chapter 53 of the General Statutes is repealed.

PART III. CREDIT UNIONS

SECTION 14. G.S. 54-109.57A(a) reads as rewritten:

"**§ 54-109.57A. Payable on Death (POD) accounts.**

(a) Shares may be issued to and deposits received from any natural person or natural persons establishing an account who shall execute a written agreement with the credit union containing a statement that it is executed pursuant to the provisions of this section and providing for the account to be held in the name of the natural person or natural persons as owner or owners for one or more beneficiaries. Such account and any balance thereof shall be held as a Payable on Death account. The account shall have the following incidents:

…

(8) A pledge of a Payable on Death account by any owner, unless otherwise specifically agreed between the credit union and all owners in writing, is a valid pledge and transfer of the account or of the pledged amount, is binding upon all owners and beneficiaries, does not operate to sever or terminate the joint ownership of all or any part of the account, and survives the death of any owner or any beneficiary.

The natural person or natural persons establishing an account under this subsection shall sign a statement containing language set forth in a conspicuous manner and substantially similar to the language set out below; the language may be on a signature card or in an explanation of the account that is set out in a separate document whose receipt is acknowledged by the person or persons establishing the account:

"CREDIT UNION (or name of institution)
PAYABLE ON DEATH ACCOUNT
G.S. 54-109.57A

I (or we) understand that by establishing a Payable on Death account under the provisions of North Carolina General Statute 54-109.57A that:

1. During my (or our) lifetime I (or we), individually or jointly, may withdraw the money in the account.

2. By written direction to the credit union (or name of institution) I (or we), individually or jointly, may change the beneficiary or beneficiaries.
3. Upon my (or our) death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by my (or our) heirs or be controlled by will.

_____

_____""

PART IV. EFFECTIVE DATE

SECTION 15. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-166 **H.B. 469**

AN ACT TO REGULATE THE OPERATION OF FULLY AUTONOMOUS MOTOR VEHICLES ON THE PUBLIC HIGHWAYS OF THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 20 of the General Statutes is amended by adding a new Article to read:

"Article 18.

"Regulation of Fully Autonomous Vehicles.

"**§ 20-400. Definitions.**

The following definitions apply in this Article:

(1) Automated driving system. – The hardware and software that are collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether it is operating within a limited or unlimited operational design domain.

(2) Dynamic driving task. – All of the real-time operational and tactical control functions required to operate a motor vehicle in motion or which has the engine running, such as:

a. Lateral vehicle motion control via steering.
b. Longitudinal motion control via acceleration and deceleration.
c. Monitoring the driving environment via object and event detection, recognition, classification, and response preparation.
d. Object and event response execution.
e. Maneuver planning.
f. Enhancing conspicuity via lighting, signaling, and gesturing.

(3) Fully autonomous vehicle. – A motor vehicle equipped with an automated driving system that will not at any time require an occupant to perform any portion of the dynamic driving task when the automated driving system is engaged. If equipment that allows an occupant to perform any portion of the dynamic driving task is installed, it must be stowed or made unusable in such a manner that an occupant cannot assume control of the vehicle when the automated driving system is engaged.

(4) Minimal risk condition. – An operating mode in which a fully autonomous vehicle with the automated driving system engaged achieves a reasonably safe state, bringing the vehicle to a complete stop, upon experiencing a failure of the automatic driving system that renders the vehicle unable to perform any portion of the dynamic driving task.

(5) Operator. – For the purposes of this Article, is a person as defined in G.S. 20-4.01. An operator does not include an occupant within a fully autonomous vehicle performing solely strategic driving functions.

(6) Operational design domain. – Specific conditions under which an automated driving system is limited to effectively operate, such as geographical limitations, roadway types, speed range, and environmental conditions.

(7) Strategic driving functions. – Control of navigational parameters such as trip scheduling or the selection of destinations and waypoints but does not include any portion of the dynamic driving task.

"**§ 20-401. Regulation of fully autonomous vehicles.**

(a) Driver's License Not Required. – Notwithstanding the provisions of G.S. 20-7 and this Chapter, the operator of a fully autonomous vehicle with the automated driving system engaged is not required to be licensed to operate a motor vehicle.

(b) Vehicle Registration Card in Vehicle. – For a fully autonomous vehicle, the provisions of G.S. 20-49(4) and G.S. 20-57(c) are satisfied if the vehicle registration card is in the vehicle, physically or electronically, and readily available to be inspected by an officer or inspector.

(c) Parent or Legal Guardian Responsible for Certain Violations. – The parent or legal guardian of a minor is responsible for a violation of G.S. 20-135.2B, the prohibition on children in an open bed of a pickup, or G.S. 20-137.1, the child restraint law, if the violation occurs in a fully autonomous vehicle.

(c1) Minimum Age for Unsupervised Minors in Fully Autonomous Vehicles. – It is unlawful for any parent or legal guardian of a person less than 12 years of age to knowingly permit that person to occupy a fully autonomous vehicle in motion or which has the engine running unless the person is under the supervision of a person 18 years of age or older.

(d) Registered Owner Responsible for Moving Violations. – The person in whose name the fully autonomous vehicle is registered is responsible for a violation of this Chapter that is considered a moving violation, if the violation involves a fully autonomous vehicle.

(e) Unattended Vehicle. – A vehicle shall not be considered unattended pursuant to G.S. 20-163 or any other provision of Chapter 20 of the General Statutes merely because it is a fully autonomous vehicle with the automated driving system engaged.

(f) Duty to Stop in the Event of a Crash. – If all of the following conditions are met when a fully autonomous vehicle is involved in a crash, then the provisions of subsections (a) through (c2) and subsection (e) of G.S. 20-166 and subsections (a) and (c) of G.S. 20-166.1 shall be considered satisfied, and no violation of those provisions shall be charged:

(1) The vehicle or the operator of the vehicle promptly contacts the appropriate law enforcement agency to report the crash.

(2) The vehicle or operator of the vehicle promptly calls for medical assistance, if appropriate.

(3) For a reportable crash, the vehicle remains at the scene of the crash until vehicle registration and insurance information is provided to the parties affected by the crash and a law enforcement officer authorizes the vehicle to be removed.

(4) For a nonreportable crash, the vehicle remains at the scene or in the immediate vicinity of the crash until vehicle registration and insurance information is provided to the parties affected by the crash.

(g) Operation. – A person may operate a fully autonomous vehicle if the vehicle meets all of the following requirements:

(1) Unless an exception or exemption has been granted under applicable State or federal law, the vehicle:

a. Is capable of being operated in compliance with Articles 3, 3A, 7, 11, and 13 of this Chapter;

b. Complies with applicable federal law and regulations; and

c. Has been certified in accordance with federal regulations in 49 C.F.R. Part 567 as being in compliance with applicable federal motor

vehicle safety standards and bears the required certification label or labels.

(2) The vehicle has the capability to meet the requirements of subsection (f) of this section.

(3) The vehicle can achieve a minimal risk condition.

(4) The vehicle is covered by a motor vehicle liability policy meeting the applicable requirements of G.S. 20-279.21.

(5) The vehicle is registered in accordance with Part 3 of Article 3 of this Chapter, and, if registered in this State, the vehicle shall be identified on the registration and registration card as a fully autonomous vehicle.

(h) Preemption. – No local government shall enact any local law or ordinance related to the regulation or operation of fully autonomous vehicles or vehicles equipped with an automated driving system, other than regulation specifically authorized in Chapter 153A and Chapter 160A of the General Statutes that is not specifically related to those types of motor vehicles.

"**§ 20-402. Applicability to vehicles other than fully autonomous vehicles.**

(a) Definitions. – As used in this section, a "request to intervene" means notification by a vehicle to the human operator that the operator should promptly begin or resume performance of part or all of the dynamic driving task.

(b) Applicability. – Operation of a motor vehicle equipped with an automated driving system capable of performing the entire dynamic driving task with the expectation that a human operator will respond appropriately to a request to intervene is lawful under this Chapter and subject to the provisions of this Chapter.

"**§ 20-403. Fully Autonomous Vehicle Committee.**

(a) Committee Established. – There is hereby created a Fully Autonomous Vehicle Committee within the Department of Transportation.

(b) Membership. – The following persons shall serve on the Committee:

(1) Secretary of Transportation, or the Secretary's designee.

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

(3) The Commissioner of Insurance, or the Commissioner's designee.

(4) A representative of the Highway Patrol, designated by the Commander.

(5) A representative of the North Carolina Association of Chiefs of Police, designated by its Executive Director.

(6) A representative of the North Carolina Sheriffs' Association, designated by its President.

(7) A representative of the University of North Carolina Highway Safety Research Center, designated by the Director.

(8) At least two representatives from the autonomous vehicle industry, designated by the Secretary of Transportation.

(9) A representative of the Attorney General's Office, designated by the Attorney General, who is familiar with motor vehicle law.

(10) A representative of local law enforcement, designated by the Secretary of Transportation.

(11) A representative of the trucking industry, designated by the North Carolina Trucking Association.

(12) A planner from an urban area, designated by the North Carolina League of Municipalities.

(13) A planner from a rural area, designated by the North Carolina Association of County Commissioners.

(14) Two members of the North Carolina Senate, designated by the President Pro Tempore of the Senate.

(15) Two members of the North Carolina House of Representatives, designated by the Speaker of the House.

(c) Duties. – The Committee shall meet regularly, and at a minimum four times a year, to consider matters relevant to fully autonomous vehicle technology, review State motor vehicle law as they relate to the deployment of fully autonomous vehicles onto the State highway system and municipal streets, make recommendations concerning the testing of fully autonomous vehicles, identify and make recommendations for Department of Transportation traffic rules and ordinances, and make recommendations to the General Assembly on any needed changes to State law.

(d) Staff. – The Department of Transportation shall provide staff and meeting space, from reasonably available resources, to the Committee."

SECTION 2. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-167 **H.B. 666**

AN ACT TO PROVIDE FOR A WAIVER OF MINIMUM PERSONNEL REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Definitions. – "Primary Personnel Rule" means 11 NCAC 05A .0504 (Primary Personnel) for purposes of this act and its implementation.

SECTION 1.(b) Primary Personnel Rule. – Until the effective date of the revised permanent rule that the Department of Insurance is required to adopt pursuant to subsection (d) of this section, the Department shall implement the Primary Personnel Rule, as provided in subsection (c) of this section.

SECTION 1.(c) Implementation. – The Department shall provide that for the purpose of satisfying certification inspection requirements, a fire department may apply to the Department for a waiver from the requirement that the department maintain 20 primary personnel in order to satisfy certification inspection requirements upon a showing satisfactory to the Department's Office of State Fire Marshall that the waiver is justified by the volume of calls received by the fire department and would not cause a significant deterioration in the response capability of the fire department. A waiver granted by the Department under this subsection shall not reduce the primary personnel requirement below 15.

SECTION 1.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Primary Personnel Rule consistent with subsection (c) of this section and may adopt temporary rules. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.

SECTION 1.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-168 **H.B. 707**

AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING LIEN AGENTS FOR THE PURPOSE OF PROVIDING FOR THE CANCELLATION AND RENEWAL OF A NOTICE TO LIEN AGENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 44A-11.1 reads as rewritten:

"**§ 44A-11.1. Lien agent; designation and duties.**

…

(f) Any attorney who, in connection with a transaction involving improved real property subject to this section for which the attorney is serving as the closing attorney, contacts the lien agent in writing and requests copies of the notices to lien agent, renewals of notices to lien agent, and cancellations of notices to lien agent received by the lien agent relating to the real property not more than five business days prior to the date of recordation of a deed or deed of trust on the real property, shall be deemed to have fulfilled the attorney's professional obligation as closing attorney to check such notices to lien ~~agent~~agent, renewals of notices to lien agent, and cancellations of notices to lien agent and shall have no further duty to request that the lien agent provide information pertaining to notices or cancellations received subsequently by the lien agent."

SECTION 2. G.S. 44A-11.2 reads as rewritten:

"**§ 44A-11.2. Identification of lien agent; notice to lien agent; effect of notice.**

…

(q) For any improvement to real property subject to G.S. 44A-11.1, a potential lien claimant may cancel a Notice to Lien Agent by utilizing the Internet Web site approved for such use by the designated lien agent. For any improvement to real property subject to G.S. 44A-11.1 comprising one- or two-family dwellings, a potential lien claimant shall cancel a Notice to Lien Agent by utilizing the Internet Web site approved for such use by the designated lien agent within a reasonable time after the potential lien claimant has confirmed its receipt of final payment for the improvement to which the Notice to Lien Agent relates.

(r) A Notice to Lien Agent not otherwise cancelled or renewed pursuant to this section expires and is discharged five years from its date of delivery to the lien agent.

(s) A Notice to Lien Agent may be renewed prior to its cancellation or automatic expiration for one five-year period by utilizing the Internet Web site approved for such use by the designated lien agent. Such renewal shall extend the date of expiration by five years.

(t) If a Notice to Lien Agent is timely renewed prior to cancellation or expiration pursuant to this section, the renewal shall maintain and relate back to the original delivery date of the Notice to Lien Agent.

(u) Any protections provided to a potential lien claimant under this section as the result of its delivery of a Notice to Lien Agent shall terminate upon the cancellation or automatic expiration of that Notice to Lien Agent pursuant to this section and shall not thereafter be revived or renewed by subsequent delivery of a Notice to Lien Agent by that potential lien claimant.

(v) Cancellation or expiration of a Notice to Lien Agent pursuant to this section has no affect upon the validity of a previously filed claim of lien or upon the priority of lien rights."

SECTION 3. G.S. 58-26-45 reads as rewritten:

"**§ 58-26-45. Registration as a lien agent.**

…

(b) Upon receipt of the notice of designation by the owner pursuant to G.S. 44A-11.1, a lien agent shall have the duty to do all of the following:

…

(9) Receive cancellations of notices to lien agent and renewals of notices to lien agent pursuant to G.S. 44A-11.2.

…

(d) For services rendered pursuant to each designation as a lien agent for improvements to real property comprising one- or two-family dwellings, a lien agent shall collect a fee of ~~twenty-five~~ thirty dollars ~~($25.00)~~ ($30.00) from the owner. For services rendered pursuant to each designation as a lien agent for all other improvements to real property, the lien agent shall collect a fee of ~~fifty~~ fifty-eight dollars ~~($50.00)~~ ($58.00) from the owner.

(e) The Department shall publish on its Web site a current list of lien agents registered pursuant to this section."

SECTION 4. This act becomes effective October 1, 2018.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-169 **H.B. 716**

AN ACT TO PROVIDE THAT THE LAWS REGULATING THE DISTANCE BETWEEN MOTOR VEHICLES TRAVELING ON THE ROAD DO NOT APPLY TO ANY NON-LEADING COMMERCIAL MOTOR VEHICLE TRAVELING WITHIN A PLATOON WHERE AUTHORIZED BY THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-152 reads as rewritten:

"**§ 20-152. Following too closely.**

(a) The driver of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of such vehicles and the traffic upon and the condition of the highway.

(b) The driver of any motor vehicle traveling upon a highway outside of a business or residential district and following another motor vehicle shall, whenever conditions permit, leave sufficient space so that an overtaking vehicle may enter and occupy such space without danger, except that this shall not prevent a motor vehicle from overtaking and passing another motor vehicle. This provision shall not apply to funeral processions.

(c) Subsections (a) and (b) of this section shall not apply to the driver of any non-leading commercial motor vehicle traveling in a platoon on any roadway where the Department of Transportation has by traffic ordinance authorized travel by platoon. For purposes of this subsection, the term "platoon" means a group of individual commercial motor vehicles traveling at close following distances in a unified manner through the use of an electronically interconnected braking system."

SECTION 2. The Department shall submit a report on the implementation of this act to the Joint Legislative Transportation Oversight Committee on or before April 1, 2018.

SECTION 3. This act becomes effective August 1, 2017. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-170 **H.B. 740**

AN ACT TO MODIFY THE NAME OF SEARCH AND RESCUE SERVICES, TO ALLOW THE NORTH CAROLINA GEODETIC SURVEY TO RATIFY RESULTS OF COUNTY BOUNDARY RESURVEYS, AND TO CLARIFY THAT PROTECTIVE RIDGELINE MAPS ARE HOUSED WITH THE NORTH CAROLINA GEODETIC SURVEY RATHER THAN THE DEPARTMENT OF ENVIRONMENTAL QUALITY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 6 of Chapter 166A of the General Statutes reads as rewritten:

"Article 6.

"~~Urban~~ North Carolina Search and Rescue.

"**§ 166A-65. Definitions.**

The following definitions apply in this Article:

(1) Contract response team. – ~~An urban~~ A search and rescue team, specialty rescue team, or incident support team.

(2) Incident support team. – A team of trained emergency response personnel, organized to provide coordination between governmental agencies and

nongovernmental organizations as well as technical and logistical support to ~~urban~~ search and rescue teams and specialty rescue teams.

(2a) Search and rescue team. – A specialized team or group of teams, organized with capabilities equivalent to search and rescue teams established under the Federal Emergency Management Agency in order to assist in the removal of trapped victims during emergencies, including, but not limited to, collapsed structures, trench excavations, elevated locations, and other technical rescue situations.

(3) Secretary. – The Secretary of the Department of Public Safety.

(4) Specialty rescue team. – A specialized response team, organized to provide technical rescue assistance to first responders. The term includes, but is not limited to, a canine search and rescue or disaster response team, a cave search and rescue team, a collapse search and rescue team, a mine and tunnel search and rescue team, and a swift water or flood search and rescue team. A specialty rescue team shall be aligned with one or more of the search and rescue categories within the Federal Emergency Management Agency's national resource typing system.

~~(5) Urban search and rescue team. – A specialized team or group of teams, organized with capabilities equivalent to urban search and rescue teams established under the Federal Emergency Management Agency in order to assist in the removal of trapped victims during emergencies, including, but not limited to, collapsed structures, trench excavations, elevated locations, and in other technical rescue situations.~~

"**§ 166A-66. ~~Urban~~ North Carolina Search and Rescue Program.**

(a) The Secretary shall adopt rules establishing a program for ~~urban~~ search and rescue that relies on ~~contracts~~ contracts, memorandums of understanding, and memorandums of agreement with contract response teams. The program shall be administered by the Division of Emergency Management. To the extent possible, the program shall be coordinated with other emergency planning activities of the State. The program shall include contract response teams located strategically across the State that are available to provide 24-hour dispatch from the Division of Emergency Management Operations Center. The rules for the program shall include:

(1) Standards, including training, equipment, and personnel standards required to operate a contract response team.

(2) Guidelines for the dispatch of a contract response team to ~~an urban~~ a search and rescue team or specialty rescue team mission.

(3) Guidelines for the on-site operations of a contract response team.

(4) Standards for administration of a contract response team, including procedures for reimbursement of response costs.

(5) Refresher and specialist training for members of contract response teams.

(6) Procedures for recovering the costs of ~~an urban~~ a search and rescue team or specialty rescue team mission.

(7) Procedures for bidding and contracting for ~~urban~~ search and rescue team and specialty rescue team missions.

(8) Criteria for evaluating bids for ~~urban~~ search and rescue team and specialty rescue team missions.

(9) Delineation of the roles of the contract response team, local public safety personnel, the Division of Emergency Management's area coordinator, and other State agency personnel participating in ~~an urban~~ a search and rescue team or specialty rescue team mission.

(10) Procedures for the Division of Emergency Management to audit the contract response teams to ensure compliance with State and federal guidelines.

(b) Within available appropriations, the Division of Emergency Management shall spend the necessary funds for training, equipment, and other items necessary to support the operations of contract response teams. The Division of Emergency Management may also administer any grants of other funds made available for contract response teams, in accordance with applicable rules and regulations approved by the Director of the State Budget.

(c) In developing the ~~Urban~~ North Carolina Search and Rescue Program and adopting the rules required by this section, the Secretary shall consult with the ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee established pursuant to G.S. 166A-69.

"**§ 166A-67. Contracts; equipment loans.**

(a) The Secretary may contract with any unit or units of local government for the provision of a contract response team to implement the ~~Urban~~ North Carolina Search and Rescue Program. Contracts are to be let consistent with the bidding and contract standards and procedures adopted pursuant to G.S. 166A-66(a)(7) and G.S. 166A-66(a)(8). In entering into contracts with units of local government, the Secretary may agree to provide any of the following:

(1) A loan of equipment.

(2) Reimbursement of personnel costs, including the cost of callback personnel, when a contract response team is authorized by the Department to respond to ~~urban~~ search and rescue team and specialty rescue team missions.

(3) Reimbursement for use of equipment and vehicles owned by the contract response team.

(4) Replacement of disposable materials and damaged equipment.

(5) Training expenses.

(6) Anything else agreed to by the Secretary and the contract response team.

(b) The Secretary shall not agree to provide reimbursement for standby time.

(c) Any contract entered into between the Secretary and a unit of local government for the provision of a contract response team shall specify that the members of the contract response team, when performing under the contract, shall not be employees of the State and shall not be entitled to benefits under the Teachers' and State Employees' Retirement System or for the payment by the State of federal Social Security, employment insurance, or workers' compensation.

(d) Contract response teams that have the use of a State vehicle may use the vehicle for local purposes. Where a State vehicle is used for purposes other than authorized contract response to ~~an urban~~ a search and rescue team and specialty rescue team mission, the contract response team shall be liable for repairs or replacements directly attributable to that use.

"**§ 166A-68. Immunity of contract response team personnel.**

Members of a contract response team shall be protected from liability under the provisions of G.S. 166A-19.60(a) while on ~~an urban~~ a search and rescue team or specialty rescue team mission pursuant to authorization from the Division of Emergency Management.

"**§ 166A-69. ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee.**

(a) The ~~Urban~~ North Carolina Search and Rescue Team Advisory Committee is created. The Secretary shall appoint the members of the Committee and shall designate the Director or Deputy Director of the North Carolina Division of Emergency Management as the chair. In making appointments, the Secretary shall take into consideration the expertise of the appointees in the management of ~~urban~~ search and rescue or specialty response team missions. The Secretary shall appoint one representative from each of the following:

(1) The Division of North Carolina Emergency Management, who shall be the Director or Deputy Director of the North Carolina Division of Emergency Management and who shall serve as the chair.

(2) Each state ~~USAR~~ regional contract response team's Chief or Deputy Chief.

(3) The North Carolina Office of State Fire Marshal.

(4) The North Carolina Highway Patrol.

(5) The North Carolina National Guard.

(6) The North Carolina Association of Rescue and E.M.S., Inc.
(7) The North Carolina Association of Fire Chiefs.
(8) The North Carolina State Firefighters' Association.
(9) The North Carolina Emergency Management Association.

(b) The Advisory Committee shall meet on the call of the chair, or at the request of the Secretary, provided that the Committee shall meet no less than once every year. The Department of Public Safety shall provide space for the Advisory Committee to meet. The Department shall also provide the Advisory Committee with necessary support staff and supplies to enable the Committee to carry out its duties in an effective manner.

(c) Members of the Advisory Committee shall serve without pay, but shall receive travel allowance, lodging, subsistence, and per diem as provided by G.S. 138-5.

(d) The Contract Response Team Advisory Committee shall advise the Secretary on the establishment of the ~~Urban~~ North Carolina Search and Rescue Program. The Committee shall also evaluate and advise the Secretary of the need for additional contract response teams to serve the State."

SECTION 2. G.S. 153A-18 reads as rewritten:

"**§ 153A-18. Uncertain or disputed boundary.**

(a) If two or more counties are uncertain as to the exact location of the boundary between them, ~~they~~ the North Carolina Geodetic Survey (NCGS), on a cooperative basis, shall assist counties in defining and monumenting the location of the uncertain or disputed boundary as established in accordance with law. Upon receiving written request from all counties adjacent to the uncertain or disputed boundary, the NCGS may cause the boundary to be surveyed, marked, and mapped. The counties may appoint special commissioners to supervise the surveying, marking, and mapping. A commissioner so appointed or a person surveying or marking the boundary may enter upon private property to view and survey the boundary or to erect boundary markers. Upon ratification of the survey by the board of commissioners of each county, a map showing the surveyed boundary shall be recorded in the office of the register of deeds of each county in the manner provided by law for the recordation of maps or plats and in the Secretary of State's office. The map shall contain a reference to the date of each resolution of ratification and to the page in the minutes of each board of commissioners where the resolution may be found. Upon recordation, the map is conclusive as to the location of the boundary. Upon reestablishing all, or some portion, of a county boundary, and if after the NCGS submits the results of the survey to the requesting counties, and the requesting counties have not ratified the reestablished boundary within one year of receiving the (map) survey plat denoting the location of the reestablished boundary, the survey plat will become conclusive as to the location of the boundary and will be recorded in the Register of Deeds in each affected county and in the Secretary of State's office. The Chief of the NCGS (State Surveyor) will notify each affected party in writing of the action taken. As used in this subsection, an "affected party" means both (i) the governing body of a county that the reestablished boundary denotes the extent of its jurisdiction and (ii) a property owner whose real property has been placed in whole or in part in another county due to the reestablished boundary.

…

(c) Two or more counties may establish the boundary between them pursuant to ~~subsection (a), above, by the~~ subsection (a) of this section. Those boundaries are defined by natural monuments such as rivers, streams, and ridgelines. The use of base maps prepared from ~~orthophotography,~~ orthophotography may be used if said natural monuments are visible, which base maps show the monuments of the ~~United States Geological Survey~~ National Geodetic Survey and North Carolina ~~State Plane~~ Coordinate System established pursuant to Chapter 102 of the General Statutes. The orthophotography shall be prepared in compliance with the State's adopted orthophotography standard. Upon ratification of the location of the boundary determined from orthophotography by the board of commissioners of each county, the map showing the boundary and the monuments of the ~~United States Geological Survey~~ National Geodetic Survey and North Carolina ~~State Plane~~ Coordinate System shall be recorded in the

Office of the Register of Deeds of each county and in the Secretary of State's office. The map shall contain a reference to the date of each resolution of ratification and to the page in the minutes of each board of commissioners where the resolution may be found. Upon recordation, the map is conclusive as to the location of the boundary."

SECTION 3. G.S. 113A-212 reads as rewritten:

"**§ 113A-212. Assistance to counties and cities under ridge law.**

…

(b) The Secretary of Environmental Quality shall identify the protected mountain ridge crests in each county by showing them on a map or drawing, describing them in a document, or any combination thereof. Such maps, drawings, or documents shall identify the protected mountain ridges as defined in G.S. 113A-206 and such other mountain ridges as any county may request, and shall specify those protected mountain ridges that serve as all or part of the boundary line between two counties. By November 1, 1983, the map, drawing, or document tentatively identifying the protected mountain ridge crests of each county shall be filed with the board of county commissioners and with the city governing body of each city that requests it. By January 1, 1984, the map, drawing, or document identifying the protected mountain ridge crests shall be permanently filed by the Secretary with the register of deeds in the county where the land lies, and made available for inspection at the ~~Secretary's office~~ office of the North Carolina Geodetic Survey (NC Emergency Management/Risk Management) in Raleigh. Copies of the maps, drawings, or documents certified by the register of deeds, shall be admitted in evidence in all courts and shall have the same force and effect as would the original.

…."

SECTION 4. Section 1 of this act becomes effective July 1, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-171 **H.B. 772**

AN ACT TO AMEND THE NORTH CAROLINA INTERNATIONAL COMMERCIAL ARBITRATION AND CONCILIATION ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Article 45B of Chapter 1 of the General Statutes reads as rewritten:

"Article 45B.

"International Commercial Arbitration and Conciliation.

"Part 1. General Provisions.

…

"**§ 1-567.31. Scope of application.**

(a) This Article applies to international commercial arbitration and conciliation, subject to any applicable international agreement in force between the United States of America and any other nation or nations, ~~or~~ and any federal ~~statute.~~law.

(b) The provisions of this Article, except G.S. 1-567.38, 1-567.39, and 1-567.65, apply only if the place of arbitration is in this State.

(c) An arbitration or conciliation is international ~~if:~~if any of the following are true:

(1) The parties to the arbitration or conciliation agreement have their places of business in different nations when the agreement is ~~concluded; or~~concluded.

(2) One or more of the following places is situated outside the nations in which the parties have their places of business:

a. The place of arbitration or conciliation if determined pursuant to the arbitration ~~agreement;~~agreement.

b. Any place where a substantial part of the obligations of the commercial relationship is to be ~~performed; or~~performed.

c. The place with which the subject matter of the dispute is most closely ~~connected; or~~connected.

(3) The parties have expressly agreed in a record that the subject matter of the arbitration or conciliation agreement relates to more than one nation.

(d) For the purposes of subsection (c) of this section:

(1) If a party has more than one place of business, the place of business is that which has the closest relationship to the arbitration or conciliation ~~agreement;~~agreement.

(2) If a party does not have a place of business, reference is to be made to the party's domicile.

(e) An arbitration or conciliation, respectively, is deemed commercial for the purposes of this Article if it arises out of a relationship of a commercial nature, including, but not limited to any of the following:

(1) A transaction for the exchange of goods ~~and services;~~or services.

(2) A distribution ~~agreement;~~agreement.

(3) A commercial representation or ~~agency;~~agency.

(4) An exploitation agreement or ~~concession;~~concession.

(5) A joint venture or other related form of industrial or business ~~cooperation;~~cooperation.

(6) The carriage of goods or passengers by air, sea, water, land, or ~~road;~~road.

(7) A contract or agreement relating to construction, insurance, licensing, factoring, leasing, consulting, engineering, financing, or ~~banking;~~banking.

(8) The transfer of data or ~~technology;~~technology.

(9) The use or transfer of intellectual or industrial property, including trade secrets, trademarks, trade names, patents, copyrights, plant variety protection, and software ~~programs;~~programs.

(10) A contract for the provision of any type of professional service, whether provided by an employee or an independent contractor.

…

(h) This Article does not govern arbitrations under Article 1H of Chapter 90 of the General Statutes.

"**§ 1-567.32. Definitions and rules of interpretation.**

(a) ~~For the purposes of this Article:~~The following definitions apply in this Article:

(1) ~~"Arbitral award" means any~~ Arbitral award. – Any decision of an arbitral tribunal on the substance of a dispute submitted to it, and includes an ~~interlocutory,~~ interlocutory or partial ~~award;~~award.

(2) ~~"Arbitral tribunal" means a~~ Arbitral tribunal. – A sole arbitrator or a panel of ~~arbitrators;~~arbitrators.

(3) ~~"Arbitration" means any arbitration~~ Arbitration. – Any arbitration, whether or not administered by a permanent arbitral ~~institution;~~institution.

(3a) Court. – A court of competent jurisdiction in this State.

(4) ~~"Party" means a~~ Party. – A party to an arbitration ~~agreement;~~agreement.

~~(5) "Superior court" means the superior court of any county in this State selected pursuant to G.S. 1-567.36.~~

(6) Record. – Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in a perceivable form.

…

(d) Where a provision of this Article, other than in G.S. 1-567.55(1) and G.S. 1-567.62(b)(1), refers to a claim, it also applies to a ~~counterclaim,~~ counterclaim or setoff, and where it refers to a defense, it also applies to a defense to ~~such counterclaim.~~a counterclaim or setoff.

"**§ 1-567.33. Receipt of written communications or submissions.**

(a) Unless otherwise agreed in a record by the parties, any written communication or submission is deemed to have been received if it is delivered to the addressee personally or if it is delivered at the addressee's place of business, ~~domicile~~ domicile, or mailing ~~address and~~ address, and the communication or submission is deemed to have been received on the day it is ~~so~~ delivered. ~~Delivery~~ Unless otherwise agreed in a record by the parties, delivery by facsimile transmission or electronic transmission, if in a record, shall constitute valid receipt if the communication or submission is in fact ~~received.~~received, and the receipt is in a record.

(b) If none of the places referred to in subsection (a) can be found after making reasonable inquiry, a written communication or submission is deemed to have been received if it is sent to the addressee's last known place of business, ~~domicile~~ domicile, or mailing address by registered ~~mail~~ mail, certified mail, or any other means ~~which~~ that provide a record of the attempt to deliver it.

(c) The provisions of this Article do not apply to a written communication or submission relating to a court, ~~administrative~~ administrative, or special proceeding.

…

"Part 2. International Commercial Arbitration.

…

"**§ 1-567.36. Venue and jurisdiction of courts.**

(a) The functions referred to in G.S. 1-567.41(c) and (d), 1-567.43(a), 1-567.44(b), 1-567.46(c), and 1-567.57 shall be performed by the ~~superior~~ court ~~in:~~in the following county:

(1) The county where the arbitration agreement is to be performed or was ~~made;~~made.

(2) If the arbitration agreement does not specify a county where the agreement is to be performed and the agreement was not made in any county in the State of North Carolina, the county where any party to the court proceeding resides or has a place of ~~business;~~business.

(3) In any case not covered by subdivisions (1) or (2) of this subsection, in any county in the State of North Carolina.

(b) All other functions assigned by this Article to the ~~superior~~ court shall be performed by the ~~superior~~ court of the county in which the place of arbitration is located.

…

"**§ 1-567.38. Arbitration agreement and substantive claim before court.**

(a) When a party to an international commercial arbitration agreement ~~as defined in this Article~~ commences judicial proceedings seeking relief with respect to a matter covered by the agreement to arbitrate, any other party to the agreement may apply to the ~~superior~~ court for an order to stay the proceedings and compel arbitration.

(b) Arbitration proceedings may begin or continue, and an award may be made, while an action described in subsection (a) is pending before the court.

"**§ 1-567.39. Interim relief and the enforcement of interim measures.**

(a) In the case of an arbitration where the arbitrator or arbitrators have not been appointed, or where the arbitrator or arbitrators are unavailable, a party may seek interim relief directly from the ~~superior~~ court as provided in subsection (c). Enforcement shall be granted as provided by the law applicable to the type of interim relief sought.

(b) In all other cases, a party shall seek interim ~~measures under G.S. 1-567.47 from the arbitral tribunal and shall have no right to seek interim relief from the superior court, except that a party to an arbitration governed by this Article may request from the superior court enforcement of an order of an arbitral tribunal granting interim measures under G.S. 1-567.47.~~relief under G.S. 1-567.47.

(c) In connection with an agreement to arbitrate or a pending arbitration, the ~~superior~~ court may grant, pursuant to subsection (a) of this ~~section:~~section, any of the following:

(1) An order of attachment or ~~garnishment;~~garnishment.

(2) A temporary restraining order or preliminary ~~injunction;~~injunction.

(3) An order for claim and ~~delivery;~~delivery.
(4) The appointment of a ~~receiver;~~receiver.
(5) Delivery of money or other property into ~~court;~~court.
(6) Any other order that may be necessary to ensure the preservation or availability either of assets or of documents, the destruction or absence of which would be likely to prejudice the conduct or effectiveness of the arbitration.

…

(f) The availability of interim relief under this section may be limited by prior written agreement of the ~~parties.~~parties in a record.

…

"**§ 1-567.41. Appointment of arbitrators.**

…

(c) (1) If an agreement is not made under subsection (b) of this section, in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator; if a party fails to appoint the arbitrator within 30 days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within 30 days of their appointment, the appointment shall be made, upon request of a party, by the ~~superior~~ court.
(2) In an arbitration with a sole arbitrator, if the parties are unable to agree on the arbitrator, a sole arbitrator shall be appointed, upon request of a party, by the ~~superior~~ court.
(3) In an arbitration involving more than two parties, if no agreement is reached under subsection (b) of this section, the ~~superior~~ court, on request of a party, shall appoint one or more arbitrators, as provided in G.S. 1-567.40.

(d) The ~~superior~~ court, on request of any party, may take the necessary measures, unless the agreement on the appointment procedure provides other means for securing the appointment, if, under an appointment procedure agreed upon by the ~~parties:~~parties, any of the following events occur:

(1) A party fails to act as required under ~~such procedure; or~~the procedure.
(2) The parties, or two arbitrators, are unable to reach an agreement expected of them under ~~such procedure; or~~the procedure.
(3) A third party, including an institution, fails to perform any function entrusted to it under ~~such~~ the procedure.

(e) A decision of the ~~superior~~ court on a matter entrusted by subsection (c) or (d) of this section shall be final and not subject to appeal.

(f) The ~~superior~~ court, in appointing an arbitrator, shall ~~consider:~~consider all of the following:

(1) Any qualifications required of the arbitrator by the agreement of the ~~parties;~~parties.
(2) Such other considerations as are likely to secure the appointment of an independent and impartial ~~arbitrator;~~arbitrator.
(3) In the case of a sole or third arbitrator, the advisability of appointing an arbitrator of a nationality other than those of the parties.

(g) The parties may agree to employ an established arbitration institution to conduct the arbitration. If they do not so agree, the ~~superior~~ court may in its discretion designate an established arbitration institution to conduct the arbitration.

(h) Unless otherwise agreed, an arbitrator ~~shall be~~ is entitled to compensation at an hourly or daily rate ~~which~~ that reflects the size and complexity of the case, and the experience of the arbitrator. If the parties are unable to agree on ~~such~~ a rate, the rate shall be determined by the arbitral institution chosen pursuant to subsection (g) of this section or by the arbitral

tribunal, in either case subject to the review of the ~~superior~~ court upon the motion of any dissenting party.

"**~~§ 1-567.42. Grounds for challenge.~~**

~~(a) Except as otherwise provided in this Article, all persons whose names have been submitted for consideration for appointment or designation as arbitrators, or who have been appointed or designated as such, shall make a disclosure to the parties within 15 days of such submission, appointment, or designation of any information which might cause their impartiality to be questioned including, but not limited to, any of the following instances:~~

- ~~(1) The person has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding;~~
- ~~(2) The person served as a lawyer in the matter in controversy, or the person is or has been associated with another who has participated in the matter during such association, or has been a material witness concerning it;~~
- ~~(3) The person served as an arbitrator in another proceeding involving one or more of the parties to the proceeding;~~
- ~~(4) The person, individually or as a fiduciary, or such person's spouse or minor child residing in such person's household, has a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that could be substantially affected by the outcome of the proceeding;~~
- ~~(5) The person, his or her spouse, or a person within the third degree of relationship to either of them, or the spouse of such a person meets any of the following conditions:~~
  - ~~a. The person is or has been a party to the proceeding, or an officer, director, or trustee of a party;~~
  - ~~b. The person is acting or has acted as a lawyer in the proceeding;~~
  - ~~c. The person is known to have an interest that could be substantially affected by the outcome of the proceeding;~~
  - ~~d. The person is likely to be a material witness in the proceeding;~~
- ~~(6) The person has a close personal or professional relationship with a person who meets any of the following conditions:~~
  - ~~a. The person is or has been a party to the proceeding, or an officer, director, or trustee of a party;~~
  - ~~b. The person is acting or has acted as a lawyer or representative in the proceeding;~~
  - ~~c. The person is or expects to be nominated as an arbitrator or conciliator in the proceeding;~~
  - ~~d. The person is known to have an interest that could be substantially affected by the outcome of the proceeding;~~
  - ~~e. The person is likely to be a material witness in the proceeding.~~

~~(b) The obligation to disclose information set forth in subsection (a) of this section is mandatory and cannot be waived as to the parties with respect to persons serving either as sole arbitrator or as the chief or prevailing arbitrator. The parties may otherwise agree to waive such disclosure.~~

~~(c) From the time of appointment and throughout the arbitral proceedings, an arbitrator shall disclose to the parties without delay any circumstances referred to in subsection (a) of this section which were not previously disclosed.~~

~~(d) Unless otherwise agreed by the parties or the rules governing the arbitration, an arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his or her independence or impartiality, or as to his or her possession of the qualifications upon which the parties have agreed.~~

~~(e) A party may challenge an arbitrator appointed by it, or in whose appointment it has participated only for reasons of which it becomes aware after the appointment has been made.~~

"~~**§ 1-567.43. Challenge procedure.**~~

~~(a) The parties may agree on a procedure for challenging an arbitrator, subject to the provisions of subsection (c) of this section.~~

~~(b) If there is no agreement under subsection (a) of this section, a party challenging an arbitrator shall, within 15 days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance referred to in G.S. 1-567.42(a), send a written statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.~~

~~(c) If a challenge under any procedure agreed upon by the parties or under the procedure of subsection (b) of this section is not successful, the challenging party may, within 30 days after having received notice of the decision rejecting the challenge, request the superior court to decide on the challenge, which decision shall be final and subject to no appeal. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue to conduct the arbitral proceedings and make an award.~~

"**§ 1-567.43A. Disclosure by arbitrator.**

(a) Before accepting appointment, an individual who is requested to serve as an arbitrator, after making a reasonable inquiry, shall disclose to all parties to the agreement to arbitrate and to the arbitration proceeding and to any other arbitrators any known facts that a reasonable person would consider likely to affect the impartiality of the arbitrator in the arbitration proceeding, including the following:

(1) A financial or personal interest in the outcome of the arbitration proceeding.

(2) An existing or past relationship with any of the parties to the agreement to arbitrate or to the arbitration proceeding, their counsel or representatives, a witness, or other arbitrators.

(b) An arbitrator has a continuing obligation to disclose to all parties to the agreement to arbitrate and to the arbitration and to any other arbitrators any facts that the arbitrator learns after accepting appointment that a reasonable person would consider likely to affect the impartiality of the arbitrator.

(c) If an arbitrator discloses a fact required by subsection (a) or (b) of this section to be disclosed, and a party makes a timely objection to the appointment or continued service of the arbitrator based upon the fact disclosed, the objection may be a ground under G.S. 1-567.64 for vacating an award made by the arbitrator.

(d) If the arbitrator did not disclose a fact as required by subsection (a) or (b) of this section, upon timely objection by a party, the court under G.S. 1-567.64 may vacate an award.

(e) An arbitrator appointed as a neutral arbitrator who does not disclose a known, direct, and material interest in the outcome of the arbitration proceeding or a known, existing, and substantial relationship with a party is presumed to act with evident partiality under G.S. 1-567.64.

(f) If the parties to an arbitration proceeding agree to the procedures of an institution or any other procedures for challenges to arbitrators before an award is made, substantial compliance with those procedures is a condition precedent to a motion to vacate an award on that ground under G.S. 1-567.64.

"**§ 1-567.44. Failure or impossibility to act.**

…

(b) If a controversy remains concerning any of the grounds referred to in subsection (a) of this section, a party may request the ~~superior~~ court to decide on the termination of the mandate. The decision of the ~~superior~~ court shall be final and not subject to appeal.

(c) If under this section or under G.S. 1-567.43, an arbitrator withdraws or otherwise agrees to the termination of ~~his or her~~ the arbitrator's mandate, no acceptance of the validity of any ground referred to in this section or G.S. 1-567.43(b) shall be implied in consequence of ~~such~~ the action.

…

"**§ 1-567.46. Competence of arbitral tribunal to rule on its jurisdiction.**

…

(c) The arbitral tribunal may rule on a plea referred to in subsection (b) of this section either as a preliminary question or in an award on the merits. If the arbitral tribunal rules as a preliminary question that it has jurisdiction, after having received notice of that ruling, any party may request the ~~superior~~ court to decide the matter. The decision of the ~~superior~~ court shall be final and not subject to appeal. While ~~such a~~ the request is pending, the arbitral tribunal may continue the arbitral proceedings and make an award.

"**§ 1-567.47. Power of arbitral tribunal to order interim measures.**

(a) Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, order any party to take such interim measure of protection as the arbitral tribunal may consider necessary in respect of the subject matter of the dispute, including an interim measure analogous to any type of interim relief specified in G.S. 1-567.39(c). The arbitral tribunal may require any party to provide appropriate security, including security for costs as provided in G.S. 1-567.61(h)(2), in connection with ~~such~~ the measure.

(b) A court has the same power to issue an interim measure in an arbitration proceeding, irrespective of whether the arbitration proceeding is in the territory of this State, as it has in a court proceeding. The court shall exercise this power in accordance with its own procedures in consideration of the specific features of international arbitration.

…

"**§ 1-567.49. Determination of rules of procedure.**

(a) Subject to the provisions of this Article, the parties may agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings.

(b) If there is no agreement under subsection (a) of this section, ~~the arbitral tribunal may, subject to the provisions of this Article,~~ subject to the provisions of this Article, the tribunal shall select the rules for conducting the arbitration after hearing all the parties and taking particular reference to model rules developed by arbitration institutions or similar sources. If the tribunal is unable to decide on rules for conducting the arbitration, upon application by a party, the court may order use of rules for conducting the arbitration, taking particular reference to model rules developed by arbitration institutions or similar sources. In other matters not covered by rules, the tribunal shall conduct the arbitration in such manner as it considers appropriate. The power conferred upon the arbitral tribunal includes the power to order such discovery as it deems necessary and to determine the admissibility, relevance, materiality, and weight of any evidence. Evidence need not be limited by the rules of evidence applicable in judicial proceedings, except as to immunities and privilege. Each party shall have the burden of proving the facts relied on to support its claim, counterclaim, setoff, or defense.

…

"**§ 1-567.50A. Consolidation.**

(a) Except as otherwise provided in subsection (c) of this section, upon motion of a party to an arbitration agreement or to an arbitral proceeding, the court may order consolidation of separate arbitration proceedings as to all or some of the claims if all of the following are true:

(1) There are separate arbitration agreements or separate arbitral proceedings between the same parties or one of the parties is a party to a separate agreement to arbitrate or a separate arbitration with a third person.

(2) The claims subject to the arbitration agreements arise in substantial part from the same transaction or series of related transactions.

(3) The existence of a common issue of law or fact creates the possibility of conflicting decisions in the separate arbitral proceedings.

(4) Prejudice resulting from a failure to consolidate is not outweighed by the risk of undue delay or prejudice to the rights of or hardship to parties opposing consolidation.

(b) The court may order consolidation of separate arbitral proceedings as to some claims and allow other claims to be resolved in separate arbitral proceedings.

(c) The court shall not order consolidation of the claims of a party to an arbitration agreement if the agreement prohibits consolidation.

"**§ 1-567.51. Commencement of arbitral proceedings.**

Unless otherwise agreed by the ~~parties,~~ parties or otherwise provided in the rules and procedures upon which the parties have agreed, the arbitral proceedings in respect of a particular dispute shall commence on the date on which a request for that dispute to be referred to arbitration is received by ~~the respondent.~~a party as provided in G.S. 1-567.33.

…

"**§ 1-567.53. Statements of claim and defense.**

(a) Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall state the facts supporting its claim, the points at issue and the relief or remedy sought, and the respondent shall state its ~~defenses and counterclaims~~ defenses, counterclaims, or setoffs in respect of these particulars, unless the parties have otherwise agreed as to the required elements of ~~such~~ these statements. The parties may submit with their statements all documents they consider to be relevant or may add a reference to the documents or other evidence the party will submit.

(b) Unless otherwise agreed by the parties, either party may amend or supplement a claim or defense during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow ~~such amendment~~ the amendment, having regard to the delay in making it.

(c) If there are more than two parties to the arbitration, each party shall state its claims, defenses, counterclaims, or setoffs, ~~and defenses~~ as provided in subsection (a) of this section.

…

"**§ 1-567.57. Court assistance in obtaining discovery and taking evidence.**

(a) The arbitral tribunal or a party with the approval of the arbitral tribunal may request from the ~~superior~~ court assistance in obtaining discovery and taking evidence. The court may execute the request within its competence and according to its rules on discovery and taking evidence, and may impose sanctions for failure to comply with its orders. A subpoena may be issued as provided by G.S. 8-59, in which case the witness compensation provisions of G.S. 6-51, 6-53, and 7A-314 shall apply.

~~(b) If the parties to two or more arbitration agreements agree, in their respective arbitration agreements or otherwise, to consolidate the arbitrations arising out of those agreements, the superior court, upon application by a party, may do any of the following:~~

~~(1) Order the arbitrations to be consolidated on terms the court considers just and necessary;~~

~~(2) If all the parties cannot agree on an arbitral tribunal for the consolidated arbitration, appoint an arbitral tribunal as provided by G.S. 1-567.41; and~~

~~(3) If all the parties cannot agree on any other matter necessary to conduct the consolidated arbitration, make any other order it considers necessary.~~

…

"**§ 1-567.61. Form and contents of award.**

(a) The award shall be made in writing in a record and shall be signed by the arbitrator or arbitrators. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is ~~stated.~~stated in the record of the award.

(a1) An award shall be made within the time specified by the agreement to arbitrate or the arbitration institution, or, if not so specified, within the time ordered by the court. The court may extend or the parties to the arbitration proceeding may agree in a record to extend the time. A party waives any objection that an award was not timely made unless that party gives notice of the objection to the arbitral tribunal before receiving notice of the award.

…

(h) (1) Unless otherwise agreed by the parties, the awarding of costs of an arbitration shall be at the discretion of the arbitral tribunal.

(2) In making an order for costs, the arbitral tribunal may include any of the following as costs:

a. The fees and expenses of the arbitrator or arbitrators, expert witnesses, and ~~translators;~~translators.

b. Fees and expenses of counsel and of the institution supervising the arbitration, if ~~any; and~~any.

c. Any other expenses incurred in connection with the arbitral proceedings.

(3) In making an order for costs, the arbitral tribunal may ~~specify:~~specify any of the following:

a. The party entitled to ~~costs;~~costs.

b. The party who shall pay the ~~costs;~~costs.

c. The amount of costs or method of determining that ~~amount; and~~amount.

d. The manner in which the costs shall be paid.

(i) The arbitral tribunal may award punitive damages or other exemplary relief if all of the following are true:

(1) The arbitration agreement provides for an award of punitive damages or exemplary relief.

(2) An award for punitive damages or other exemplary relief is authorized by law in a civil action involving the same claim.

(3) The evidence produced at the hearing justifies the award under the legal standards otherwise applicable to the claim.

(j) If the arbitral tribunal awards punitive damages or other exemplary relief under subsection (i) of this section, the arbitral tribunal shall specify in the award the basis in fact justifying and the basis in law authorizing the award and shall state separately the amount of the punitive damages or other exemplary relief.

…

"**§ 1-567.64. Modifying or vacating of awards.**

Subject to the relevant provisions of federal law ~~or~~ and any applicable international agreement in force between the United States of America and any other nation or nations, an arbitral award may be vacated by a court only upon a showing that the award is tainted by illegality, or substantial unfairness in the conduct of the arbitral proceedings. In determining whether an award is ~~so~~ tainted, the ~~superior~~ court shall ~~have regard to~~ consider the provisions of this Article, ~~and of G.S. 1-569.23 and G.S. 1-569.24,~~ but shall not engage in de novo review of the subject matter of the dispute giving rise to the arbitration proceedings.

"**§ 1-567.65. Confirmation and enforcement of awards.**

(a) Subject to the relevant provisions of federal law ~~or~~ and any applicable international agreement in force between the United States of America and any other nation or nations, upon application of a party, the ~~superior~~ court shall confirm an arbitral award, unless it finds grounds for modifying or vacating the award under G.S. 1-567.64. An award shall not be confirmed unless the time for correction and interpretation of awards prescribed by G.S. 1-567.63 ~~shall have~~ has expired or has been waived by all the parties. Upon the granting of an order confirming, modifying, or correcting an award, a judgment or decree shall be entered in conformity therewith and enforced as any other judgment or decree. The ~~superior~~ court may award costs of the application and of the subsequent proceedings.

(b) Notwithstanding G.S. 7A-109, 7A-276.1, 132-1, or any other provision of law, the court may seal or redact, in whole or in part, an order, judgment, or arbitral award issued under this Article. Upon good cause shown, the court may do any of the following:

(1) Open a sealed or redacted order, judgment, or arbitral award.

(2) Seal or redact an opened order, judgment, or arbitral award.

"**§ 1-567.66. Applications to ~~superior~~ court.**

Except as otherwise provided, an application to the ~~superior~~ court under this Article shall be by motion and shall be heard in the manner and upon the notice provided by law or rule of court for the making and hearing of motions. Unless the parties have agreed otherwise, notice of an initial application for an order shall be served in the manner provided by law for the service of a summons in ~~an~~ a civil action.

…

"**§ 1-567.88. Uniformity of application and construction.**

In applying and construing this Article, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states of the United States that have enacted the Revised Uniform Arbitration Act, and particular consideration shall be given to the Revised Uniform Arbitration Act as enacted in this State.

"**§ 1-567.89. Relationship to federal Electronic Signatures in Global and National Commerce Act.**

The provisions of this Article governing the legal effect, validity, and enforceability of electronic records or electronic signatures, and of contracts performed with the use of these records or signatures, conform to the requirements of section 102 of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001, et seq., or as otherwise authorized by federal or State law governing these electronic records or electronic signatures."

SECTION 2. This act becomes effective October 1, 2017, and applies to agreements entered into, renewed, or modified on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-172 **H.B. 799**

AN ACT TO ALLOW FOR LANDLORDS TO CHARGE INDIVIDUAL TENANTS FOR SHARED COST OF NATURAL GAS SERVICE PROVIDED TO LEASED PREMISES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 42-42.1 reads as rewritten:

"**§ 42-42.1. ~~Water and electricity~~ Water, electricity, and natural gas conservation.**

(a) For the purpose of encouraging ~~water and electricity~~ water, electricity, and natural gas conservation, pursuant to a written rental agreement, a ~~landlord~~ lessor may charge for the cost of providing water or sewer service to ~~tenants~~ lessees pursuant to ~~G.S. 62-110(g) or~~ G.S. 62-110(g), electric service pursuant to ~~G.S. 62-110(h).~~G.S. 62-110(h), or natural gas service pursuant to G.S. 62-110(i).

(b) The ~~landlord~~ lessor may not disconnect or terminate the ~~tenant's~~ lessee's electric ~~service or~~ service, water or sewer ~~services~~ services, or natural gas service due to the ~~tenant's~~ lessee's nonpayment of the amount due for electric ~~service or~~ service, water or sewer ~~services.~~services, or natural gas service."

SECTION 2. G.S. 62-110 reads as rewritten:

"**§ 62-110. Certificate of convenience and necessity.**

…

(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow a lessor to charge for the costs of providing water or sewer service to persons who occupy the leased premises. The following provisions shall apply:

…

(1a) If the leased premises are contiguous dwelling units built prior to 1989, and the lessor determines that the measurement of the ~~tenant's~~ lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the ~~tenant~~ lessee using equipment that measures

the ~~tenant's~~ lessee's hot water usage. In that case, each ~~tenant~~ lessee shall be billed a percentage of the ~~landlord's~~ lessor's water and sewer costs for water usage in the dwelling units based upon the hot water used in the ~~tenant's~~ lessee's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:

a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.
b. The lessor shall not include in a ~~tenant's~~ lessee's bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other condition that is not known to the ~~tenant~~ lessee or that has been reported to the lessor.
c. All equipment used to measure water usage shall comply with guidelines promulgated by the American Water Works Association.
d. The lessor shall maintain records for a minimum of 12 months that demonstrate how each ~~tenant's~~ lessee's allocated costs were calculated for water and sewer service. Upon advanced written notice to the lessor, a ~~tenant~~ lessee may inspect the records during reasonable business hours.
e. Bills for water and sewer service sent by the lessor to the ~~tenant~~ lessee shall contain all the following information:
    1. The amount of water and sewer services allocated to the ~~tenant~~ lessee during the billing period.
    2. The method used to determine the amount of water and sewer services allocated to the ~~tenant.~~lessee.
    3. Beginning and ending dates for the billing period.
    4. The past-due date, which shall not be less than 25 days after the bill is mailed.
    5. A local or toll-free telephone number and address that the ~~tenant~~ lessee can use to obtain more information about the bill.

(2) The lessor may charge a reasonable administrative fee for providing water or sewer service not to exceed the maximum administrative fee authorized by the Commission.
(3) The Commission shall adopt rules to implement this subsection.
(4) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service. The form shall include all of the following:
a. A description of the applicant and the property to be served.
b. A description of the proposed billing method and billing statements.
c. The schedule of rates charged to the applicant by the supplier.
d. The schedule of rates the applicant proposes to charge the applicant's customers.
e. The administrative fee proposed to be charged by the applicant.
f. The name of and contact information for the applicant and its agents.
g. The name of and contact information for the supplying water or sewer system.

h. Any additional information that the Commission may require.

(4a) The Commission shall develop an application that lessors must submit for authority to charge for water or sewer service at single-family ~~homes~~ dwellings that allows the applicant to serve multiple ~~homes~~ dwellings in the ~~State~~ State, subject to ~~single Commission approval.~~an approval by the Commission. The form shall include all of the following:

a. A description of the applicant and a listing of the address of all the properties to be ~~served, which shall be updated annually with the Commission.~~served. An updated listing of addresses served by the applicant shall be provided to the Commission annually.

b. A description of the proposed billing method and billing statements.

c. The administrative fee proposed to be charged by the applicant.

d. The name and contact information for the applicant and its agents.

e. Any additional information the Commission may require.

(5) The Commission shall approve or disapprove an application within 30 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 30 days, the application shall be deemed approved.

(6) A provider of water or sewer service under this subsection may increase the rate for service so long as the rate does not exceed the unit consumption rate charged by the supplier of the service. A provider of water or sewer service under this subsection may change the administrative fee so long as the administrative fee does not exceed the maximum administrative fee authorized by the Commission. In order to change the rate or administrative fee, the provider shall file a notice of revised schedule of rates and fees with the Commission. The Commission may prescribe the form by which the provider files a notice of a revised schedule of rates and fees under this subsection. The form shall include all of the following:

a. The current schedule of the unit consumption rates charged by the provider.

b. The schedule of rates charged by the supplier to the provider that the provider proposes to pass through to the provider's customers.

c. The schedule of the unit consumption rates proposed to be charged by the provider.

d. The current administrative fee charged by the provider, if applicable.

e. The administrative fee proposed to be charged by the provider.

(7) A notification of revised schedule of rates and fees shall be presumed valid and shall be allowed to become effective upon 14 days notice to the Commission, unless otherwise suspended or disapproved by order issued within 14 days after filing.

(8) Notwithstanding any other provision of this Chapter, the Commission shall determine the extent to which the services shall be regulated and, to the extent necessary to protect the public interest, regulate the terms, conditions, and rates that may be charged for the services. Nothing in this subsection shall be construed to alter the rights, obligations, or remedies of persons providing water or sewer services and their customers under any other provision of law.

(9) A provider of water or sewer service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36 or to furnish a bond pursuant to G.S. 62-110.3.

(h) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of a single-family dwelling, residential

~~building~~ building, or multiunit apartment complex that has individually metered units for electric service in the lessor's name to charge for the actual costs of providing electric service to each ~~tenant when the lessor has a separate lease for each bedroom in the unit.~~lessee. The following provisions shall apply to the charges authorized under this subsection:

(1) The lessor shall equally divide the actual amount of the individual electric service bill for a unit among all the ~~tenants~~ lessees in the unit and shall send one bill to each ~~tenant.~~lessee. The amount charged shall be prorated when a ~~tenant~~ lessee has not leased the unit for the same number of days as the other ~~tenants~~ lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of electricity from any other unit or common area in a ~~tenant's~~ lessee's bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a ~~tenant.~~lessee.

(2) A lessor who charges for electric service under this subsection is solely responsible for the prompt payment of all bills rendered by the electric utility providing service to the ~~residential building or complex~~ leased premises and is the customer of the electric utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of electric service to retail customers of the utility.

(3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each ~~tenant's~~ lessee's allocated costs were calculated for electric service. A ~~tenant~~ lessee may inspect these records, including the actual per unit public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.

(4) Bills for electric service sent by the lessor to the ~~tenant~~ lessee shall contain all of the following information:

a. ~~The~~ When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill charged by the electric supplier for the unit as a whole and the amount of charges allocated to the ~~tenant~~ lessee during the billing period.

b. The name of the electric power supplier providing electric service to the ~~unit.~~leased premises.

c. Beginning and ending dates for the usage period and, if provided by the electric supplier, the date the meter was read for that usage period.

d. The past-due date, which shall not be less than 25 days after the bill is mailed to the ~~tenant.~~lessee.

e. A local or toll-free telephone number and address of the lessor that the ~~tenant~~ lessee can use to obtain more information about the bill.

f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.

g. A statement of the ~~tenant's~~ lessee's right to address questions about the bill to the lessor and the ~~tenant's~~ lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the ~~tenant~~ lessee cannot resolve an electric service billing dispute with the lessor.

(5) The Commission shall develop an application that ~~a lessor~~ lessors must submit for Commission approval to charge for electric service as provided in this section. The form shall include all of the following:

a. A description of the lessor and the property to be served.

b. A description of the proposed billing method and billing statements.
c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
d. The name of and contact information for the lessor and the lessor's agents.
e. The name of and contact information for the supplier of electric service to the lessor's rental property.
f. A copy of the lease forms used by the lessor for ~~tenants~~ lessees who are billed for electric service pursuant to this subsection.
g. Any additional information that the Commission may require.

(6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.

(7) A lessor who charges for electric service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.

(7a) An applicant may submit for authority to charge for electric service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.

(8) The Commission shall adopt rules to implement the provisions of this subsection.

(i) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of single-family dwelling, a residential building, or multiunit apartment complex that has individually metered units for natural gas service in the lessor's name to charge for the actual costs of providing natural gas service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

(1) The lessor shall equally divide the actual amount of the individual natural gas service bill for a unit among all the lessees in the unit and shall send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of natural gas service from any other unit or common area in a lessee's bill. The lessor may, at the lessor's option, pay any portion of any bill sent to a lessee.

(2) A lessor who charges for natural gas service under this subsection is solely responsible for the prompt payment of all bills rendered by the natural gas utility providing service to the leased premises and is the customer of the natural gas utility subject to all rules, regulations, tariffs, riders, and service regulations associated with the provision of natural gas service to retail customers of the utility.

(3) The lessor shall maintain records for a minimum of 36 months that demonstrate how each lessee's allocated costs were calculated for natural gas service. A lessee may inspect these records, including the actual per unit public utility billings, during reasonable business hours and may obtain copies of the records for a reasonable copying fee.

(4) Bills for natural gas service sent by the lessor to the lessee shall contain all of the following information:

a. When the lessor of a residential building or multiunit apartment complex has a separate lease for each bedroom in the unit, the bill charged by the natural gas supplier for the unit as a whole and the amount of charges allocated to the lessee during the billing period.
b. The name of the natural gas supplier providing natural gas service to the leased premises.
c. Beginning and ending dates for the usage period and, if provided by the natural gas supplier, the date the meter was read for that usage period.
d. The past-due date, which shall not be less than 25 days after the bill is mailed to the lessee.
e. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.
f. The amount of any administrative fee and late fee approved by the Commission and included in the bill.
g. A statement of the lessee's right to address questions about the bill to the lessor and the lessee's right to file a complaint with, or otherwise seek recourse from, the Commission if the lessee cannot resolve a natural gas service billing dispute with the lessor.

(5) The Commission shall develop an application that lessors must submit for Commission approval to charge for natural gas service as provided in this section. The form shall include all of the following:
a. A description of the lessor and the property to be served.
b. A description of the proposed billing method and billing statements.
c. The administrative fee and late payment fee, if any, proposed to be charged by the lessor.
d. The name of and contact information for the lessor and the lessor's agents.
e. The name of and contact information for the supplier of natural gas service to the lessor's rental property.
f. A copy of the lease forms used by the lessor for lessees who are billed for natural gas service pursuant to this subsection.
g. Any additional information that the Commission may require.

(6) The Commission shall approve or disapprove an application within 60 days of the filing of a completed application with the Commission. If the Commission has not issued an order disapproving a completed application within 60 days, the application shall be deemed approved.

(7) A lessor who charges for natural gas service under this subsection shall not be required to file annual reports pursuant to G.S. 62-36.

(7a) An applicant may submit for authority to charge for natural gas service for more than one property in a single application. Information relating to all properties covered by the application need only be provided once in the application.

(8) The Commission shall adopt rules to implement the provisions of this subsection."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-173 **H.B. 800**

AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. ALLOW EMPLOYEES OF EDUCATION OR CHARTER MANAGEMENT ORGANIZATIONS TO SERVE AS TEACHERS

SECTION 1. G.S. 115C-218.90(a)(1) reads as rewritten:

"(1) An employee of a charter school is not an employee of the local school administrative unit in which the charter school is located. The charter school's board of directors shall employ and contract with necessary teachers or contract with an education management organization or charter management organization to employ and provide teachers to perform the particular service for which they are employed in the school; at least fifty percent (50%) of these teachers shall hold teacher licenses. All teachers who are teaching in the core subject areas of mathematics, science, social studies, and language arts shall be college graduates.

The board also may employ necessary employees who are not required to hold teacher licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and nonlicensed employees."

PART II. MODIFY THE DECISION TIME LINE FOR THE CHARTER SCHOOL FAST-TRACK REPLICATION APPLICATION PROCESS

SECTION 2.(a) Section 6.5 of S.L. 2014-101, as amended by Section 2 of S.L. 2016-79, reads as rewritten:

"**SECTION 6.5.** Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State. The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process adopted by the State Board of Education shall, at a minimum, require a board of directors of a charter school to demonstrate one of the following in order to qualify for fast-track replication:

(1) A charter school in this State governed by the board of directors has student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located and can provide three years of financially sound audits.

(2) The board of directors agrees to contract with an education management organization or charter management organization that can demonstrate that it can replicate high-quality charter schools in the State that have proven student academic success and financial soundness.

The State Board of Education shall ensure that the rules for a fast-track replication process provide that decisions by the State Board of Education on whether to grant a charter through the replication process are completed in less than 120 days from the application submission date. The State Board shall provide a decision no later than October 15 of the year immediately preceding the year of the proposed school opening. The State Board of Education shall adopt rules and procedures required by this section within 90 days of the effective date of this act, and report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of this act."

SECTION 2.(b) This section is effective the date this act becomes law and applies beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.

PART III. EXPANSION OF GROWTH EXCEPTION FOR MATERIAL REVISIONS OF CHARTERS

SECTION 3.(a) G.S. 115C-218.7(b) reads as rewritten:

"(b) Enrollment growth of greater than twenty percent (20%) shall be considered a material revision of the ~~charter.~~charter if the charter is currently identified as low-performing. The State Board shall not approve a material revision for enrollment growth of greater than twenty percent (20%) for a charter that is currently identified as low-performing. Enrollment growth of greater than twenty-five percent (25%) shall be considered a material revision of the charter for any charter school that is not identified as low-performing. The State Board may approve such additional enrollment growth of greater than ~~twenty percent (20%)~~ twenty-five percent (25%) only if it finds all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum growth.

(3) The charter school is not currently identified as low-performing.

(4) The charter school meets generally accepted standards of fiscal management.

(5) The charter school is, at the time of the request for the enrollment increase, substantially in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board."

SECTION 3.(b) G.S. 115C-218.8 reads as rewritten:

"**§ 115C-218.8. Nonmaterial revisions of charters.**

It shall not be considered a material revision of a charter and shall not require prior approval of the State Board for a charter school to do any of the following:

(1) Increase its enrollment during the charter school's second year of operation and annually thereafter ~~by up to twenty percent (20%) of the school's previous year's enrollment.~~in accordance with G.S. 115C-218.7(b).

(2) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.

(3) Expand to offer one grade higher or lower than the charter school currently offers if the charter school has (i) operated for at least three years, (ii) has not been identified as continually low-performing as provided in G.S. 115C-218.94, and (iii) has been in financial compliance as required by the State Board."

SECTION 3.(c) G.S. 115C-218.7(b), as amended by Section 3(a) of this act, reads as rewritten:

"(b) Enrollment growth of greater than twenty percent (20%) shall be considered a material revision of the charter if the charter is currently identified as low-performing. The State Board shall not approve a material revision for enrollment growth of greater than twenty percent (20%) for a charter that is currently identified as low-performing. Enrollment growth of greater than ~~twenty-five percent (25%)~~ thirty percent (30%) shall be considered a material revision of the charter for any charter school that is not identified as low-performing. The State Board may approve such additional enrollment growth of greater than ~~twenty-five percent (25%)~~ thirty percent (30%) only if it finds all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum growth.

(3) The charter school is not currently identified as low-performing.

(4) The charter school meets generally accepted standards of fiscal management.

(5) The charter school is, at the time of the request for the enrollment increase, substantially in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board."

SECTION 3.(d) Subsections (a), (b), and (d) of this section are effective when this act becomes law and applies to approvals for material changes on or after that date. Subsection (c) of this section is effective July 1, 2018, and applies to approvals for material changes on or after that date.

PART IV. ENROLLMENT PRIORITIES FOR STUDENTS PREVIOUSLY ENROLLED IN CHARTERS

SECTION 4. G.S. 115C-218.45(f) reads as rewritten:

"(f) The charter school may give enrollment priority to any of the following:

(1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.

(2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.

(3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:

a. Children of the school's full-time employees.

b. Children of the charter school's board of directors.

(4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.

(5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.

(6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the same board of directors.

(7) A student who was enrolled in another charter school in the State in the previous school year."

PART V. CHARTER SCHOOLS AND NC PRE-K

SECTION 5.(a) G.S. 115C-218(c)(3) reads as rewritten:

"(3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:

a. Serve as staff to the Advisory Board and fulfill any task and duties assigned to it by the Advisory Board.

b. Provide technical assistance and guidance to charter schools operating within the State.

c. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.

d. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.

e. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services with the Department of Public Instruction.

e1. Assist certain charter schools seeking to participate in the NC prekindergarten program in accordance with G.S. 115C-218.115.

f. Other duties as assigned by the State Board."

SECTION 5.(b) G.S. 115C-218.45(f), as amended by Section 4 of this act, reads as rewritten:

"(f) The charter school may give enrollment priority to any of the following:

(1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.

(2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.

(2a) A student who was enrolled in a preschool program operated by the charter school in the prior year.

(3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:

a. Children of the school's full-time employees.

b. Children of the charter school's board of directors.

(4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.

(5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.

(6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the same board of directors.

(7) A student who was enrolled in another charter school in the State in the previous school year."

SECTION 5.(c) Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-218.115. Operation of NC Pre-K programs.**

(a) A charter school may apply to a local contracting agency to participate in the NC prekindergarten (NC Pre-K) program as a local program site offering families a high-quality prekindergarten experience. A charter school that seeks to operate as a NC Pre-K program site may request administrative and technical assistance from the Office of Charter Schools with its application to the local contracting agency if the charter school meets all of the following:

(1) The charter school has operated as a charter school for at least three school years.

(2) The charter school is not currently identified as low-performing.

(3) The charter school meets generally accepted standards of fiscal management.

(4) The charter school is substantially in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board.

(b) The Office of Charter Schools, in consultation with the Department of Health and Human Services, Division of Child Development and Early Education, shall assist a charter school under subsection (a) of this section with determining whether the charter school's proposed program meets (i) the building standards set forth in subsection (c) of this section and any other State standards for the charter school to be licensed as a child care facility and (ii) the standards required to be selected as a site under the NC Pre-K program. If the charter school does not meet these standards, the Office of Charter Schools shall provide assistance to the charter school in identifying any obstacles to its participation in the NC Pre-K program.

(c) A charter school that otherwise meets all of the requirements for a child care facility license may use an existing or newly constructed classroom in the charter school for three- and four-year-old preschool students without modifications to the classroom or building if the classroom meets all of the following:

(1) Has at least one toilet and one sink for hand washing.

(2) Meets kindergarten standards for overhead light fixtures.

(3) Meets kindergarten standards for floors, walls, and ceilings.

(4) Has floors, walls, and ceilings that are free from mold, mildew, and lead hazards."

PART VI. NORTH CAROLINA VIRTUAL PUBLIC SCHOOL

SECTION 6.(a) Section 7.22(h) of S.L. 2011-145, as amended by Section 88 of S.L. 2014-115, reads as rewritten:

"**SECTION 7.22.(h)** Beginning in 2011, the Director of NCVPS shall submit an annual report on NCVPS to the State Board of Education no later than December 15 of each year. The report shall use data from the previous fiscal year and shall include statistics on actual versus projected costs to local school administrative units and charter schools, student enrollment, virtual teacher salaries, and measures of academic achievement.

The Director of NCVPS shall continue to ensure the following:

(1) Course quality standards are established and ~~met.~~met for courses developed by NCVPS.

~~(2) All e-learning opportunities other than virtual charter schools offered by State-funded entities to public school students are consolidated under the NCVPS program, eliminating course duplication.~~

(3) All courses offered through NCVPS are aligned to the North Carolina Standard Course of Study."

SECTION 6.(b) Notwithstanding any other provision of law, local school administrative units may partner with eligible providers other than the North Carolina Virtual Public School for e-learning opportunities. Eligible providers shall meet all of the following:

(1) Be accredited by a regional accrediting agency such as, but not limited to, AdvancEd or the Southern Association of Colleges and Schools (SACS).

(2) Employ teachers who hold teaching licenses from states that participate in the NASDTEC Educator Identification Clearinghouse.

(3) Ensure that courses offered to North Carolina students are aligned to the North Carolina Standard Course of Study.

SECTION 6.(c) This section is effective when it becomes law.

PART VII. REORGANIZE STATUTE ON STATE AND LOCAL FUNDS

SECTION 7. G.S. 115C-218.105(b) reads as rewritten:

"(b) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. The school also may own land and buildings it obtains through non-State sources. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. ~~The school also may own land and buildings it obtains through non-State sources.~~"

PART VIII. EFFECTIVE DATE

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-174 **S.B. 42**

AN ACT DIRECTING THE MEDICAL CARE COMMISSION TO ADOPT THE RECOMMENDATIONS OF THE AMERICAN SOCIETY OF HEALTHCARE ENGINEERING'S FACILITY GUIDELINES INSTITUTE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Definitions. – For purposes of this section and its implementation:

(1) Commission or Medical Care Commission. – The Medical Care Commission created by Part 10 of Article 3 of Chapter 143B of the General Statutes.

(2) Hospital Facilities Rules. – Means all of the following:

a. 10A NCAC 13B .6001 – Physical Plant: Location.
b. 10A NCAC 13B .6002 – Physical Plant: Roads and Parking.
c. 10A NCAC 13B .6104 – General Requirements: Access and Safety.
d. 10A NCAC 13B .6201 – Construction Requirements: Medical, Surgical, and Post-Partum Care Unit.
e. 10A NCAC 13B .6202 – Construction Requirements: Special Care Unit.
f. 10A NCAC 13B .6203 – Construction Requirements: Neonatal Level I and Level II Nursery Unit.
g. 10A NCAC 13B .6204 – Construction Requirements: Neonatal Level III and Level IV Nursery.
h. 10A NCAC 13B .6205 – Construction Requirements: Psychiatric Unit.
i. 10A NCAC 13B .6206 – Construction Requirements: Surgical Department Requirements.
j. 10A NCAC 13B .6207 – Construction Requirements: Obstetrical Department Requirements.
k. 10A NCAC 13B .6209 – Construction Requirements: Emergency Services.
l. 10A NCAC 13B .6210 – Construction Requirements: Imaging Services.
m. 10A NCAC 13B .6211 – Construction Requirements: Laboratory Services.
n. 10A NCAC 13B .6212 – Construction Requirements: Morgue.
o. 10A NCAC 13B .6213 – Construction Requirements: Pharmacy Services.
p. 10A NCAC 13B .6214 – Construction Requirements: Dietary Services.
q. 10A NCAC 13B .6215 – Construction Requirements: Administration.
r. 10A NCAC 13B .6216 – Construction Requirements: Medical Records Services.
s. 10A NCAC 13B .6217 – Construction Requirements: Central Medical and Surgical Supply Services.
t. 10A NCAC 13B .6218 – Construction Requirements: General Storage.
u. 10A NCAC 13B .6219 – Construction Requirements: Laundry Services.
v. 10A NCAC 13B .6220 – Construction Requirements: Physical Rehabilitation Services.

w. 10A NCAC 13B .6221 – Construction Requirements: Engineering Services.
x. 10A NCAC 13B .6222 – Construction Requirements: Waste Processing.
y. 10A NCAC 13B .6223 – Construction Requirements: Details and Finishes.
z. 10A NCAC 13B .6224 – Construction Requirements: Elevator Requirements.
aa. 10A NCAC 13B .6225 – Construction Requirements: Mechanical Requirements.
bb. 10A NCAC 13B .6226 – Construction Requirements: Plumbing and Other Piping Systems Requirements.
cc. 10A NCAC 13B .6227 – Construction Requirements: Electrical Requirements.

(3) Guidelines. – The American Society for Healthcare Engineering's Facility Guidelines Institute "Guidelines for Design and Construction of Hospitals and Outpatient Facilities."

SECTION 1.(b) Repeal Hospital Facilities Rules. – The Secretary of Health and Human Services and the Medical Care Commission shall repeal the Hospital Facilities Rules within 120 days after this act becomes law.

SECTION 1.(c) Implementation and Rule-Making Authority. – Before the effective date of the repeal of the Hospital Facilities Rules required pursuant to subsection (b) of this section, the Medical Care Commission shall adopt temporary rules to replace the Hospital Facilities Rules and incorporate by reference all applicable rules, standards, and requirements of the most current edition of the Guidelines. If temporary rules are not adopted before the repeal of the Hospital Facilities Rules required pursuant to subsection (b) of this section, the Commission shall utilize the 2014 Edition of the Guidelines until such time as temporary rules are adopted. Furthermore, the Commission shall adopt permanent rules pursuant to this section.

SECTION 1.(d) Additional Rule-Making Authority. – The Medical Care Commission shall adopt rules to replace the Hospital Facilities Rules. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission pursuant to this section shall conform to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in subsection (b1) of G.S. 150B-21.3 as though 10 or more written objections had been received as provided by subsection (b2) of G.S. 150B-21.3. Furthermore, rules adopted pursuant to this section shall be exempt from the provisions of Chapter 150B of the General Statutes that require the preparation of fiscal notes for any rule proposed to incorporate the Guidelines by reference.

SECTION 1.(e) Exemption From Periodic Review. – Until such time as the Hospital Facilities Rules are repealed pursuant to subsection (b) of this section, the Hospital Facilities Rules shall be exempt from the periodic review process required pursuant to G.S. 150B-21.3A.

SECTION 2. This act is effective when it becomes law and applies to any licensee or prospective applicant who seeks to make specified types of alterations or additions to its hospital facilities or to construct new hospital facilities and who submits plans and specifications to the Department of Health and Human Services pursuant to Article 5 of Chapter 113E of the General Statutes on or after January 1, 2016.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-175 **S.B. 323**

AN ACT TO PROVIDE THAT COMMUNICATIONS AND OTHER DOCUMENTARY MATERIAL POSSESSED BY THE UNIVERSITY OF NORTH CAROLINA OR ANY OF ITS CONSTITUENT INSTITUTIONS REGARDING MEMBERSHIP IN THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION (NCAA), IN THE ATLANTIC COAST CONFERENCE (ACC) OR OTHER NCAA CONFERENCES, OR IN ANY OTHER COLLEGIATE SPORTS ASSOCIATION OR ORGANIZATION ARE PUBLIC RECORDS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 132 of the General Statutes is amended by adding a new section to read:

"**§ 132-1.3A. The University of North Carolina athletic conference communications and other documentary materials; public records.**

Public records, as defined in G.S. 132-1, shall include all documents, papers, letters, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, in the possession of The University of North Carolina or any of its constituent institutions related to membership in or communication with the National Collegiate Athletic Association (NCAA), the Atlantic Coast Conference or any other athletic conference in any division of the NCAA, or any other collegiate sports association or organization."

SECTION 2. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-176 **S.B. 384**

AN ACT TO AMEND THE LAW REGARDING THE USE OF MOTIONS FOR APPROPRIATE RELIEF; TO CLARIFY THE DEFINITION OF "FELONY OFFENSE" FOR PURPOSES OF THE HABITUAL FELON LAW AND TO REMOVE THE SUNSET ON DRIVERS LICENSE ELIGIBILITY FOR PERSONS CONVICTED OF HABITUAL IMPAIRED DRIVING; TO INCLUDE BREAKING AND ENTERING WITH THE INTENT TO TERRORIZE AS A HABITUAL BREAKING AND ENTERING STATUS OFFENSE; TO CLARIFY THAT WHEN A PERSON IS CHARGED WITH AN OFFENSE WHICH REQUIRES MANDATORY FINGERPRINTING, FINGERPRINTING WILL BE ORDERED BY THE COURT IF THE OFFENDER WAS NOT ARRESTED AND FINGERPRINTED AT THE TIME OF THE OFFENSE; TO PROVIDE THAT A PRIVATE CITIZEN'S SHOWING OF PROBABLE CAUSE TO THE MAGISTRATE SHALL INCLUDE SUFFICIENT INFORMATION SUPPORTED BY OATH OR AFFIRMATION THAT A CRIME HAS OCCURRED AND SHALL ISSUE AS A SUMMONS UNLESS A SUBSTANTIAL LIKELIHOOD EXISTS THAT THE DEFENDANT WILL NOT RESPOND TO A SUMMONS; AND TO AMEND THE SHERIFF'S SUPPLEMENTAL PENSION FUND.

The General Assembly of North Carolina enacts:

PART I. MOTIONS FOR APPROPRIATE RELIEF

SECTION 1.(a) G.S. 15A-1413(d) reads as rewritten:

"(d) All motions for appropriate relief filed in superior court shall, when filed, be referred to the senior resident superior court judge, who shall assign the motion as provided by this section for review and administrative action, including, as may be appropriate, dismissal, calendaring for hearing, entry of a scheduling order for subsequent events in the case, including disclosure of expert witness information described in G.S. 15A-903(a)(2) and G.S. 15A-905(c)(2) for expert witnesses reasonably expected to be called at a hearing on the motion, or other appropriate actions.

All motions for appropriate relief filed in district court shall, when filed, be referred to the chief district court judge, who shall assign the motion as provided by this section for review and administrative action, including, as may be appropriate, dismissal, calendaring for hearing, entry of a scheduling order for subsequent events in the case, or other appropriate actions."

SECTION 1.(b) G.S. 15A-1420(b1) reads as rewritten:

"**§ 15A-1420. Motion for appropriate relief; procedure.**

…

(b1) Filing Motion With Clerk. –

(1) The proceeding shall be commenced by filing with the clerk of superior court of the district wherein the defendant was indicted a motion, with service on the district attorney in noncapital cases, and service on both the district attorney and Attorney General in capital cases.

(2) The clerk, upon receipt of the motion, shall place the motion on the criminal docket. When a motion is placed on the criminal docket, the clerk shall promptly bring the motion, or a copy of the motion, to the attention of the senior resident superior court judge or chief district court judge, as appropriate, for assignment to the appropriate judge pursuant to G.S. 15A-1413.

(3) The judge assigned to the motion shall conduct an initial review of the motion. If the judge determines that all of the claims alleged in the motion are frivolous, the judge shall deny the motion. If the motion presents sufficient information to warrant a hearing or the interests of justice so require, the judge shall appoint counsel for an indigent defendant who is not represented by counsel. Counsel so appointed shall review the motion filed by the petitioner and either adopt the motion or file an amended motion. After postconviction counsel files an initial or amended motion, or a determination is made that the petitioner is proceeding without counsel, the judge may direct the State to file an answer. Should the State contend that as a matter of law the defendant is not entitled to the relief sought, the State may request leave to file a limited answer so alleging."

SECTION 1.(c) G.S. 7A-451(a) reads as rewritten:

"**§ 7A-451. Scope of entitlement.**

(a) An indigent person is entitled to services of counsel in the following actions and proceedings:

(1) Any case in which imprisonment, or a fine of five hundred dollars ($500.00), or more, is likely to be ~~adjudged;~~adjudged.

(2) A hearing on a petition for a writ of habeas corpus under Chapter 17 of the General ~~Statutes;~~Statutes.

(3) A motion for appropriate relief under Chapter 15A of the General Statutes if appointment of counsel is authorized by Chapter 15A of the General Statutes and the defendant has been convicted of a felony, has been fined five hundred dollars ($500.00) or more, or has been sentenced to a term of ~~imprisonment;~~imprisonment.

(4) A hearing for revocation of ~~probation;~~probation.

(5) A hearing in which extradition to another state is ~~sought;~~sought.

(6) A proceeding for an inpatient involuntary commitment to a facility under Part 7 of Article 5 of Chapter 122C of the General Statutes, or a proceeding for commitment under Part 8 of Article 5 of Chapter 122C of the General Statutes.

(7) In any case of execution against the person under Chapter 1, Article 28 of the General Statutes, and in any civil arrest and bail proceeding under Chapter 1, Article 34, of the General ~~Statutes;~~Statutes.

(8) In the case of a juvenile, a hearing as a result of which commitment to an institution or transfer to the superior court for trial on a felony charge is ~~possible;~~possible.

(9) A hearing for revocation of parole at which the right to counsel is provided in accordance with the provisions of Chapter 148, Article 4, of the General ~~Statutes;~~Statutes.

(10) Repealed by Session Laws 2003, c. 13, s. 2(a), effective April 17, 2003, and applicable to all petitions for sterilization pending and orders authorizing sterilization that have not been executed as of April 17, 2003.

(11) A proceeding for the provision of protective services according to Chapter 108A, Article 6 of the General ~~Statutes;~~Statutes.

(12) In the case of a juvenile alleged to be abused, neglected, or dependent under Subchapter I of Chapter 7B of the General ~~Statutes;~~Statutes.

(13) A proceeding to find a person incompetent under Subchapter I of Chapter 35A, of the General ~~Statutes;~~Statutes.

(14) A proceeding to terminate parental rights where a guardian ad litem is appointed pursuant to ~~G.S. 7B-1101;~~G.S. 7B-1101.

(15) An action brought pursuant to Article 11 of Chapter 7B of the General Statutes to terminate an indigent person's parental rights.

(16) A proceeding involving consent for an abortion on an unemancipated minor pursuant to Article 1A, Part 2 of Chapter 90 of the General Statutes. G.S. 7A-450.1, 7A-450.2, and 7A-450.3 shall not apply to this proceeding.

(17) A proceeding involving limitation on freedom of movement or access pursuant to G.S. 130A-475 or G.S. 130A-145.

(18) A proceeding involving placement into satellite monitoring under Part 5 of Article 27A of Chapter 14 of the General Statutes."

SECTION 1.(d) This section becomes effective December 1, 2017, and applies to motions for appropriate relief filed on or after that date.

PART II. HABITUAL FELONS/CLARIFY PREVIOUS CONVICTIONS

SECTION 2.(a) G.S. 14-7.1 reads as rewritten:

"**§ 14-7.1. Persons defined as habitual felons.**

(a) Any person who has been convicted of or pled guilty to three felony offenses in any federal court or state court in the United States or combination thereof is declared to be an habitual felon and may be charged as a status offender pursuant to this Article.

(b) For the purpose of this Article, a felony offense is defined ~~as an~~ to include all of the following:

(1) An offense ~~which~~ that is a felony under the laws of ~~the State or other sovereign wherein a~~ this State.

(2) An offense that is a felony under the laws of another state or sovereign that is substantially similar to an offense that is a felony in North Carolina, and to which a plea of guilty was entered, or a conviction was returned regardless of the sentence actually imposed.

(3) An offense that is a crime under the laws of another state or sovereign that does not classify any crimes as felonies if all of the following apply:

a. The offense is substantially similar to an offense that is a felony in North Carolina.

b. The offense may be punishable by imprisonment for more than a year in state prison.

c. A plea of guilty was entered or a conviction was returned regardless of the sentence actually imposed.

(4) An offense that is a felony under federal law. Provided, however, that federal offenses relating to the manufacture, possession, sale and kindred

offenses involving intoxicating liquors shall not be considered felonies for the purposes of this Article.

(c) For the purposes of this Article, felonies committed before a person attains the age of 18 years shall not constitute more than one felony. The commission of a second felony shall not fall within the purview of this Article unless it is committed after the conviction of or plea of guilty to the first felony. The commission of a third felony shall not fall within the purview of this Article unless it is committed after the conviction of or plea of guilty to the second felony. Pleas of guilty to or convictions of felony offenses prior to July 6, 1967, shall not be felony offenses within the meaning of this Article. Any felony offense to which a pardon has been extended shall not for the purpose of this Article constitute a felony. The burden of proving such pardon shall rest with the defendant and the State shall not be required to disprove a pardon."

SECTION 2.(b) Section 7 of S.L. 2009-369, as amended by Section 61.5 of S.L. 2014-115, reads as rewritten:

"**SECTION 7.** This act becomes effective December 1, 2009, and applies to applications for reinstatement that occur on or after that date. ~~This act expires December 1, 2016.~~"

SECTION 2.(c) Subsection (a) of this section becomes effective December 1, 2017, and applies to any offense committed on or after that date and that is the principal felony offense for a charge of a status offense of habitual felon. Subsection (b) of this section is retroactively effective December 1, 2016. The remainder of this section is effective when it becomes law. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

PART III. INCLUDE BREAKING AND ENTERING WITH INTENT TO TERRORIZE IN HABITUAL BREAKING AND ENTERING

SECTION 3.(a) G.S. 14-7.25 reads as rewritten:

"**§ 14-7.25. Definitions.**

The following definitions apply in this Article:

(1) "Breaking and entering." – The term means any of the following felony offenses:
   a. First degree burglary (G.S. 14-51).
   b. Second degree burglary (G.S. 14-51).
   c. Breaking out of dwelling house burglary (G.S. 14-53).
   d. Breaking or entering buildings generally (G.S. 14-54(a)).
   d1. Breaking or entering with intent to terrorize or injure an occupant of the building (G.S. 14-54(a1)).
   e. Breaking or entering a building that is a place of religious worship (G.S. 14-54.1).
   f. Any repealed or superseded offense substantially equivalent to any of the offenses in sub-subdivision a., b., c., d., or e. of this subdivision.
   g. Any offense committed in another jurisdiction substantially similar to any of the offenses in sub-subdivision a., b., c., d., or e. of this subdivision.

(2) "Convicted." – The person has been adjudged guilty of or has entered a plea of guilty or no contest to the offense of breaking and entering.

(3) "Status offender." – A person who is a habitual breaking and entering status offender as described in G.S. 14-7.26."

SECTION 3.(b) This section becomes effective December 1, 2017, and applies to offenses committed on or after that date.

PART IV. FINGERPRINTING UPON ARREST

SECTION 4.(a) G.S. 15A-502 is amended by adding a new subsection to read:

"**§ 15A-502. Photographs and fingerprints.**

…

(e) Fingerprints or photographs taken pursuant to subsection (a), (a1), or (a2) of this section may be forwarded to the State Bureau of Investigation, the Federal Bureau of Investigation, or other law-enforcement agencies.

(f) If a person is charged with an offense for which fingerprints are required pursuant to this section but the person is not arrested for that offense, the court before which the charge is pending shall order the defendant to submit to fingerprinting by the Sheriff or other appropriate law enforcement agency at the earliest practical opportunity. If the person fails to appear for fingerprinting as ordered by the court, the sheriff shall so inform the court, and the court may initiate proceedings for criminal contempt against the person pursuant to G.S. 5A-15, including issue of an order for arrest pursuant to G.S. 5A-16, if necessary. The defendant shall continue to be subject to the court's order to provide fingerprints until submitted."

SECTION 4.(b) This section becomes effective December 1, 2017.

PART V. CITIZEN'S WARRANTS

SECTION 5.(a) G.S. 15A-304(b) reads as rewritten:

"(b) When Issued. – A warrant for arrest may be issued, instead of or subsequent to a criminal summons, when it appears to the judicial official that the person named should be taken into custody. ~~Circumstances to be considered in determining whether the person should be taken into custody may include, but are not limited to, failure to appear when previously summoned, facts making it apparent that a person summoned will fail to appear, danger that the person accused will escape, danger that there may be injury to person or property, or the seriousness of the offense.~~

(1) Upon a finding of probable cause pursuant to subsection (d) of this section, the issuing official shall issue a criminal summons instead of a warrant, unless the official finds that the accused should be taken into custody. Circumstances to be considered in determining whether the accused should be taken into custody may include, but are not limited to, any of the following:

a. The accused has a history of failure to appear before the court as required, or there is other evidence that the person is unlikely to appear in response to a summons for the current proceeding.

b. There is evidence that the accused is likely to escape or otherwise flee the State in order to avoid prosecution for the offense alleged.

c. There is evidence of imminent danger of harm to persons or property if the accused is not taken into custody.

d. The location of the accused is not readily discoverable, such that a criminal summons would be unlikely to be served before any court date assigned at the time of issue.

e. A relevant statute provides that arrest is mandatory for an offense charged.

f. The seriousness of the offense. However, the fact that the offense charged is a felony shall not, by itself, constitute grounds for the issuance of a warrant.

(2) Notwithstanding subsection (d) of this section, an official shall only find probable cause based solely on information provided by a person who is not a sworn law enforcement officer if the information is provided by written affidavit. If the finding of probable cause pursuant to subsection (d) of this section is based solely upon the written affidavit of a person who is not a sworn law enforcement officer, the issuing official shall not issue a warrant for arrest and instead shall issue a criminal summons, unless one of the following circumstances exists:

a. There is corroborating testimony of the facts establishing probable cause from a sworn law enforcement officer or at least one disinterested witness.

b. The official finds that obtaining investigation of the alleged offense by a law enforcement agency would constitute a substantial burden for the complainant.

c. The official finds substantial evidence of one or more of the grounds listed in subdivision (1) of this subsection."

SECTION 5.(b) This section becomes effective December 1, 2017, and applies to warrants issued on or after that date.

PART VI. SHERIFFS' SUPPLEMENTAL PENSION FUND CHANGES

SECTION 6.(a) G.S. 143-166.82 reads as rewritten:

"**§ 143-166.82. Assets.**

(a) On and after July 1, 1985, each Clerk of Superior Court shall remit to the Department of Justice the monthly receipts collected pursuant to G.S. 7A-304 (a)(3a) to be deposited to the credit of the Sheriffs' Supplemental Pension Fund, hereinafter referred to as the Fund, to be used in making monthly pension payments to eligible retired sheriffs under the provisions of this Article and to pay the cost of administering the provisions of this Article.

(a1) The Department of Justice shall, at the beginning of each calendar year, calculate the amount of funds, in addition to those funds from subsection (a) of this section and from G.S. 143-166.83(f), needed for that year to pay the pension benefits under this Article and shall bill each county for that amount on a pro rata basis based on the most recent population estimates by the Office of State Budget and Management for each county. The amount so billed shall be paid by each county no later than March 1st of that year to the Department of Justice and shall be deposited into the Fund. For funding this contribution to the Fund, counties may use the portion of the civil process service fee per G.S. 7A-311(a)(1) that is not required by statute to be used to ensure the timely service of process within the county, may use other funds, or both.

(b) The State Treasurer shall be the custodian of the Sheriffs' Supplemental Pension Fund and shall invest its assets in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3."

SECTION 6.(b) G.S. 143-166.83 reads as rewritten:

"**§ 143-166.83. Disbursements.**

(a) Repealed by Session Laws 1991 (Reg. Sess., 1992), c. 900, s. 54, effective January 1, 1993.

(b) Immediately following January 1, 1993, and the first of January of each succeeding calendar year thereafter, the Department of Justice shall divide an amount equal to ninety percent (90%) of the assets of the Fund at the end of the preceding calendar year and shall add to that amount any assets remaining pursuant to subsection (f) of this section and the amounts pursuant to G.S. 143-166.82(a1) and disburse the same as monthly payments in accordance with the provisions of this Article.

(c) Ten percent (10%) of the Fund's assets as of January 1, 1993, and at the beginning of each calendar year thereafter, may be used by the Department of Justice in administering the provisions of this Article. This ten percent (10%) is to be derived from the Fund's assets prior to the addition of assets remaining pursuant to subsection (f) of this section.

(d) All the Fund's disbursements shall be conducted in the same manner as disbursements are conducted for other special funds of the State.

(e) If, for any reason, the Fund shall be insufficient to pay ~~any~~ pension benefits owed under this Article or other charges, then all benefits or payments shall be reduced pro rata for as long as the deficiency in amount exists. No claim shall accrue with respect to any amount by which a pension payment shall have been reduced.

(f) Any assets remaining after reserving an amount equal to the disbursements required under subsections (b) and (c) of this section shall be accrued and included in disbursements for pensioners in succeeding years."

SECTION 6.(c) G.S. 143-166.85 reads as rewritten:

"**§ 143-166.85. Benefits.**

(a) An eligible retired sheriff shall be entitled to and receive an annual pension benefit, payable in equal monthly installments, equal to ~~one share for each full year of eligible service as sheriff multiplied by his total number of years of eligible service. The amount of each share shall be determined by dividing the total number of years of eligible service for all eligible retired sheriffs on December 31 of each calendar year into the amount to be disbursed as monthly pension payments in accordance with the provisions of G.S. 143-166.83(b). In no event however shall a monthly pension under this Article exceed an amount, which~~ an amount that, when added to a retired allowance at retirement from the Local Governmental Employees' Retirement System or to the amount he would have been eligible to receive if service had not been forfeited by the withdrawal of accumulated contributions, is ~~greater than~~ equal to seventy-five percent (75%) of a sheriff's equivalent annual salary immediately preceding retirement computed on the latest monthly base rate, to a maximum amount that does not exceed (i) ~~of~~ one thousand five hundred dollars ~~($1,500).~~($1,500) or (ii) the sheriff's equivalent annual salary immediately preceding retirement computed on the latest monthly base rate when the benefit described in this subsection is added to the amount of the benefit the sheriff receives under G.S. 143-166.42 and the amount of the sheriff's retired allowance at retirement from the Local Governmental Employees' Retirement System or the amount the sheriff would have been eligible to receive if service had not been forfeited by the withdrawal of accumulated contributions.

(b) All monthly pensions payable under this Article shall be paid on the last business day of each month.

(c) At the death of the pensioner, benefits for the current calendar year will continue and be paid in monthly installments to the decedent's spouse or estate, in accordance with the provisions of Chapter 28A of the General Statutes. Benefits will cease upon the last payment being made in December of the current year.

(d) Monthly pensions payable under this Article will cease upon the full-time reemployment of a pensioner with an employer participating in the Local Governmental Employees' Retirement System for as long as the pensioner is so reemployed.

(e) Repealed by Session Laws 1989, c. 792, s. 2.9.

(f) Nothing contained in this Article shall preclude or in any way affect the benefits that a pensioner may be entitled to from any state, federal or private pension, retirement or other deferred compensation plan."

SECTION 6.(d) This section becomes effective January 1, 2018.

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-177 **H.B. 353**

AN ACT TO AUTHORIZE THE ADDITION OF BOB'S CREEK STATE NATURAL AREA, WARWICK MILL BAY STATE NATURAL AREA, AND SALMON CREEK STATE NATURAL AREA TO THE STATE PARKS SYSTEM, AS RECOMMENDED BY THE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES, AND TO DIRECT THE DEPARTMENT TO STUDY THE ESTABLISHMENT OF A STATE PARK ON THE BLACK RIVER.

Whereas, Section 5 of Article XIV of the North Carolina Constitution states that it shall be a proper function of the State of North Carolina to acquire and preserve park, recreational, and scenic areas and, in every other appropriate way, to preserve as a part of the common heritage of this State its open lands and places of beauty; and

Whereas, the General Assembly enacted the State Parks Act in 1987, declaring that the State of North Carolina offers unique archaeological, geological, biological, scenic, and recreational resources, and that such resources are part of the heritage of the people of the State to be preserved and managed by those people for their use and for the use of their visitors and descendants; and

Whereas, the Bob's Creek area in McDowell County is significant for its scenic beauty, high-quality natural communities, rare and unusual natural features, and opportunities for natural resource preservation, outdoor recreation, and regional trail connections; and

Whereas, Warwick Mill Bay in Robeson County is a large Carolina Bay with one of the State's largest inland heronries, providing habitat for herons, egrets, moorhens, anhingas, ibises, wood storks, alligators, and many other species of wildlife and plants, and preservation of Warwick Mill Bay would protect an important ecological and scientific resource for future North Carolinians; and

Whereas, the Salmon Creek area in Bertie County is ecologically significant for its high-quality natural communities and also contains important prehistoric and historic archaeological sites offering opportunities for important archaeological discoveries, including an Indian occupation site containing evidence of late 16th or early 17th century English presence; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly authorizes the Department of Natural and Cultural Resources to add Bob's Creek State Natural Area, Warwick Mill Bay State Natural Area, and Salmon Creek State Natural Area to the State Parks System as provided in G.S. 143B-135.54(b).

SECTION 2. The State may receive donations of appropriate land and may purchase other needed lands for Bob's Creek State Natural Area, Warwick Mill Bay State Natural Area, and Salmon Creek State Natural Area with existing funds in the Clean Water Management Trust Fund, the Parks and Recreation Trust Fund, the federal Land and Water Trust Fund, and other available sources of funding.

SECTION 3. The Division of Parks and Recreation of the Department of Natural and Cultural Resources shall study the feasibility and the desirability of acquiring land and establishing a State Park on the Black River. The study shall include public input and shall estimate the cost of developing the proposed park. In addition, the study shall include an assessment of actions the State can take to improve the navigability of the Black River. The Division shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on or before March 1, 2018.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-178 **H.B. 89**

AN ACT TO ALLOW MUNICIPALITIES TO TRANSFER THE POWERS, DUTIES, AND RESPONSIBILITIES OF A PUBLIC HOUSING AUTHORITY TO A REGIONAL COUNCIL OF GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 157-4.1 reads as rewritten:

"**§ 157-4.1. Alternative organization.**

(a) In lieu of creating a housing authority as authorized herein, the council of any city may, if it deems wise, ~~either~~ designate a redevelopment commission created under the provisions of Chapter ~~160~~ 160A of the General ~~Statutes~~ Statutes, or a regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes, to exercise the powers, duties, and responsibilities of a housing authority as prescribed herein, or may itself exercise such powers, duties, and responsibilities. Any such designation shall be by passage of a resolution adopted in accordance with the procedure and pursuant to the finding specified in the first and second paragraphs of G.S. 157-4. In the event the council of any city designates itself to exercise the powers, duties, and responsibilities of a housing authority, then where any act, proceeding, or approval is required to be done, recommended, or approved both by a housing authority and by the council of the city, then the performance, recommendation, or approval thereof once by the council of the city shall be sufficient to make such performance, recommendation, or approval valid and legal. In the event the council of the city designates itself to exercise the powers, duties, and responsibilities of a housing authority, it may assign the administration of the housing programs, projects, and policies to any existing or new department of the city.

(b) The council of any city which has prior to July 1, 1969, created, or which may hereafter create, a housing authority may, in its discretion, by resolution abolish such housing authority, such abolition to be effective on a day set in such resolution ~~not less than 90 days after its adoption.~~ that will allow sufficient time to wind down the operations of the housing authority. Upon the adoption of such a resolution, the housing authority of the city is hereby authorized and directed to take such actions and to execute such documents as will carry into effect the provisions and the intent of the resolution, and as will effectively transfer its authority, responsibilities, obligations, personnel, and property, both real and personal, to the city. Any city which abolishes a housing authority pursuant to this subsection may, at any time subsequent to such abolition or concurrently therewith, exercise the authority granted by subsection (a) of this section.

On the day set in the resolution of the ~~council:~~council, all of the following apply:

(1) The housing authority shall cease to exist as a body politic and corporate and as a public ~~body;~~body.

(2) All property, real and personal and mixed, belonging to the housing authority shall vest in, belong to, and be the property of the ~~city;~~city.

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the housing authority shall remain, vest in, and inure to the benefit of the ~~city;~~city.

(4) All rentals, taxes, assessments, and any other funds, charges or fees, owing to the housing authority shall be owed to and collected by the ~~city;~~city.

(5) Any actions, suits, and proceedings, pending against, or having been instituted by the housing authority shall not be abated by such abolition, but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the city shall be a party to all such actions, suits, and proceedings in the place and stead if the housing authority and shall pay or cause to be paid any judgments rendered against the housing authority in any such actions, suits, or proceedings, and no new process need be served in any such action, suit, or ~~proceeding;~~proceeding.

(6) All obligations of the housing authority, including outstanding indebtedness, shall be assumed by the city, and all such obligations and outstanding indebtedness shall be constituted obligations and indebtedness of the ~~city;~~city.

(7) All ordinances, rules, regulations and policies of the housing authority shall continue in full force and effect until repealed or amended by the council of the city.

(c) Where the governing body of any municipality has in its discretion, by resolution abolished a housing authority, pursuant to subsection (b) ~~above,~~ of this section, the governing body of such municipality may, at any time subsequent to the passage of a resolution abolishing a housing authority, or concurrently therewith, by the passage of a resolution adopted in accordance with the procedures and pursuant to the finding specified in G.S. 157-4.1, designate an existing redevelopment commission created pursuant to ~~Article 37 of Chapter 160~~ Article 22 of Chapter 160A of the General Statutes, or a regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes, to exercise the powers, duties, and responsibilities of a housing authority. Where the governing body of any municipality designates, pursuant to this subsection, an existing redevelopment commission ~~created pursuant to Article 37 of Chapter 160 of the General Statutes~~ or a regional council of government to exercise the powers, duties, and responsibilities of a housing authority, on the day set in the resolution of the governing body passed pursuant to subsection (b) of this section, or pursuant to subsection (c) of this ~~section:~~section, all of the following apply:

(1) The housing authority shall cease to exist as a body politic and corporate and as a public ~~body;~~body.

(2) All property, real and personal and mixed, belonging to the housing authority or to the municipality as hereinabove provided in subsections (a) or (b), shall vest in, belong to, and be the property of the existing redevelopment commission ~~of the municipality;~~or regional council of government.

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the housing authority or in favor of the municipality as hereinabove provided in subsections (a) or (b), shall remain, vest in, and inure to the benefit of the existing redevelopment commission ~~of the municipality;~~or regional council of government.

(4) All rentals, taxes, assessments, and any other funds, charges, or fees owing to the housing authority or owing to the municipality as hereinabove provided in subsections (a) or (b), shall be owed to and collected by the existing redevelopment commission ~~of the municipality;~~or regional council of government.

(5) Any actions, suits, and proceedings pending against or having been instituted by the housing authority or the municipality, or to which the municipality has become a party as hereinabove provided in subsections (a) or (b), shall not be abated by such abolition but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the existing redevelopment commission ~~of the municipality~~ or regional council of government shall be a party to all such actions, suits, and proceedings in the place and stead of the housing authority or the municipality, and shall pay or cause to be paid any judgments rendered in such actions, suits, or proceedings, and no new processes need be served in such action, suit, or ~~proceeding;~~proceeding.

(6) All obligations of the housing authority or the municipality as hereinabove provided in subsections (a) or (b), including outstanding indebtedness, shall be assumed by the existing redevelopment commission ~~of the municipality;~~ or regional council of government; and all such obligations and outstanding indebtedness shall be constituted obligations and indebtedness of the existing redevelopment commission ~~of the municipality;~~or regional council of government.

(7) All ~~ordinances, rules~~, regulations, and policies of the housing authority ~~or the municipality~~ as hereinabove provided in subsections (a) or (b), shall continue in full force and effect until repealed and amended by the existing redevelopment commission ~~of the municipality.~~or regional council of government.

(8) Notwithstanding G.S. 157-5 and G.S. 157-8, the term of office for all commissioners shall expire.

(d) A redevelopment commission or regional council of government designated by the governing body of any municipality to exercise the powers, ~~duties~~ duties, and responsibilities of a housing authority shall, when exercising the same, do so in accordance with Chapter 157 of the General Statutes. ~~Otherwise~~ Otherwise, the redevelopment commission shall continue to exercise ~~the~~ its powers, ~~duties~~ duties, and responsibilities ~~of a redevelopment commission~~ in accordance with ~~Article 37 of Chapter 160~~ Article 22 of Chapter 160A of the General ~~Statutes.~~Statutes, and the regional council of governments shall continue to exercise its powers, duties, and responsibilities in accordance with Part 2 of Article 20 of Chapter 160A of the General Statutes.

(e) Upon passage of a resolution pursuant to subsection (b) or (c) of this section, the city council may appoint an interim executive director who will work with the housing authority to facilitate any transfer to the city, redevelopment commission, or regional council of government, and who will serve in that capacity until the transfer is complete. The interim executive director shall have all the powers and duties granted to an executive director pursuant to G.S. 157-5(e) along with the rules, regulations, and policies of the housing authority."

SECTION 2. G.S. 160A-475 reads as rewritten:

"**§ 160A-475. Specific powers of council.**

The charter may confer on the regional council any of the following powers:

...

(7a) For the purpose of meeting the regional council's office space and program needs, to acquire real property by purchase, gift, or otherwise, and to improve that property. The regional council may pledge real property as security for indebtedness used to finance acquisition of that property or for improvements to that real property, subject to approval by the Local Government Commission as required under G.S. 159-153. A regional council may not exercise the power of eminent domain.

(7b) To carry out the powers, duties, and responsibilities granted pursuant to Chapter 157 of the General Statutes except the power of eminent domain.

(8) Any other powers that are exercised or capable of exercise by its member governments and desirable for dealing with problems of mutual concern to the extent such powers are specifically delegated to it from time to time by resolution of the governing board of each of its member governments which are affected thereby, provided, that no regional council of governments shall have the authority to construct or purchase buildings, or acquire title to real property, except for the purposes permitted under subdivision (7a) of this section or in order to exercise the authority granted by Chapter 260 of the Session Laws of ~~1979.~~1979, or the powers, duties, and responsibilities granted to the regional council pursuant to Chapter 157 of the General Statutes. Nothing in this subdivision permits a regional council to exercise the power of eminent domain."

SECTION 3. This act does not apply to cities with a population of greater than 250,000 according to the latest federal decennial census.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-179 **H.B. 128**

AN ACT TO PROHIBIT THE USE OF AN UNMANNED AIRCRAFT SYSTEM NEAR A LOCAL CONFINEMENT FACILITY OR STATE OR FEDERAL CORRECTIONAL FACILITY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 16B of Chapter 15A of the General Statutes is amended by adding a new section to read:

"**§ 15A-300.3. Use of an unmanned aircraft system near a confinement or correctional facility prohibited.**

(a) Prohibition. – No person, entity, or State agency shall use an unmanned aircraft system within either a horizontal distance of 500 feet, or a vertical distance of 250 feet from any local confinement facility, as defined in G.S. 153A-217, or State or federal correctional facility. For the purpose of this section, horizontal distance shall extend outward from the furthest exterior building walls, perimeter fences, and permanent fixed perimeter, or from another boundary clearly marked with posted notices. Posted notices shall be conspicuously posted not more than 100 yards apart along a marked boundary and comply with Department of Transportation guidelines.

(b) Exceptions. – Unless the use of the unmanned aircraft system is otherwise prohibited under State or federal law, the distance restrictions of subsection (a) of this section do not apply to any of the following:

(1) A person operating an unmanned aircraft system with written consent from the official in responsible charge of the facility.

(2) A law enforcement officer using an unmanned aircraft system in accordance with G.S. 15A-300.1(c).

(3) A public utility, as defined in G.S. 62-3(23), a provider, as defined in G.S. 146-29.2(a)(6), or a commercial entity, provided that the public utility, provider, or commercial entity complies with all of the following:

a. The unmanned aircraft system must not be used within either a horizontal distance of 150 feet, or within a vertical distance of 150 feet from any local confinement facility or State or federal correctional facility.

b. Notifies the official in responsible charge of the facility at least 24 hours prior to operating the unmanned aircraft system. A commercial entity operating in compliance with G.S.15A-300.1 and pursuant to the provisions of this subdivision is exempt from the 24-hour notice requirement.

c. Uses the unmanned aircraft system for the purpose of inspecting public utility or provider transmission lines, equipment, or communication infrastructure or for another purpose directly related to the business of the public utility, provider, or commercial entity.

d. Uses the unmanned aircraft system for commercial purposes pursuant to and in compliance with (i) Federal Aviation Administration regulations, authorizations, or exemptions and (ii) Article 10 of Chapter 63 of the General Statutes.

e. The person operating the unmanned aircraft system does not physically enter the prohibited space without an escort from the facility.

(4) An emergency management agency, as defined in G.S. 166A-19.3, emergency medical services personnel, firefighters, and law enforcement officers, when using an unmanned aircraft system in response to an emergency.

(c) Penalty. – The following penalties apply for violations of this section:

(1) A person who uses an unmanned aircraft system (i) in violation of subsection (a) of this section or (ii) pursuant to an exception in subsection (b) of this section and who delivers, or attempts to deliver, a weapon to a local confinement facility or State or federal correctional facility is guilty of a Class H felony, which shall include a fine of one thousand five hundred dollars ($1,500). For purposes of this subdivision, the term "weapon" is as defined in G.S. 14-401.24(c).

(2) A person who uses an unmanned aircraft system (i) in violation of subsection (a) of this section or (ii) pursuant to an exception in subsection (b) of this section and who delivers, or attempts to deliver, contraband to a local confinement facility or State or federal correctional facility is guilty of a Class I felony, which shall include a fine of one thousand dollars ($1,000). For purposes of this subdivision, the term "contraband" includes controlled substances, as defined in G.S. 90-87, cigarettes, alcohol, and communication devices, but does not include weapons.

(3) A person who uses an unmanned aircraft system in violation of subsection (a) of this section for any other purpose is guilty of a Class 1 misdemeanor, which shall include a fine of five hundred dollars ($500.00).

(d) Seizure, Forfeiture, and Disposition of Seized Property. – A law enforcement agency may seize an unmanned aircraft system and any attached property, weapons, and contraband used in violation of this section. An unmanned aircraft system used in violation of this section and seized by a law enforcement agency is subject to forfeiture and disposition pursuant to G.S. 18B-504. An innocent owner or holder of a security interest applying to the court for release of the unmanned aircraft system, in accordance with G.S. 18B-504(h), shall also provide proof of ownership or security interest and written certification that the unmanned aircraft system will not be returned to the person who was charged with the violation of subsection (a) of this section. The court shall forfeit and dispose of any other property, weapons, or contraband seized by a law enforcement agency in connection with a violation of this section pursuant to G.S. 18B-504, 14-269.1, 90-112, or any combination thereof."

SECTION 2. For the purpose of restricting the operation of an unmanned aircraft system in accordance with Section 1 of this act, the Division of Aviation of the Department of Transportation shall petition the Federal Aviation Administration (FAA) to designate any local confinement facility, as defined in G.S. 153A-217, or State or federal correctional facility in the State as a fixed site facility, pursuant to rules and regulations adopted pursuant to section 2209 of the FAA Extension, Safety, and Security Act of 2016, Public Law No. 114-190. The Division shall follow all guidance from the FAA in submitting and processing the petition. The Division shall publish designations by the FAA in accordance with this act on the Division Web site.

At the request of the Division, the Social Services Commission of the Department of Health and Human Services shall provide to the Division a list of local confinement facilities, as defined in G.S. 153A-217, including facility location and a contact person for each facility. At the request of the Division, the Department of Public Safety shall provide to the Division a list of State correctional facilities, including facility location, a contact person for each facility, and each facility's operational status.

SECTION 3. The Division of Aviation of the Department of Transportation shall develop guidelines for the content and dimensions for posted notices to mark boundaries in accordance with Section 1 of this act.

SECTION 4. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-180 **H.B. 396**

AN ACT AUTHORIZING THE CITY OF WILSON TO CONTINUE THE PROVISION OF COMMUNICATION SERVICES IN THE CITY'S TEMPORARY EXTENSION AREAS UNTIL THIRTY DAYS AFTER ALTERNATIVE SERVICE IS ESTABLISHED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-340.2(c)(3) reads as rewritten:

"(c) The provisions of G.S. 160A-340.1, 160A-340.3, 160A-340.4, 160A-340.5, and 160A-340.6 do not apply to a city or joint agency providing communications service as of January 1, 2011, provided the city or joint agency limits the provision of communications service to any one or more of the following:

…

(3) The following service areas:

…

c. For the city of Wilson, the service area is the county limits of Wilson County, including the incorporated areas within the County. Notwithstanding any other provision of this Article, the city of Wilson may continue the provision of communication services to persons and businesses in the temporary extension areas under the condition that the provision of communication services in such areas is terminated by a date which is 30 days after the date retail service is first available in the area from a competitive provider of communications service that will provide Fiber to the Premises (FTTP) service. For purposes of this subdivision, "temporary extension areas" shall mean (i) the corporate limits of the Town of Pinetops and (ii) any service connection located within 800 feet of the centerline of Christian Road (State Road No. 1942) between its intersection with Bloomery Road (State Road No. 1996) and West Hornes Church Road (State Road No. 1941). Prior to the cessation of service, the city of Wilson may establish rates, fees, charges, and penalties for the communication services provided in the temporary extension areas in the same manner as communication services provided in the county limits of Wilson County, including the incorporated areas within the County. Service will be deemed available for purposes of this provision upon the certification by a competitive provider to the city that service is available in a temporary extension area. For purposes of this subdivision, a competitive provider is an incumbent local exchange carrier or cable telecommunications company that is not presently providing Fiber to the Premises (FTTP) service in the temporary extension areas.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-181 **H.B. 434**

AN ACT TO EXEMPT RARE COINS, PAPER CURRENCY, AND PRECIOUS METALS SALES FROM SALES TAX.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.13 is amended by adding a new subdivision to read:

"(69) Sales of non-coin currency, investment metal bullion, and investment coins. For purposes of this subdivision, the following definitions apply:

a. Investment coins. – Numismatic coins or other forms of money and legal tender manufactured of metal under the laws of the United States or any foreign nation with a fair market value greater than any statutory or nominal value of such coins.

b. Investment metal bullion. – Any elementary precious metal that has been put through a process of smelting or refining and that is in such state or condition that its value depends upon its content and not upon its form. The term does not include fabricated precious metal that has been processed or manufactured for one or more specific and customary industrial, professional, or artistic uses.

c. Non-coin currency. – Forms of money and legal tender manufactured of a material other than metal under the laws of the United States or any foreign nation with a fair market value greater than any statutory or nominal value of such currency."

SECTION 2. This act becomes effective July 1, 2017, and applies to sales made on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-182 **H.B. 559**

AN ACT TO EXPAND THE USE OF FIREARMS FOR HUNTING OF WILD ANIMALS AND UPLAND GAME BIRDS ON SUNDAY AND TO ALLOW HUNTING OF MIGRATORY BIRDS ON SUNDAY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 103-2 reads as rewritten:

"**§ 103-2. Method of take when hunting on Sunday.**

(a) Any landowner or member of the landowner's family, or any person with written permission from the landowner, ~~may~~ may, subject to rules established by the Wildlife Resources Commission, hunt wild animals and upland game birds with the use of firearms on Sunday on the landowner's property, except that all of the following limitations apply:

(1) Hunting on Sunday between 9:30 A.M. and 12:30 P.M. is prohibited, except on controlled hunting preserves licensed pursuant to G.S. 113-273(g).

~~(2) Hunting of migratory birds on Sunday is prohibited.~~

(3) The use of a firearm to take deer that are run or chased by dogs on Sunday is prohibited.

(4) Hunting on Sunday within 500 yards of a place of ~~worship~~ religious worship, as defined by G.S. 14-54.1(b), or any accessory structure thereof, ~~or within 500 yards of a residence not owned by the landowner,~~ is prohibited.

~~(5) Hunting on Sunday in a county having a population greater than 700,000 people is prohibited.~~

(a1) Any person may, subject to rules established by the Wildlife Resources Commission, hunt wild animals and upland game birds with the use of firearms on Sunday on public lands of the State managed for hunting, except that the following limitations apply:

(1) Hunting on Sunday between 9:30 A.M. and 12:30 P.M. is prohibited.

(2) The use of a firearm to take deer that are run or chased by dogs on Sunday is prohibited.

(3) Hunting on Sunday within 500 yards of a place of religious worship, as defined by G.S. 14-54.1(b), or any accessory structure thereof, is prohibited.

(a2) The hunting of migratory birds on Sunday is prohibited unless authorized by proclamation or rules of the Wildlife Resources Commission, subject to the following limitations:

(1) Hunting on Sunday between 9:30A.M. and 12:30 P.M. is prohibited, except on controlled hunting preserves licensed pursuant to G.S. 113-273(g).

(2) Hunting on Sunday within 500 yards of a place of religious worship, as defined by G.S. 14-54.1(b), or any accessory structure thereof, is prohibited.

(3) The Wildlife Resources Commission shall not authorize hunting of migratory birds on Sunday prior to March 1, 2018.

(b) A person who hunts on Sunday in a manner prohibited under ~~subsection (a) of~~ this section or rules adopted by the Wildlife Resources Commission shall be guilty of a Class 3 misdemeanor. Provided, that the provisions of this section are not applicable to military reservations, the jurisdiction of which is exclusively in the federal government, to field trials authorized by the Wildlife Resources Commission, or to actions taken in defense of a person's property. Wildlife protectors are granted authority to enforce the provisions of this section."

SECTION 2. The Wildlife Resources Commission shall complete a study that includes, but is not limited to, examining biological and resource management impacts, economic impacts, and social impacts associated with hunting migratory birds on Sunday. The Wildlife Resources Commission shall submit its findings to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chair or chairs of the House Committee on Wildlife Resources no later than March 1, 2018.

SECTION 3.(a) G.S. 153A-129 reads as rewritten:

"**§ 153A-129. Firearms.**

(a) Except as provided in this section, a county may by ordinance regulate, restrict, or prohibit the discharge of firearms at any time or place except in any of the following instances:

(1) When used to take birds or animals pursuant to Chapter 113, Subchapter IV.

(2) When used in defense of person or property.

(3) When used pursuant to lawful directions of law-enforcement officers.

(b) A county may by ordinance prohibit hunting on Sunday as allowed under G.S. 103-2, provided the ordinance complies with all of the following:

(1) The ordinance shall be applicable from January 1 until December 31 of any year of effectiveness.

(2) The ordinance shall allow for individuals hunting in an adjacent county with no restriction on Sunday hunting to retrieve any animal lawfully shot from the adjacent county.

(3) The ordinance shall be applicable to the entire county.

(4) The ordinance shall not be effective unless approved by a majority of those voting in a county-wide referendum held as provided in G.S. 163-287. Such special election shall only be held at the time provided by G.S. 163-287(a)(1).

(c) A county may regulate the display of firearms on the public roads, sidewalks, alleys, or other public property.

(d) This section does not limit a county's authority to take action under Article 1A of Chapter 166A of the General Statutes."

SECTION 3.(b) Section 5(c) of S.L. 2015-144 reads as rewritten:

"**SECTION 5.(c)** Subsection (b) of this section becomes effective October 1, 2017. A county may adopt an ordinance to prohibit Sunday hunting prior to October 1, 2017, but any such ordinance shall not become effective until October 1, 2017. No such ordinance shall be effective unless approved by a majority of those voting in a county-wide referendum held as provided in G.S. 163-287. Such special election shall only be held at the time provided by G.S. 163-287(a)(1). The remainder of this section becomes effective October 1, 2015."

SECTION 4. Section 3(a) of this act becomes October 1, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-183 **H.B. 656**

AN ACT TO PROVIDE FLEXIBILITY TO THE COLLEGE OF THE ALBEMARLE IN USING STATE FUNDS TO ENTER INTO CERTAIN CONSTRUCTION PROJECTS FOR EDUCATIONAL FACILITIES WITH THE COUNTIES SERVED BY THE COMMUNITY COLLEGE.

Whereas, the College of the Albemarle is in need of new facilities to educate and prepare adult and high school students in northeastern North Carolina for the economic enhancement of the region, to promote the transfer of students to four-year baccalaureate degree programs, and to increase the public safety and vocational skills in high demand throughout the region; and

Whereas, the College of the Albemarle's service delivery area includes seven counties and four campuses, with several counties within this area willing to invest public funds into construction of educational facilities for skills training and college transfer programs for the benefit of students throughout the region; and

Whereas, the College of the Albemarle and the counties in the community college's service delivery area mutually desire to enter into long-term lease agreements for the College of the Albemarle to occupy educational facilities to be constructed by the counties on property currently owned by the counties; and

Whereas, Currituck County wishes to use construction delivery methods chosen by the counties as owners of the educational facilities; and

Whereas, the College of the Albemarle would need exemptions from certain State law requirements to enter into such an agreement with the counties and use State funds, including Connect NC Bond funds; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any other provision of law to the contrary, the Board of Trustees of the College of the Albemarle may expend State funds appropriated for capital improvements, including Connect NC Bond funds, for the construction and renovation of educational facilities owned by and located on property owned by a county within the service area of the College of the Albemarle (Camden, Chowan, Currituck, Dare, Gates, Pasquotank, and Perquimans Counties), including the following pending project:

(1) Construction of a public safety facility located in Currituck County, which would enable the relocation of the community college's emergency services programs.

Any facility constructed or renovated under this authority shall be leased for a period of at least 30 years to the Board of Trustees of the College of the Albemarle. If the lessor terminates the lease through no fault of the college, a prorated amount of the building cost supported by State funds, amortized over the lease period, shall be returned to the college.

SECTION 2. If State funds described in Section 1 of this act are derived from the proceeds of Connect NC Bonds, then the proceeds shall be expended on the cost of capital facilities that are to be used by the College of the Albemarle to carry out its community college purposes. The lease shall contain adequate provision to assure that the capital facilities so provided will be used for community college purposes.

SECTION 3. The Board of Trustees of the College of the Albemarle may contract for the renovation or construction of educational facilities as described in Section 1 of this act with any of the counties within the service area of the College of the Albemarle without being subject to the provisions of G.S. 143-341.

SECTION 4. This act is effective when it becomes law and applies only to capital improvement projects with construction contracts executed prior to July 1, 2022.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-184 **H.B. 657**

AN ACT MODIFYING THE LAWS PROHIBITING ISSUANCE OF ADULT CARE HOME LICENSES DUE TO PRIOR VIOLATIONS; EXEMPTING FROM CERTIFICATE OF NEED REVIEW NEW INSTITUTIONAL HEALTH SERVICES INVOLVING THE ACQUISITION OF AN UNLICENSED ADULT CARE HOME THAT WAS PREVIOUSLY LICENSED; ESTABLISHING A PROCESS FOR ADULT CARE HOMES TO REQUEST INFORMAL DISPUTE RESOLUTION OF CERTAIN ADVERSE INSPECTION FINDINGS BY COUNTY DEPARTMENTS OF SOCIAL SERVICES PRIOR TO IMPOSITION OF A PENALTY OR ISSUANCE OF A STAR RATING CERTIFICATE BASED ON THE ADVERSE INSPECTION FINDINGS; AMENDING THE RULES PERTAINING TO MINIMUM TRAINING FOR PERSONAL CARE AIDES; ELIMINATING THE TWELVE- TO TWENTY-FOUR-MONTH PENALTY ON ADULT CARE HOME STAR RATINGS; AND DIRECTING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY THE EFFECTIVENESS OF THE NORTH CAROLINA STAR-RATED CERTIFICATE PROGRAM FOR ADULT CARE HOMES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 131D-2.4 reads as rewritten:

"**§ 131D-2.4. Licensure of adult care homes for aged and disabled individuals; impact of prior violations on licensure; compliance history review; license renewal.**

(a) Licensure. – Except for those facilities exempt under G.S. 131D-2.3, the Department of Health and Human Services shall inspect and license all adult care homes. The Department shall issue a license for a facility not currently licensed as an adult care home for a period of six months. If the licensee demonstrates substantial compliance with Articles 1 and 3 of this Chapter and rules adopted thereunder, the Department shall issue a license for the balance of the calendar year. A facility not currently licensed as an adult care home that was licensed as an adult care home within the preceding 12 months is considered an existing health service facility for the purposes of G.S. 131E-184(a)(8).

(b) Compliance History Review. – Prior to issuing a new license or renewing an existing license, the Department shall conduct a compliance history review of the facility and its principals and affiliates. The Department may refuse to license a facility when the compliance history review shows a pattern of noncompliance with State law by the facility or its principals or affiliates, or otherwise demonstrates disregard for the health, safety, and welfare of residents in current or past facilities. The Department shall require compliance history information and make its determination according to rules adopted by the Medical Care Commission.

(c) Prior Violations. – No new license shall be issued for any adult care home to an applicant for licensure ~~who:~~under any of the following circumstances for the period of time indicated:

(1) Was the owner, principal, or affiliate of a licensable facility under this Chapter, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes and was responsible for the operation of the facility that had its license revoked until ~~one full year~~ five years after the date ~~of revocation;~~the revocation became effective.

(1a) Was the owner, principal, or affiliate of a licensable facility under this Chapter, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes and was responsible for the operation of the facility that had its license summarily suspended until five years after the date the suspension was lifted or terminated.

(2) Is the owner, principal, or affiliate of an adult care home and is responsible for the operation of the facility that was assessed a penalty for a Type A or Type B violation until the earlier of one year from the date the penalty was

assessed or until the home has substantially complied with the correction plan established pursuant to G.S. 131D-34 and substantial compliance has been certified by the ~~Department;~~Department.

(3) Is the owner, principal, or affiliate of an adult care home and is responsible for the operation of the facility that had its license ~~summarily suspended or~~ downgraded to provisional status or had its admissions suspended as a result of ~~Type A or Type B~~ violations under this Article, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes until six months from the date of ~~reinstatement of the license,~~ restoration from provisional to full licensure, ~~or~~ termination of the provisional license, ~~as applicable;~~ or lifting or termination of the suspension of admissions, as applicable.

~~(4) Is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under this Article or Chapter 122C of the General Statutes or had its license summarily suspended or denied under Article 7 of Chapter 110 of the General Statutes until six months from the date of the reinstatement of the license, restoration from provisional to full licensure, or termination of the provisional license, as applicable.~~

(5) Is or was the owner, principal, or affilate of an adult care home and is responsible for the operation of the facility where outstanding fees, fines, and penalties imposed by the State against the facility have not been paid. Fines and penalties for which an appeal is pending are exempt from consideration under this subdivision.

An applicant for new licensure may appeal a denial of certification of substantial compliance under subdivision (2) of this subsection by filing with the Department a request for review by the Secretary within 10 days of the date of denial of the certification. Within 10 days of receipt of the request for review, the Secretary shall issue to the applicant a written determination that either denies certification of substantial compliance or certifies substantial compliance. The decision of the Secretary is final.

(d) License Renewals. – License renewals shall be valid for one year from the date of renewal unless revoked earlier by the Secretary for failure to comply with any part of this section or any rules adopted hereunder. Licenses shall be renewed annually upon filing and the Department's approval of the renewal application. The Department shall not renew a license if outstanding fees, fines, and penalties imposed by the State against the home have not been paid. Fines and penalties for which an appeal is pending are exempt from consideration. The renewal application shall contain all necessary and reasonable information that the Department may require.

(e) In order for an adult care home to maintain its license, it shall not hinder or interfere with the proper performance of duty of a lawfully appointed community advisory committee, as defined by G.S. 131D-31 and G.S. 131D-32.

(f) The Department shall not issue a new license for a change of ownership of an adult care home if outstanding fees, fines, and penalties imposed by the State against the home have not been paid. Fines and penalties for which an appeal is pending are exempt from consideration. The consent of the current licensee is not a required prerequisite to a change of ownership of an adult care home if the current licensee has (i) been removed from the facility pursuant to Articles 3 and 7 of Chapter 42 of the General Statutes or (ii) abandoned the facility, as determined by the Department's reasonable discretion.

(g) Any applicant for licensure who wishes to contest the denial of a license is entitled to an administrative hearing as provided in Chapter 150B of the General Statutes. The applicant shall file a petition for a contested case within 30 days after the date the Department mails a written notice of the denial to the applicant."

SECTION 2. G.S. 131D-2.11 reads as rewritten:

"**§ 131D-2.11. Inspections, monitoring, and review by State agency and county departments of social services.**

…

(a2) Informal Dispute ~~Resolution.~~Resolution – Division of Health Service Regulation. –

(1) The Division of Health Service Regulation shall offer each adult care home an opportunity, at the facility's request and upon the facility's receipt of the official statement of deficiencies, to informally resolve disputed findings from inspections conducted by the Division of Health Service Regulation in accordance with this section.

(2) Failure of the Division of Health Service Regulation to complete informal dispute resolution timely does not delay the effective date of any enforcement action taken by the Division of Health Service Regulation against an adult care home.

(3) An adult care home is not entitled to seek a delay of any enforcement action against it on the grounds that the Division of Health Service Regulation has not completed informal dispute resolution prior to the effective date of the enforcement action.

(4) If an adult care home successfully demonstrates during informal dispute resolution that any of the deficiencies cited in the official statement of deficiencies should not have been cited, the Division of Health Service Regulation shall remove the incorrectly cited deficiencies from the official statement of deficiencies and rescind any enforcement actions imposed on the adult care home solely as a result of the incorrectly cited deficiencies.

(5) ~~Upon request, the~~The Division of Health Service Regulation shall ~~provide an adult care home with written notification of these informal dispute resolution procedures.~~make available on its Internet Web site the informal dispute resolution procedures for adult care homes.

(a3) Informal Dispute Resolution – County Departments of Social Services. –

(1) The Division of Health Service Regulation and county department of social services shall jointly offer each adult care home an opportunity, at the facility's request and upon the facility's receipt of the official statement of deficiencies, to informally resolve disputed findings from inspections conducted by the county department of social services that resulted in the citation of a Type A1 violation, Type A2 violation, Uncorrected Type A1, violation, Uncorrected Type A2 violation, or Uncorrected Type B violation, in accordance with this section.

(2) Failure of the Division of Health Service Regulation and county department of social services to complete informal dispute resolution timely does not delay the effective date of any enforcement action taken by the Division of Health Service Regulation against an adult care home.

(3) An adult care home is not entitled to seek a delay of any enforcement action against it on the grounds that the Division of Health Service Regulation and the county department of social services has not completed informal dispute resolution prior to the effective date of the enforcement action.

(4) If an adult care home successfully demonstrates during informal dispute resolution that any of the deficiencies cited in the official statement of deficiencies should not have been cited, the county department of social services shall remove the incorrectly cited deficiencies from the official statement of deficiencies and the Division of Health Service Regulation shall rescind any enforcement actions imposed on the adult care home solely as a result of the incorrectly cited deficiencies.

(5) The Division of Health Service Regulation shall make available on its Internet Web site the informal dispute resolution procedures for adult care homes.

…."

SECTION 3. G.S. 131D-4.3(a) reads as rewritten:

"(a) Pursuant to G.S. 143B-165, the North Carolina Medical Care Commission shall adopt rules to ensure at a minimum, but shall not be limited to, the provision of each of the following by adult care homes:

(1) Repealed by Session Laws 2000-111, s. 1.

(2) A minimum of ~~75~~ 80 hours of training for personal care ~~aides performing heavy care tasks and a minimum of 40 hours of training for all personal care~~ aides. The training for aides ~~providing heavy care tasks~~ shall be comparable to State-approved Certified Nurse Aide I training. ~~For those aides meeting the 40-hour requirement, at least 20 hours shall be classroom training to include at a minimum:~~

~~a. Basic nursing skills;~~

~~b. Personal care skills;~~

~~c. Cognitive, behavioral, and social care;~~

~~d. Basic restorative services;~~

~~e. Residents' rights.~~

~~A minimum of 20 hours of training shall be provided for aides in family care homes that do not have heavy care residents. Persons who either pass a competency examination developed by the Department of Health and Human Services, have been employed as personal care aides for a period of time as established by the Department, or meet minimum requirements of a combination of training, testing, and experience as established by the Department shall be exempt from the training requirements of this subdivision;~~ The facility may exempt from the 80-hour training requirement any personal care aides who are or have been either licensed as a health care professional or listed on the Nurse Aide Registry.

(3) Monitoring and supervision of ~~residents;~~residents.

(4) Oversight and quality of care as stated in ~~G.S. 131D-4.1; and~~G.S. 131D-4.1.

(5) Adult care homes shall comply with all of the following staffing requirements:

a. First shift (morning): 0.4 hours of aide duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents (licensed capacity or resident census) plus 3.0 hours for all other residents, whichever is greater;

b. Second shift (afternoon): 0.4 hours of aide duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents plus 3.0 hours for all other residents (licensed capacity or resident census), whichever is greater;

c. Third shift (evening): 8.0 hours of aide duty per 30 or fewer residents (licensed capacity or resident census).

~~In addition to these requirements, the~~ The facility shall provide staff to meet the needs of the facility's ~~heavy care residents equal to the amount of time reimbursed by Medicaid. As used in this subdivision, the term "heavy care resident" means an individual residing in an adult care home who is defined "heavy care" by Medicaid and for which the facility is receiving enhanced Medicaid payments for such needs.~~ residents. Each facility shall post in a conspicuous place information about required staffing that enables residents and their families to ascertain each day the number of direct care staff and supervisors that are required by law to be on duty for each shift for that day."

SECTION 4.(a) The Division of Health Service Regulation and county departments of social services shall establish procedures to implement the requirements of G.S. 131D-2.11(a3), as amended by this act, within 60 days after the effective date of this act.

SECTION 4.(b) This section is effective when it becomes law.

SECTION 5. G.S. 131D-10 reads as rewritten:

"**§ 131D-10. Adult care home rated certificates.**

(a) Rules adopted by the North Carolina Medical Care Commission for issuance of certificates to adult care homes shall contain a rating based, at a minimum, on the following:

(1) Inspections and substantiated complaint investigations conducted by the Department to determine compliance with licensing statutes and rules. Specific areas to be reviewed include:
   a. Admission and discharge procedures.
   b. Medication management.
   c. Physical plant.
   d. Resident care and services, including food services, resident activities programs, and safety measures.
   e. Residents' rights.
   f. Sanitation grade.
   g. Special Care Units.
   h. Use of physical restraints and alternatives.

(b) ~~The initial ratings awarded~~The Division of Health Service Regulation shall issue ratings to a facility pursuant to the rules adopted under this section ~~shall be~~ based on ~~inspections, penalties imposed,~~both of the following:

(1) Inspections and investigations of ~~substantiated~~ complaints conducted pursuant to G.S. 131D-2.11 and G.S. 131D-26 that revealed noncompliance with statutes and ~~rules, that occurred on or after the act becomes law.~~rules.

(2) The facility's participation in any quality improvement programs approved by the Department.

~~(c) Type A penalties shall affect the rating for 24 months from the date the penalty is assessed. Type B penalties shall affect the rating for 12 months from the date the penalty is assessed.~~

(c1) The Division of Health Service Regulation shall issue a star rating to a facility within 45 days from the date the Division mails the survey or inspection report to the facility, except when a timely request has been made by the facility under G.S. 131D-2.11 for informal dispute resolution. If a facility makes a timely request for informal dispute resolution, the Division of Health Service Regulation shall issue a star rating to the facility within 15 days from the date the Division mails the informal dispute decision to the facility.

(d) Adult care homes shall display the rating certificate in a location visible to the public. Certificates shall include the Web site address for the Department of Health and Human Services, Division of Health Service Regulation, which can be accessed for specific information regarding the basis of the facility rating. For access by the public on request, adult care homes shall also maintain on-site a copy of information provided by the Department of Health and Human Services, Division of Health Service Regulation, regarding the basis of the facility rating. ~~In addition to information on the basis of the rating, the Department of Health and Human Services, Division of Health Service Regulation, shall make information available via its Web site and in the materials available on site at the facility regarding quality improvement efforts undertaken by the facility including:~~

~~(1) Participation in any quality improvement programs approved by the Department.~~

~~(2) The facility's attainment of the North Carolina New Organizational Vision Award special licensure designation authorized in Article 5, Chapter 131E of the General Statutes.~~

(e) The Department shall make available free of charge to the general public on the Division of Health Service Regulation Web site each facility rating and specific information regarding the basis for calculating each facility rating."

SECTION 6.(a) The Department of Health and Human Services shall conduct a study of the North Carolina Star Rated Certificate Program. The study shall (i) evaluate the effectiveness of the program in providing information to consumers of adult care home services, (ii) examine potential evidence-based alternatives, and (iii) make recommendations for any regulatory or legislative changes that could result in improvement of the current system.

SECTION 6.(b) By February 1, 2018, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the progress of the study. By October 1, 2018, the Department shall conclude the study and report its findings and recommendations, including any recommendations for regulatory or legislative changes, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 6.(c) This section is effective when it becomes law.

SECTION 7.(a) G.S. 131E-184(a)(8) reads as rewritten:

"(8) To acquire an existing health service facility, including equipment owned by the health service facility at the time of acquisition. A facility not currently licensed as an adult care home that was licensed as an adult care home within the preceding 12 months is considered an existing health service facility for the purposes of this subdivision."

SECTION 7.(b) This section is effective when it becomes law.

SECTION 8. Except as otherwise provided, this act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Session Law 2017-185 **S.B. 82**

AN ACT TO MAKE VARIOUS CHANGES TO THE EMPLOYMENT LAWS.

The General Assembly of North Carolina enacts:

SECTION 3.(a) G.S. 95-25.14(c) reads as rewritten:

"(c) The provisions of G.S. 95-25.4 (Overtime), and the provisions of G.S. 95-25.15(b) (Record Keeping) as they relate to this exemption, do not apply to:

…

(8) Any employee of a seasonal amusement or recreational establishment."

SECTION 3.(b) G.S. 95-25.3(e) reads as rewritten:

"(e) The Commissioner, in order to prevent curtailment of opportunities for employment, and to not adversely affect the viability of seasonal establishments, may, by regulation, establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable wage rate in effect under subsection (a) ~~which~~ that shall apply to any employee employed by an establishment ~~which~~ that is ~~a seasonal amusement or recreational establishment, or~~ a seasonal food service establishment."

SECTION 3.(c) G.S. 95-25.4(a) reads as rewritten:

"(a) Every employer shall pay each employee who works longer than 40 hours in any workweek at a rate of not less than time and one half of the regular rate of pay of the employee for those hours in excess of 40 per ~~week; provided that employers of seasonal amusement or recreational establishment employees are required to pay those employees the overtime rate only for hours in excess of 45 per workweek.~~week."

SECTION 4. Except as otherwise provided, this act becomes effective January 1, 2018.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-186 **S.B. 344**

AN ACT TO CONSOLIDATE THE DIVISION OF ADULT CORRECTION AND THE DIVISION OF JUVENILE JUSTICE INTO A SINGLE DIVISION WITHIN THE DEPARTMENT OF PUBLIC SAFETY, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON JUSTICE AND PUBLIC SAFETY AND TO EXEMPT THE FABRICATION OF EYEGLASSES FROM CAPITATED PREPAID HEALTH PLAN CONTRACTS UNDER MEDICAID TRANSFORMATION.

The General Assembly of North Carolina enacts:

PART I. CONSOLIDATION OF DIVISION OF ADULT CORRECTION AND THE DIVISION OF JUVENILE JUSTICE

SECTION 1.(a) Article 13 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 1A. Division of Adult Correction and Juvenile Justice.

"**§ 143B-630. Creation of Division of Adult Correction and Juvenile Justice; powers.**

There is hereby created and established a division to be known as the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Division shall have the power and duty to implement Parts 2 and 3 of this Article and shall have such other powers and duties as are set forth in this Chapter and are prescribed by the Secretary of the Department of Public Safety."

SECTION 1.(b) The title of Part 2 of Article 13 of Chapter 143B of the General Statutes reads as rewritten:

"Part 2. ~~Division of~~ Adult Correction."

SECTION 1.(c) G.S. 143B-700 is repealed.

SECTION 1.(d) G.S. 143B-701 reads as rewritten:

"**§ 143B-701. Division of Adult Correction and Juvenile Justice of the Department of Public Safety – duties.**

It shall be the duty of the Division to provide the necessary custody, supervision, and treatment to control and rehabilitate criminal offenders and thereby to reduce the rate and cost of crime and delinquency."

SECTION 1.(e) G.S. 143B-702 reads as rewritten:

"**§ 143B-702. Division of Adult Correction and Juvenile Justice of the Department of Public Safety – rules and regulations.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall adopt rules and regulations related to the conduct, supervision, rights and privileges of persons in its custody or under its supervision. Such rules and regulations shall be filed with and published by the office of the Attorney General and shall be made available by the Division for public inspection. The rules and regulations shall include a description of the organization of the Division. A description or copy of all forms and instructions used by the Division, except those relating solely to matters of internal management, shall also be filed with the office of the Attorney General."

SECTION 1.(f) G.S. 143B-703(a) reads as rewritten:

"(a) The Secretary of Public Safety may adopt rules governing repair or replacement of personal property items excluding private passenger vehicles that belong to employees of State facilities within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and that are damaged or stolen by inmates of the State facilities provided that the item is determined by the Secretary to be damaged or stolen on or off facility grounds during the performance of employment and necessary for the employee to have in his possession to perform his assigned duty."

SECTION 1.(g) G.S. 143B-704 reads as rewritten:

"**§ 143B-704. Division of Adult Correction and Juvenile Justice of the Department of Public Safety – ~~functions.~~functions with respect to adults.**

(a) The functions of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall ~~comprise, except as otherwise expressly provided by the Executive Organization Act of 1973 or by the Constitution of North Carolina,~~include all functions of the executive branch of the State in relation to corrections and the rehabilitation of adult offenders, including detention, parole, and aftercare supervision, and further including those prescribed powers, duties, and functions enumerated in ~~Article 14 of Chapter 143A of the General Statutes and other~~ the laws of this State.

(b) All such functions, powers, duties, and obligations heretofore vested in the Department of Social Rehabilitation and Control and any agency enumerated in Article 14 of Chapter 143A of the General Statutes and laws of this State are hereby transferred to and vested in the Division of Adult Correction and Juvenile Justice of the Department of Public Safety except as otherwise provided by the Executive Organization Act of 1973. They shall include, by way of extension and not of limitation, the functions of:

(1) The State Department of Correction and Commission of Correction,
(2) Repealed by Session Laws 1999-423, s. 8, effective July 1, 1999.
(3) The State Probation Commission,
(4) The State Board of Paroles,
(5) The Interstate Agreement on Detainers, and
(6) The Uniform Act for Out-of-State Parolee Supervision.

…."

SECTION 1.(h) G.S. 143B-705 reads as rewritten:

"**§ 143B-705. Division of Adult Correction and Juvenile Justice of the Department of Public Safety – Alcoholism and Chemical Dependency Treatment Program.**

…

(b) A Section Chief for the Alcoholism and Chemical Dependency Treatment Program shall be employed and shall report directly to a deputy director for the Division of Adult Correction and Juvenile Justice as designated by the ~~Chief Deputy Secretary~~ Deputy Commissioner for the Division of Adult ~~Correction.~~Correction and Juvenile Justice. The duties of the Section Chief and staff shall include the following:

(1) Administer and coordinate all substance abuse programs, grants, contracts, and related functions in the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.
(2) Develop and maintain working relationships and agreements with agencies and organizations that will assist in developing and operating alcoholism and chemical dependency treatment and recovery programs in the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.
(3) Develop and coordinate the use of volunteers in the Substance Abuse Program.

…

(7) Supervise directly the facility and district program managers, other specialized personnel, and programs that exist or may be developed in the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.
(8) Repealed by Session Laws 2012-83, s. 10, effective June 26, 2012.

(c) In each prison that houses an alcoholism and chemical dependency program, there shall be a unit superintendent under the Section of Prisons of the Division of Adult Correction and Juvenile Justice and other custodial, administrative, and support staff as required to maintain the proper custody level at the facility. The unit superintendent shall be responsible for all matters pertaining to custody and administration of the unit. The Section Chief of the Alcoholism and Chemical Dependency Treatment Program shall designate and direct employees to manage treatment programs at each location. Duties of unit treatment program

managers shall include program development and implementation, supervision of personnel assigned to treatment programs, adherence to all pertinent policy and procedural requirements of the Department, and other duties as assigned.

…."

SECTION 1.(i) G.S. 143B-706 reads as rewritten:

"**§ 143B-706. Pilot program on sexual assault.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall establish pilot programs on sexual assault for inmates at three units of the State prison system. The Division shall select units with greater than average levels of inmate violence for participation in these pilot programs.

(b) Each pilot program shall operate as follows:

(1) The Division shall provide, as part of every inmate's orientation, a program on sexual assault, with a goal to complete that program within seven days of commitment to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The program shall provide inmates with at least the following information:

a. An accurate presentation pertaining to sexual assault violence;

b. Information on preventing and reducing the risk of sexual assault;

c. Information on available counseling for victims of sexual assault; and

d. The procedure for victims of sexual assault to request counseling.

(2) The division shall provide sexual assault counseling on-site at the prison unit to any prisoner requesting it. Counselors shall be granted reasonable access to Division of Adult Correction and Juvenile Justice of the Department of Public Safety institutions and prisoners for the purpose of providing confidential sexual assault counseling.

(3) Unless the Director of the Section of Prisons of the Division of Adult Correction and Juvenile Justice finds a particular item to be unsuitable, the Division shall allow the distribution of materials on sexual assault and rape trauma syndrome developed or sponsored by community rape crisis centers or nonprofit organizations with expertise in sexual assault. Any such material provided to a correctional institution shall be made available to inmates in places where they may make use of them privately and without attracting undue attention, such as in the library, law library, medical clinic, recreation hall, mental health offices, and educational lobby areas.

…."

SECTION 1.(j) G.S. 143B-707 reads as rewritten:

"**§ 143B-707. Reports to the General Assembly.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall report by March 1 of each year to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees in Justice and Public Safety on their efforts to provide effective treatment to offenders with substance abuse problems. The report shall include:

…

(6) Statistical information on the number of current inmates with substance abuse problems that require treatment, the number of treatment slots, the number who have completed treatment, and a comparison of available treatment slots to actual utilization rates. The report shall include this information for each ~~DOC~~ funded program.

(7) Evaluation of each substance abuse treatment program funded by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Evaluation measures shall include reduction in alcohol and drug dependency, improvements in disciplinary and infraction rates,

recidivism (defined as return-to-prison rates), and other measures of the programs' success."

SECTION 1.(k) G.S. 143B-708 reads as rewritten:

"**§ 143B-708. Community service program.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may conduct a community service program. The program shall provide oversight of offenders placed under the supervision of the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice and ordered to perform community service hours for criminal violations, including driving while impaired violations under G.S. 20-138.1. This program shall assign offenders, either on supervised or on unsupervised probation, to perform service to the local community in an effort to promote the offender's rehabilitation and to provide services that help restore or improve the community. The program shall provide appropriate work site placement for offenders ordered to perform community service hours. The Division may adopt rules to conduct the program. Each offender shall be required to comply with the rules adopted for the program.

…

(e) The community service staff shall report to the court in which the community service was ordered, a significant violation of the terms of the probation, deferred prosecution, or conditional discharge related to community service, including a willful failure to pay any moneys due the State under any court order or payment schedule adopted by the Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice. The community service staff shall give notice of the hearing to determine if there is a willful failure to comply to the person who was ordered to perform the community service. This notice shall be given by either personal delivery to the person to be notified or by depositing the notice in the United States mail in an envelope with postage prepaid, addressed to the person at the last known address available to the preparer of the notice and reasonably believed to provide actual notice to the person. The notice shall be mailed at least 10 days prior to any hearing and shall state the basis of the alleged willful failure to comply. The court shall then conduct a hearing, even if the person ordered to perform the community service fails to appear, to determine if there is a willful failure to complete the work as ordered by the community service staff within the applicable time limits. The hearing may be held in the county in which the order requiring the performance of community service was imposed, the county in which the violation occurred, or the county of residence of the person. If the court determines there is a willful failure to comply, it shall revoke any drivers license issued to the person and notify the Division of Motor Vehicles to revoke any drivers license issued to the person until the community service requirement has been met. In addition, if the person is present, the court may take any further action authorized by Article 82 of Chapter 15A of the General Statutes for violation of a condition of probation."

SECTION 1.(l) G.S. 143B-709 reads as rewritten:

"**§ 143B-709. Security Staffing.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall conduct:

(1) On-site postaudits of every prison at least once every three years;

(2) Regular audits of postaudit charts through the automated postaudit system; and

(3) Other staffing audits as necessary.

(b) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall update the security staffing relief formula at least every three years. Each update shall include a review of all annual training requirements for security staff to determine which of these requirements should be mandatory and the appropriate frequency of the training. The Division shall survey other states to determine which states use a vacancy factor in their staffing relief formulas."

SECTION 1.(m) G.S. 143B-711 reads as rewritten:

"**§ 143B-711. Division of Adult Correction and Juvenile Justice of the Department of Public Safety – organization.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be organized initially to include the Post-Release Supervision and Parole Commission, the Section of Prisons of the Division of Adult Correction, the Section of Community Corrections, the Section of Alcoholism and Chemical Dependency Treatment Programs, and such other divisions as may be established under Part 3 of this Article and under the other provisions of the Executive Organization Act of 1973."

SECTION 1.(n) G.S. 143B-720 reads as rewritten:

"**§ 143B-720. Post-Release Supervision and Parole Commission – creation, powers and duties.**

(a) There is hereby created a Post-Release Supervision and Parole Commission of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety with the authority to grant paroles, including both regular and temporary paroles, to persons held by virtue of any final order or judgment of any court of this State as provided in Chapter 148 of the General Statutes and laws of the State of North Carolina, except that persons sentenced under Article 81B of Chapter 15A of the General Statutes are not eligible for parole but may be conditionally released into the custody and control of United States Immigration and Customs Enforcement pursuant to G.S. 148-64.1. The Commission shall also have authority to revoke, terminate, and suspend paroles of such persons (including persons placed on parole on or before the effective date of the Executive Organization Act of 1973) and to assist the Governor in exercising his authority in granting reprieves, commutations, and pardons, and shall perform such other services as may be required by the Governor in exercising his powers of executive clemency. The Commission shall also have authority to revoke and terminate persons on post-release supervision, as provided in Article 84A of Chapter 15A of the General Statutes. The Commission shall also have the authority to punish for criminal contempt for willful refusal to accept post-release supervision or to comply with the terms of post-release supervision by a prisoner whose offense requiring post-release supervision is a reportable conviction subject to the registration requirement of Article 27A of Chapter 14 of the General Statutes. Any contempt proceeding conducted by the Commission shall be in accordance with G.S. 5A-15 as if the Commission were a judicial official.

…

(c) The Commission is authorized and empowered to adopt such rules and regulations, not inconsistent with the laws of this State, in accordance with which prisoners eligible for parole consideration may have their cases reviewed and investigated and by which such proceedings may be initiated and considered. All rules and regulations heretofore adopted by the Board of Paroles shall remain in full force and effect unless and until repealed or superseded by action of the Post-Release Supervision and Parole Commission. All rules and regulations adopted by the Commission shall be enforced by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 1.(o) The title of Part 3 of Article 13 of Chapter 143B of the General Statutes reads as rewritten:

"Part 3. ~~Division of Juvenile Justice.~~Juvenile Justice Section."

SECTION 1.(p) G.S. 143B-800 reads as rewritten:

"**§ 143B-800. Creation of Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

There is hereby created and constituted a ~~division~~ section to be known as the "~~Division of~~ Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety", with the organization, powers, and duties ~~defined in Article 1 of this Chapter, except as modified in this Part.~~as set forth in this Article or as prescribed by the Director of the Division of Adult Correction and Juvenile Justice."

SECTION 1.(q) G.S. 143B-801 reads as rewritten:

"**§ 143B-801. Transfer of Office of Juvenile Justice authority to the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

(a) All (i) statutory authority, powers, duties, and functions, including directives of S.L. 1998-202, rule making, budgeting, and purchasing, (ii) records, (iii) personnel, personnel positions, and salaries, (iv) property, and (v) unexpended balances of appropriations, allocations, reserves, support costs, and other funds of the Office of Juvenile Justice under the Office of the Governor are transferred to and vested in the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. This transfer has all of the elements of a Type I transfer as defined in G.S. 143A-6.

(b) The ~~Division~~ Section shall be considered a continuation of the Office of Juvenile Justice for the purpose of succession to all rights, powers, duties, and obligations of the Office and of those rights, powers, duties, and obligations exercised by the Office of the Governor on behalf of the Office of Juvenile Justice. Where the Office of Juvenile Justice or the Division of Juvenile Justice of the Department of Public Safety is referred to by law, contract, or other document, that reference shall apply to the ~~Division.~~Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice. Where the Office of the Governor is referred to by contract or other document, where the Office of the Governor is acting on behalf of the Office of Juvenile Justice, that reference shall apply to the ~~Division.~~Section.

(c) All institutions previously operated by the Office of Juvenile Justice and the present central office of the Office of Juvenile Justice, including land, buildings, equipment, supplies, personnel, or other properties rented or controlled by the Office or by the Office of the Governor for the Office of Juvenile Justice, shall be administered by the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 1.(r) G.S. 143B-805 reads as rewritten:

"**§ 143B-805. Definitions.**

In this Part, unless the context clearly requires otherwise, the following words have the listed meanings:

(1) Chief court counselor. – The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

~~(10) Division. – The Division of Juvenile Justice of the Department of Public Safety.~~

…

(19a) Section. – The Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 1.(s) G.S. 143B-806 reads as rewritten:

"**§ 143B-806. Duties and powers of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

…

(b) ~~The Secretary~~ In addition to its other duties, the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice shall have the following powers and ~~duties and may delegate those powers and duties to the appropriate deputy secretary, commissioner, or director within the Department of Public Safety:~~duties:

…

~~(c) Except as otherwise specifically provided in this Part and in Article 1 of this Chapter, the Secretary of Public Safety shall prescribe the functions, powers, duties, and obligations of every agency or section in the Division.~~

…."

SECTION 1.(s1) G.S. 143B-807 reads as rewritten:

"**§ 143B-807. Authority to contract with other entities.**

(a) The ~~Division~~ Section may contract with any governmental agency, person, or association for the accomplishment of its duties and responsibilities. The expenditure of funds under these contracts shall be for the purposes for which the funds were appropriated and not otherwise prohibited by law.

(b) The ~~Division~~ Section may enter into contracts with, and act as intermediary between, any federal government agency and any county of this State for the purpose of assisting the county to recover monies expended by a county-funded financial assistance program. As a condition of assistance, the county shall agree to hold and save harmless the ~~Division~~ Section against any claims, loss, or expense which the ~~Division~~ Section might incur under the contracts by reason of any erroneous, unlawful, or tortious act or omission of the county or its officials, agents, or employees.

(c) The ~~Division~~ Section and any other appropriate State or local agency may purchase services from public or private agencies providing delinquency prevention programs or juvenile court services, including parenting responsibility classes. The programs shall meet State standards. As institutional populations are reduced, the ~~Division~~ Section may divert State funds appropriated for institutional programs to purchase the services under the ~~Executive Budget Act.~~State Budget Act.

(d) Each programmatic, residential, and service contract or agreement entered into by the ~~Division~~ Section shall include a cooperation clause to ensure compliance with the ~~Division's~~ Section's quality assurance requirements and cost-accounting requirements."

SECTION 1.(s2) G.S. 143B-808 reads as rewritten:

"**§ 143B-808. Authority to assist private nonprofit foundations.**

The ~~Division~~ Section may provide appropriate services or allow employees of the ~~Division~~ Section to assist any private nonprofit foundation that works directly with the ~~Division's~~ Section's services or programs and whose sole purpose is to support these services and programs. A ~~Division~~ Section employee shall be allowed to work with a foundation no more than 20 hours in any one month. These services are not subject to Chapter 150B of the General Statutes.

The board of directors of each private, nonprofit foundation shall secure and pay for the services of the Department of State Auditor or employ a certified public accountant to conduct an annual audit of the financial accounts of the foundation. The board of directors shall transmit to the ~~Division~~ Section a copy of the annual financial audit report of the private nonprofit foundation."

SECTION 1.(t) G.S. 143B-809 reads as rewritten:

"**§ 143B-809. Teen court programs.**

(a) All teen court programs administered by the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall operate as community resources for the diversion of juveniles pursuant to G.S. 7B-1706(c). A juvenile diverted to a teen court program shall be tried by a jury of other juveniles, and, if the jury finds the juvenile has committed the delinquent act, the jury may assign the juvenile to a rehabilitative measure or sanction, including counseling, restitution, curfews, and community service.

Teen court programs may also operate as resources to the local school administrative units to handle problems that develop at school but that have not been turned over to the juvenile authorities.

(b) Every teen court program that receives funds from Juvenile Crime Prevention Councils shall comply with rules and reporting requirements of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 1.(t1) G.S. 143B-815 reads as rewritten:

"**§ 143B-815. Juvenile facilities.**

In order to provide any juvenile in a juvenile facility with appropriate treatment according to that juvenile's need, the ~~Division~~ Section shall be responsible for the administration of statewide educational, clinical, psychological, psychiatric, social, medical, vocational, and recreational services or programs."

SECTION 1.(t2) G.S. 143B-816 reads as rewritten:

"**§ 143B-816. Authority to provide necessary medical or surgical care.**

The ~~Division~~ Section may provide any medical and surgical treatment necessary to preserve the life and health of juveniles committed to the custody of the ~~Division;~~Section; however, no surgical operation may be performed except as authorized in G.S. 148-22.2."

SECTION 1.(t3) G.S. 143B-817 reads as rewritten:

"**§ 143B-817. Compensation to juveniles in care.**

A juvenile who has been committed to the ~~Division~~ Section may be compensated for work or participation in training programs at rates approved by the Secretary within available funds. The Secretary may provide for a reasonable allowance to the juvenile for incidental personal expenses, and any balance of the juvenile's earnings remaining at the time the juvenile is released shall be paid to the juvenile or the juvenile's parent or guardian. The ~~Division~~ Section may accept grants or funds from any source to compensate juveniles under this section."

SECTION 1.(t4) G.S. 143B-818 reads as rewritten:

"**§ 143B-818. Visits and community activities.**

(a) The ~~Division~~ Section shall encourage visits by parents or guardians and responsible relatives of juveniles committed to the custody of the ~~Division.~~Section.

(b) The ~~Division~~ Section shall develop a program of home visits for juveniles in the custody of the ~~Division.~~Section. The visits shall begin after the juvenile has been in the custody of the ~~Division~~ Section for a period of at least six months. In developing the program, the ~~Division~~ Section shall adopt criteria that promote the protection of the public and the best interests of the juvenile."

SECTION 1.(t5) G.S. 143B-819 reads as rewritten:

"**§ 143B-819. Regional detention services.**

The ~~Division~~ Section is responsible for juvenile detention services, including the development of a statewide plan for regional juvenile detention services that offer juvenile detention care of sufficient quality to meet State standards to any juvenile requiring juvenile detention care within the State in a detention facility as follows:

(1) The ~~Division~~ Section shall plan with the counties operating a county detention facility to provide regional juvenile detention services to surrounding counties. The ~~Division~~ Section has discretion in defining the geographical boundaries of the regions based on negotiations with affected counties, distances, availability of juvenile detention care that meets State standards, and other appropriate factors.

(2) The ~~Division~~ Section may plan with any county that has space within its county jail system to use the existing space for a county detention facility when needed, if the space meets the State standards for a detention facility and meets all of the requirements of G.S. 153A-221. The use of space within the county jail system shall be constructed to ensure that juveniles are not able to converse with, see, or be seen by the adult population, and juveniles housed in a space within a county jail shall be supervised closely.

(3) The ~~Division~~ Section shall plan for and administer regional detention facilities. The ~~Division~~ Section shall carefully plan the location, architectural design, construction, and administration of a program to meet the needs of juveniles in juvenile detention care. The physical facility of a regional detention facility shall comply with all applicable State and federal standards. The programs of a regional detention facility shall comply with the standards established by the ~~Division.~~Section."

SECTION 1.(t6) G.S. 143B-820 reads as rewritten:

"**§ 143B-820. State subsidy to county detention facilities.**

The ~~Division~~ Section shall administer a State subsidy program to pay a county that provides juvenile detention services and meets State standards a certain per diem per juvenile. In general, this per diem should be fifty percent (50%) of the total cost of caring for a juvenile from within the county and one hundred percent (100%) of the total cost of caring for a juvenile from another county. Any county placing a juvenile in a detention facility in another county shall pay fifty percent (50%) of the total cost of caring for the juvenile to the ~~Division.~~Section. The ~~Division~~ Section may vary the exact funding formulas to operate within existing State appropriations or other funds that may be available to pay for juvenile detention care."

SECTION 1.(t7) G.S. 143B-821 reads as rewritten:

"**§ 143B-821. Authority for implementation.**

In order to allow for effective implementation of a statewide regional approach to juvenile detention, the ~~Division~~ Section may:

(1) Release or transfer a juvenile from one detention facility to another when necessary to administer the juvenile's detention appropriately.

(2) Plan with counties that operate county detention facilities to provide regional services and to upgrade physical facilities to contract with counties for services and care, and to pay State subsidies to counties providing regional juvenile detention services that meet State standards.

(3) Allow the State to reimburse law enforcement officers or other appropriate employees of local government for the costs of transportation of a juvenile to and from any juvenile detention facility.

(4) Seek funding for juvenile detention services from federal sources, and accept gifts of funds from public or private sources."

SECTION 1.(t8) G.S. 143B-830 reads as rewritten:

"**§ 143B-830. Duties and powers of chief court counselors.**

The chief court counselor in each district appointed under G.S. 143B-806(b)(15) may:

(1) Appoint juvenile court counselors, secretaries, and other personnel authorized by the ~~Division~~ Section in accordance with the personnel policies adopted by the ~~Division.~~Section.

(2) Supervise and direct the program of juvenile intake, protective supervision, probation, and post-release supervision within the district.

(3) Provide in-service training for staff as required by the ~~Division.~~Section.

(4) Keep any records and make any reports requested by the Secretary in order to provide statewide data and information about juvenile needs and services.

(5) Delegate to a juvenile court counselor or supervisor the authority to carry out specified responsibilities of the chief court counselor to facilitate the effective operation of the district.

(6) Designate a juvenile court counselor in the district as acting chief court counselor, to act during the absence or disability of the chief court counselor."

SECTION 1.(t9) G.S. 143B-831 reads as rewritten:

"**§ 143B-831. Duties and powers of juvenile court counselors.**

As the court or the chief court counselor may direct or require, all juvenile court counselors shall have the following powers and duties:

…

(14) Provide supervision for a juvenile transferred to the counselor's supervision from another court or another state, and provide supervision for any juvenile released from an institution operated by the ~~Division~~ Section when requested by the ~~Division~~ Section to do so.

…

(19) Have any other duties as the ~~Division~~ Section may direct."

SECTION 1.(t10) G.S. 143B-840 reads as rewritten:

"Subpart E. Comprehensive Juvenile Delinquency and Substance Abuse Prevention Plan.

"**§ 143B-840. Comprehensive Juvenile Delinquency and Substance Abuse Prevention Plan.**

(a) The ~~Division~~ Section shall develop and implement a comprehensive juvenile delinquency and substance abuse prevention plan and shall coordinate with County Councils for implementation of a continuum of services and programs at the community level.

The ~~Division~~ Section shall ensure that localities are informed about best practices in juvenile delinquency and substance abuse prevention.

(b) The plan shall contain the following:

(1) Identification of the risk factors at the developmental stages of a juvenile's life that may result in delinquent behavior.

(2) Identification of the protective factors that families, schools, communities, and the State must support to reduce the risk of juvenile delinquency.

(3) Programmatic concepts that are effective in preventing juvenile delinquency and substance abuse and that should be made available as basic services in the communities, including:

a. Early intervention programs and services.

b. In-home training and community-based family counseling and parent training.

c. Adolescent and family substance abuse prevention services, including alcohol abuse prevention services, and substance abuse education.

d. Programs and activities offered before and after school hours.

e. Life and social skills training programs.

f. Classes or seminars that teach conflict resolution, problem solving, and anger management.

g. Services that provide personal advocacy, including mentoring relationships, tutors, or other caring adult programs.

(c) The ~~Division~~ Section shall cooperate with all other affected State agencies and entities in implementing this section."

SECTION 1.(t11) G.S. 143B-851 reads as rewritten:

"**§ 143B-851. Powers and duties.**

(a) Each County Council shall review annually the needs of juveniles in the county who are at risk of delinquency or who have been adjudicated undisciplined or delinquent and the resources available to address those needs. In particular, each County Council shall assess the needs of juveniles in the county who are at risk or who have been associated with gangs or gang activity, and the local resources that are established to address those needs. The Council shall develop and advertise a request for proposal process and submit a written plan of action for the expenditure of juvenile sanction and prevention funds to the board of county commissioners for its approval. Upon the county's authorization, the plan shall be submitted to the ~~Division~~ Section for final approval and subsequent implementation.

(b) Each County Council shall ensure that appropriate intermediate dispositional options are available and shall prioritize funding for dispositions of intermediate and community-level sanctions for court-adjudicated juveniles under minimum standards adopted by the ~~Division.~~Section.

(c) On an ongoing basis, each County Council shall:

(1) Assess the needs of juveniles in the community, evaluate the adequacy of resources available to meet those needs, and develop or propose ways to address unmet needs.

(2) Evaluate the performance of juvenile services and programs in the community. The Council shall evaluate each funded program as a condition of continued funding.
(3) Increase public awareness of the causes of delinquency and of strategies to reduce the problem.
(4) Develop strategies to intervene and appropriately respond to and treat the needs of juveniles at risk of delinquency through appropriate risk assessment instruments.
(5) Provide funds for services for treatment, counseling, or rehabilitation for juveniles and their families. These services may include court-ordered parenting responsibility classes.
(6) Plan for the establishment of a permanent funding stream for delinquency prevention services.
(7) Develop strategies to intervene and appropriately respond to the needs of juveniles who have been associated with gang activity or who are at risk of becoming associated with gang activity.

(d) The Councils may examine the benefits of joint program development between counties within the same judicial district."

PART II. CONFORMING CHANGES

SECTION 2.(a) G.S. 1-110(b) reads as rewritten:

"(b) Whenever a motion to proceed as an indigent is filed pro se by an inmate in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the motion to proceed as an indigent and the proposed complaint shall be presented to any superior court judge of the judicial district. This judge shall determine whether the complaint is frivolous. In the discretion of the court, a frivolous case may be dismissed by order. The clerk of superior court shall serve a copy of the order of dismissal upon the prison inmate. If the judge determines that the inmate may proceed as an indigent, service of process upon the defendant shall issue without further order of the court."

SECTION 2.(b) G.S. 7A-109.3 reads as rewritten:

"**§ 7A-109.3. Delivery of commitment order.**

(a) Whenever the district court sentences a person to imprisonment and commitment to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pursuant to G.S. 15A-1352, the clerk of superior court shall furnish the sheriff with the signed order of commitment within 48 hours of the issuance of the sentence.

(b) Whenever the superior court sentences a person to imprisonment and commitment to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pursuant to G.S. 15A-1352, the clerk of superior court shall furnish the sheriff with the signed order of commitment within 72 hours of the issuance of the sentence."

SECTION 2.(c) G.S. 7A-302 reads as rewritten:

"**§ 7A-302. Counties and municipalities responsible for physical facilities.**

In each county in which a district court has been established, courtrooms, office space for juvenile court counselors and support staff as assigned by the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and related judicial facilities (including furniture), as defined in this Subchapter, shall be provided by the county, except that courtrooms and related judicial facilities may, with the approval of the administrative Officer of the Courts, after consultation with county and municipal authorities, be provided by a municipality in the county. To assist a county or municipality in meeting the expense of providing courtrooms and related judicial facilities, a part of the costs of court, known as the "facilities fee," collected for the State by the clerk of superior court, shall be remitted to the county or municipality providing the facilities."

SECTION 2.(d) G.S. 7A-313 reads as rewritten:

"**§ 7A-313. Uniform jail fees.**

Persons who are lawfully confined in jail awaiting trial shall be liable to the county or municipality maintaining the jail in the sum of ten dollars ($10.00) for each 24 hours' confinement, or fraction thereof, except that a person so confined shall not be liable for this fee if the case or proceeding against him is dismissed, or if acquitted, or if judgment is arrested, or if probable cause is not found, or if the grand jury fails to return a true bill.

Persons who are ordered to pay jail fees pursuant to a probationary sentence shall be liable to the county or municipality maintaining the jail at the same per diem rate paid by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to local jails for maintaining a prisoner, as set by the General Assembly in its appropriations acts."

SECTION 2.(e) G.S. 7A-343.1(a) reads as rewritten:

"(a) The Administrative Officer of the Courts shall, at the State's expense distribute such number of copies of the appellate division reports to federal, State departments and agencies, and to educational institutions of instruction, as follows:

…

Adult Correction and Juvenile Justice, Division of

…

Each justice of the Supreme Court and judge of the Court of Appeals shall receive for private use, one complete and up-to-date set of the appellate division reports. The copies of reports furnished each justice or judge as set out in the table above may be retained personally to enable the justice or judge to keep up-to-date the personal set of reports."

SECTION 2.(f) G.S. 7A-451(e1) reads as rewritten:

"(e1) When the Supreme Court of North Carolina files an opinion affirming or reversing the judgment of the trial court in a case in which the defendant was sentenced to death, or files an opinion or decision with regard to such a defendant's postconviction petition for relief from a sentence of death, or when any federal court files or issues an opinion or decision in such circumstances, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall, on the day the opinion or decision is filed or issued, permit counsel for the defendant to visit the defendant at the institution at which the defendant is confined. The visit shall be permitted during regular business hours for not less than one hour, unless a visit outside regular business hours is agreed to by both the institution's administrator and counsel for the defendant. This section shall not be construed to abridge the adequate and reasonable opportunity for attorneys to consult with clients sentenced to death generally and shall not be construed to mandate an attorney visit during an emergency at the institution at which a defendant is confined."

SECTION 2.(g) G.S. 7A-474.3(c) reads as rewritten:

"(c) Limitations. No funds appropriated under this Article shall be used for any of the following purposes:

…

(4) To provide legal assistance to any prisoner within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety with regard to the terms of that person's incarceration; or

…."

SECTION 2.(h) G.S. 7A-474.18(c) reads as rewritten:

"(c) Limitations. – No funds appropriated under this Article shall be used for any of the following purposes:

(1) To provide legal assistance with respect to any criminal proceeding; or

(2) To provide legal assistance to any prisoner within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety with regard to the terms of that person's incarceration."

SECTION 2.(i) G.S. 7A-498.3(a) reads as rewritten:

"(a) The Office of Indigent Defense Services shall be responsible for establishing, supervising, and maintaining a system for providing legal representation and related services in the following cases:

(1) Cases in which an indigent person is subject to a deprivation of liberty or other constitutionally protected interest and is entitled by law to legal representation;

(2) Cases in which an indigent person is entitled to legal representation under G.S. 7A-451 and G.S. 7A-451.1;

(2a) Cases in which the State is legally obligated to provide legal assistance and access to the courts to inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; and

(3) Any other cases in which the Office of Indigent Defense Services is designated by statute as responsible for providing legal representation."

SECTION 2.(j) G.S. 7B-1501 reads as rewritten:

"**§ 7B-1501. Definitions.**

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings. The singular includes the plural, unless otherwise specified.

(1) Chief court counselor. – The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(10a) Division. – The Division of Adult Correction and Juvenile Justice of the Department of Public Safety created under Article 12 of Chapter 143B of the General Statutes.

…."

SECTION 2.(k) G.S. 7B-2204 reads as rewritten:

"**§ 7B-2204. Right to pretrial release; detention.**

Once the order of transfer has been entered, the juvenile has the right to pretrial release as provided in G.S. 15A-533 and ~~G.S 15A-534.~~G.S. 15A-534. The release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility.

Should the juvenile be found guilty, or enter a plea of guilty or no contest to a criminal offense in superior court and receive an active sentence, then immediate transfer to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be ordered. Until such time as the juvenile is transferred to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the juvenile may be detained in a holdover facility. The juvenile may not be detained in a detention facility pending transfer to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

The juvenile may be kept by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as a safekeeper until the juvenile is placed in an appropriate correctional program."

SECTION 2.(l) G.S. 7B-2517 reads as rewritten:

"**§ 7B-2517. Transfer authority of Governor.**

The Governor may order transfer of any person less than 18 years of age from any jail or penal facility of the State to one of the residential facilities operated by the Division in appropriate circumstances, provided the Governor shall consult with the Division concerning the feasibility of the transfer in terms of available space, staff, and suitability of program.

When an inmate, committed to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, is transferred by the Governor to a residential program operated

by the Division, the Division may release the juvenile based on the needs of the juvenile and the best interests of the State. Transfer shall not divest the probation or parole officer of the officer's responsibility to supervise the inmate on release."

SECTION 2.(m) G.S. 7B-3000 reads as rewritten:

"**§ 7B-3000. Juvenile court records.**

(a) The clerk shall maintain a complete record of all juvenile cases filed in the clerk's office to be known as the juvenile record. The record shall include the summons and petition, any secure or nonsecure custody order, any electronic or mechanical recording of hearings, and any written motions, orders, or papers filed in the proceeding.

(b) All juvenile records shall be withheld from public inspection and, except as provided in this subsection, may be examined only by order of the court. Except as provided in subsection (c) of this section, the following persons may examine the juvenile's record and obtain copies of written parts of the record without an order of the court:

(1) The juvenile or the juvenile's attorney;

(2) The juvenile's parent, guardian, or custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;

(3) The prosecutor;

(4) Court counselors; and

(5) Probation officers in the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, as provided in subsection (e1) of this section and in G.S. 15A-1341(e).

Except as provided in subsection (c) of this section, the prosecutor may, in the prosecutor's discretion, share information obtained from a juvenile's record with magistrates and law enforcement officers sworn in this State, but may not allow a magistrate or law enforcement officer to photocopy any part of the record.

(c) The court may direct the clerk to "seal" any portion of a juvenile's record. The clerk shall secure any sealed portion of a juvenile's record in an envelope clearly marked "SEALED: MAY BE EXAMINED ONLY BY ORDER OF THE COURT", or with similar notice, and shall permit examination or copying of sealed portions of a juvenile's record only pursuant to a court order specifically authorizing inspection or copying.

(d) Any portion of a juvenile's record consisting of an electronic or mechanical recording of a hearing shall be transcribed only when notice of appeal has been timely given and shall be copied electronically or mechanically, only by order of the court. After the time for appeal has expired with no appeal having been filed, the court may enter a written order directing the clerk to destroy the recording of the hearing.

(e) Notwithstanding any other provision of law, if the defendant in a criminal proceeding involving a Class A1 misdemeanor or a felony was less than 21 years of age at the time of the offense, information obtained pursuant to subsection (b) of this section regarding the juvenile's record of an adjudication of delinquency for an offense that would be a Class A1 misdemeanor or a felony if committed by an adult, where the adjudication occurred after the defendant reached 13 years of age, may be used by law enforcement, the magistrate, the courts, and the prosecutor for pretrial release, plea negotiating decisions, and plea acceptance decisions. Information obtained regarding any juvenile record shall remain confidential and shall not be placed in any public record.

(e1) When a person is subject to probation supervision under Article 82 of Chapter 15A of the General Statutes, for an offense that was committed while the person was less than 25 years of age, that person's juvenile record of an adjudication of delinquency for an offense that would be a felony if committed by an adult may be examined without a court order by the probation officer in the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice assigned to supervise the person for the purpose of assessing risk related to supervision.

Each judicial district manager in the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice shall designate a staff person in each county to obtain

from the clerk, at the request of the probation officer assigned to supervise the person, any juvenile records authorized to be examined under this subsection. The judicial district manager shall inform the clerk in each county, in writing, of the designated staff person in the county. The designated staff person shall transfer any juvenile records obtained to the probation officer assigned to supervise the person.

Any copies of juvenile records obtained pursuant to this subsection shall continue to be withheld from public inspection and shall not become part of the public record in any criminal proceeding. Any copies of juvenile records shall be destroyed within 30 days of termination of the person's period of probation supervision. Any other information in the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice records, relating to a person's juvenile record, shall remain confidential and shall be maintained or destroyed pursuant to guidelines established by the Department of Natural and Cultural Resources for the maintenance and destruction of Section of Community Corrections of the Division of Adult Correction and Juvenile Justice records.

(f) The juvenile's record of an adjudication of delinquency for an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult may be used in a subsequent criminal proceeding against the juvenile either under G.S. 8C-1, Rule 404(b), or to prove an aggravating factor at sentencing under G.S. 15A-1340.4(a), 15A-1340.16(d), or 15A-2000(e). The record may be so used only by order of the court in the subsequent criminal proceeding, upon motion of the prosecutor, after an in camera hearing to determine whether the record in question is admissible.

(g) Except as provided in subsection (d) of this section, a juvenile's record shall be destroyed only as authorized by G.S. 7B-3200 or by rules adopted by the Administrative Office of the Courts."

SECTION 2.(n) G.S. 7B-3001(d) reads as rewritten:

"(d) When the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety is authorized to access a juvenile record pursuant to G.S. 7B-3000(e1), the Division may, at the request of the Section of Community Corrections of the Division of Adult ~~Correction,~~ Correction and Juvenile Justice, notify the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice that there is a juvenile record of an adjudication of delinquency for an offense that would be a felony if committed by an adult for a person subject to probation supervision under Article 82 of Chapter 15A of the General Statutes and may notify the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the county or counties where the adjudication of delinquency occurred."

SECTION 2.(o) G.S. 7B-3100(a) reads as rewritten:

"(a) The Division, after consultation with the Conference of Chief District Court Judges, shall adopt rules designating certain local agencies that are authorized to share information concerning juveniles in accordance with the provisions of this section. Agencies so designated shall share with one another, upon request and to the extent permitted by federal law and regulations, information that is in their possession that is relevant to any assessment of a report of child abuse, neglect, or dependency or the provision or arrangement of protective services in a child abuse, neglect, or dependency case by a local department of social services pursuant to the authority granted under Chapter 7B of the General Statutes or to any case in which a petition is filed alleging that a juvenile is abused, neglected, dependent, undisciplined, or delinquent and shall continue to do so until the protective services case is closed by the local department of social services, or if a petition is filed when the juvenile is no longer subject to the jurisdiction of juvenile court. Agencies that may be designated as "agencies authorized to share information" include local mental health facilities, local health departments, local departments of social services, local law enforcement agencies, local school administrative units, the district's district attorney's office, the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Office of Guardian ad Litem Services of the Administrative Office of the Courts, and, pursuant to the provisions of

G.S. 7B-3000(e1), the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Any information shared among agencies pursuant to this section shall remain confidential, shall be withheld from public inspection, and shall be used only for the protection of the juvenile and others or to improve the educational opportunities of the juvenile, and shall be released in accordance with the provisions of the Family Educational and Privacy Rights Act as set forth in 20 U.S.C. § 1232g. Nothing in this section or any other provision of law shall preclude any other necessary sharing of information among agencies. Nothing herein shall be deemed to require the disclosure or release of any information in the possession of a district attorney."

SECTION 2.(p) G.S. 14-202(m) reads as rewritten:

"(m) The provisions of subsections (a), (a1), (c), (e), (g), (h), and (k) of this section do not apply to:

(1) Law enforcement officers while discharging or attempting to discharge their official duties; or

(2) Personnel of the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, the Division of Juvenile Justice of the Department of Public Safety,~~Safety or of a local confinement facility for security purposes or during investigation of alleged misconduct by a person in the custody of the Division or the local confinement facility."

SECTION 2.(q) G.S. 14-208.6(2) reads as rewritten:

"(2) "Penal institution" means:

a. A detention facility operated under the jurisdiction of the Section of Prisons of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety;

b. A detention facility operated under the jurisdiction of another state or the federal government; or

c. A detention facility operated by a local government in this State or another state."

SECTION 2.(r) G.S. 14-208.20(b) reads as rewritten:

"(b) Prior to sentencing a person as a sexually violent predator, the court shall order a presentence investigation in accordance with G.S. 15A-1332(c). However, the study of the defendant and whether the defendant is a sexually violent predator shall be conducted by a board of experts selected by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The board of experts shall be composed of at least four people. Two of the board members shall be experts in the field of the behavior and treatment of sexual offenders, one of whom shall be selected from a panel of experts in those fields provided by the North Carolina Medical Society and not employed with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or employed on a full-time basis with any other State agency. One of the board members shall be a victims' rights advocate, and one of the board members shall be a representative of law enforcement agencies."

SECTION 2.(s) G.S. 14-208.22(c) reads as rewritten:

"(c) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall also obtain the additional information set out in subsection (a) of this section and shall include this information in the prerelease notice forwarded to the sheriff or other appropriate law enforcement agency."

SECTION 2.(t) G.S. 14-208.40 reads as rewritten:

"**§ 14-208.40. Establishment of program; creation of guidelines; duties.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall establish a sex offender monitoring program that uses a continuous satellite-based monitoring system and shall create guidelines to govern the program. The program shall be designed to monitor three categories of offenders as follows:

(1) Any offender who is convicted of a reportable conviction as defined by G.S. 14-208.6(4) and who is required to register under Part 3 of Article 27A

of Chapter 14 of the General Statutes because the defendant is classified as a sexually violent predator, is a recidivist, or was convicted of an aggravated offense as those terms are defined in G.S. 14-208.6.

(2) Any offender who satisfies all of the following criteria: (i) is convicted of a reportable conviction as defined by G.S. 14-208.6(4), (ii) is required to register under Part 2 of Article 27A of Chapter 14 of the General Statutes, (iii) has committed an offense involving the physical, mental, or sexual abuse of a minor, and (iv) based on the Division of Adult ~~Correction's~~Correction and Juvenile Justice's risk assessment program requires the highest possible level of supervision and monitoring.

(3) Any offender who is convicted of G.S. 14-27.23 or G.S. 14-27.48, who shall be enrolled in the satellite-based monitoring program for the offender's natural life upon termination of the offender's active punishment.

(b) In developing the guidelines for the program, the Division of Adult Correction and Juvenile Justice shall require that any offender who is enrolled in the satellite-based program submit to an active continuous satellite-based monitoring program, unless an active program will not work as provided by this section. If the Division of Adult Correction and Juvenile Justice determines that an active program will not work as provided by this section, then the Division of Adult Correction and Juvenile Justice shall require that the defendant submit to a passive continuous satellite-based program that works within the technological or geographical limitations.

(c) The satellite-based monitoring program shall use a system that provides all of the following:

(1) Time-correlated and continuous tracking of the geographic location of the subject using a global positioning system based on satellite and other location tracking technology.

(2) Reporting of subject's violations of prescriptive and proscriptive schedule or location requirements. Frequency of reporting may range from once a day (passive) to near real-time (active).

(d) The Division of Adult Correction and Juvenile Justice may contract with a single vendor for the hardware services needed to monitor subject offenders and correlate their movements to reported crime incidents. The contract may provide for services necessary to implement or facilitate any of the provisions of this Part."

SECTION 2.(u) G.S. 14-208.40A reads as rewritten:

"**§ 14-208.40A. Determination of satellite-based monitoring requirement by court.**

…

(d) If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of G.S. 14-27.23 or G.S. 14-27.48 and the offender is not a recidivist, the court shall order that the Division of Adult Correction do a risk assessment of the offender. The Division of Adult Correction and Juvenile Justice shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court.

(e) Upon receipt of a risk assessment from the Division of Adult Correction and Juvenile Justice pursuant to subsection (d) of this section, the court shall determine whether, based on the Division of Adult ~~Correction's~~Correction and Juvenile Justice's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 2.(v) G.S. 14-208.40B reads as rewritten:

"**§ 14-208.40B. Determination of satellite-based monitoring requirement in certain circumstances.**

(a) When an offender is convicted of a reportable conviction as defined by G.S. 14-208.6(4), and there has been no determination by a court on whether the offender shall be required to enroll in satellite-based monitoring, the Division of Adult Correction and Juvenile Justice shall make an initial determination on whether the offender falls into one of the categories described in G.S. 14-208.40(a).

(b) If the Division of Adult Correction and Juvenile Justice determines that the offender falls into one of the categories described in G.S. 14-208.40(a), the district attorney, representing the Division of Adult ~~Correction,~~Correction and Juvenile Justice, shall schedule a hearing in superior court for the county in which the offender resides. The Division of Adult Correction and Juvenile Justice shall notify the offender of the Division of Adult ~~Correction's~~Correction and Juvenile Justice's determination and the date of the scheduled hearing by certified mail sent to the address provided by the offender pursuant to G.S. 14-208.7. The hearing shall be scheduled no sooner than 15 days from the date the notification is mailed. Receipt of notification shall be presumed to be the date indicated by the certified mail receipt. Upon the court's determination that the offender is indigent and entitled to counsel, the court shall assign counsel to represent the offender at the hearing pursuant to rules adopted by the Office of Indigent Defense Services.

(c) At the hearing, the court shall determine if the offender falls into one of the categories described in G.S. 14-208.40(a). The court shall hold the hearing and make findings of fact pursuant to G.S. 14-208.40A.

If the court finds that (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, or (iv) the conviction offense was a violation of G.S. 14-27.23 or G.S. 14-27.48, the court shall order the offender to enroll in satellite-based monitoring for life.

If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of G.S. 14-27.23 or G.S. 14-27.48, and the offender is not a recidivist, the court shall order that the Division of Adult Correction and Juvenile Justice do a risk assessment of the offender. The Division of Adult Correction and Juvenile Justice shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court. The Division of Adult Correction and Juvenile Justice may use a risk assessment of the offender done within six months of the date of the hearing.

Upon receipt of a risk assessment from the Division of Adult ~~Correction,~~ Correction and Juvenile Justice, the court shall determine whether, based on the Division of Adult ~~Correction's~~Correction and Juvenile Justice's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 2.(w) G.S. 14-208.40C reads as rewritten:

"**§ 14-208.40C. Requirements of enrollment.**

(a) Any offender required to enroll in satellite-based monitoring pursuant to G.S. 14-208.40A or G.S. 14-208.40B who receives an active sentence shall be enrolled and receive the appropriate equipment immediately upon the offender's release from the Section of Prisons of the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

(b) Any offender required to enroll in satellite-based monitoring pursuant to G.S. 14-208.40A or G.S. 14-208.40B who receives an intermediate punishment shall, immediately upon sentencing, report to the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice for enrollment in the satellite-based monitoring program, and, if necessary, shall return at any time designated by that Division to receive the appropriate equipment. If the intermediate sentence includes a required period of

imprisonment, the offender shall not be required to be enrolled in the satellite-based monitoring program during the period of imprisonment.

(c) Any offender required to enroll in satellite-based monitoring pursuant to G.S. 14-208.40A or G.S. 14-208.40B who receives a community punishment shall, immediately upon sentencing, report to the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice for enrollment in the satellite-based monitoring program, and, if necessary, shall return at any time designated by that Section to receive the appropriate equipment."

SECTION 2.(x) G.S. 14-208.41 reads as rewritten:

"**§ 14-208.41. Enrollment in satellite-based monitoring programs mandatory; length of enrollment.**

(a) Any person described by G.S. 14-208.40(a)(1) shall enroll in a satellite-based monitoring program with the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice office in the county where the person resides. The person shall remain enrolled in the satellite-based monitoring program for the registration period imposed under G.S. 14-208.23 which is the person's life, unless the requirement to enroll in the satellite-based monitoring program is terminated pursuant to G.S. 14-208.43.

(b) Any person described by G.S. 14-208.40(a)(2) who is ordered by the court pursuant to G.S. 14-208.40A or G.S. 14-208.40B to enroll in a satellite-based monitoring program shall do so with the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice office in the county where the person resides. The person shall remain enrolled in the satellite-based monitoring program for the period of time ordered by the court.

(c) Any person described by G.S. 14-208.40(a)(3), upon completion of active punishment, shall enroll in a satellite-based monitoring program with the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice office in the county where the person resides. The person shall enroll in the satellite-based monitoring program for the entire period of post-release supervision and shall remain enrolled in the satellite-based monitoring program for the person's life, unless the requirement to enroll in the satellite-based monitoring program is terminated pursuant to G.S. 14-208.43."

SECTION 2.(y) G.S. 14-208.42 reads as rewritten:

"**§ 14-208.42. Offenders required to submit to satellite-based monitoring required to cooperate with Division of Adult Correction and Juvenile Justice upon completion of sentence.**

Notwithstanding any other provision of law, when an offender is required to enroll in satellite-based monitoring pursuant to G.S. 14-208.40A or G.S. 14-208.40B, upon completion of the offender's sentence and any term of parole, post-release supervision, intermediate punishment, or supervised probation that follows the sentence, the offender shall continue to be enrolled in the satellite-based monitoring program for the period required by G.S. 14-208.40A or G.S. 14-208.40B unless the requirement that the person enroll in a satellite-based monitoring program is terminated pursuant to G.S. 14-208.43.

The Division of Adult Correction and Juvenile Justice shall have the authority to have contact with the offender at the offender's residence or to require the offender to appear at a specific location as needed for the purpose of enrollment, to receive monitoring equipment, to have equipment examined or maintained, and for any other purpose necessary to complete the requirements of the satellite-based monitoring program. The offender shall cooperate with the Division of Adult Correction and Juvenile Justice and the requirements of the satellite-based monitoring program until the offender's requirement to enroll is terminated and the offender has returned all monitoring equipment to the Division of Adult ~~Correction.~~Correction and Juvenile Justice."

SECTION 2.(z) G.S. 14-208.43(d1) reads as rewritten:

"(d1) Notwithstanding the provisions of this section, if the Commission is notified by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety that the offender has been released, pursuant to G.S. 14-208.12A, from the requirement to register

under Part 2 of Article 27A of this Chapter, upon request of the offender, the Commission shall order the termination of the monitoring requirement."

SECTION 2.(aa) G.S. 14-208.44 reads as rewritten:

"**§ 14-208.44. Failure to enroll; tampering with device.**

(a) Any person required to enroll in a satellite-based monitoring program who fails to enroll shall be guilty of a Class F felony.

(b) Any person who intentionally tampers with, removes, vandalizes, or otherwise interferes with the proper functioning of a device issued pursuant to a satellite-based monitoring program to a person duly enrolled in the program shall be guilty of a Class E felony.

(c) Any person required to enroll in a satellite-based monitoring program who fails to provide necessary information to the Division of Adult ~~Correction,~~Correction and Juvenile Justice or fails to cooperate with the Division of Adult ~~Correction's~~Correction and Juvenile Justice's guidelines and regulations for the program shall be guilty of a Class 1 misdemeanor.

(d) For purposes of this section, "enroll" shall include appearing, as directed by the Division of Adult ~~Correction,~~Correction and Juvenile Justice to receive the necessary equipment."

SECTION 2.(bb) G.S. 14-208.45 reads as rewritten:

"**§ 14-208.45. Fees.**

(a) Except as provided in subsections (b) and (b1) of this section, each person required to enroll pursuant to this Part shall pay a one-time fee of ninety dollars ($90.00). The fee shall be payable to the clerk of superior court, and the fees shall be remitted quarterly to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. This fee is intended to offset only the costs associated with the time-correlated tracking of the geographic location of subjects using the location tracking crime correlation system.

(b) When a court determines a person is required to enroll pursuant to G.S. 14-208.40A or G.S. 14-208.40B, the court may exempt a person from paying the fee required by subsection (a) of this section only for good cause and upon motion of the person required to enroll in satellite-based monitoring. The court may require that the fee be paid in advance or in a lump sum or sums, and a probation officer may require payment by those methods.

(c) When a person is required to enroll based on a determination by the Division of Adult Correction and Juvenile Justice pursuant to G.S. 14-208.40B, the Division of Adult Correction and Juvenile Justice shall have the authority to exempt the person from paying the fee only for good cause and upon request of the person required to enroll in satellite-based monitoring. The Division of Adult Correction and Juvenile Justice may require that the fee be paid in advance or in a lump sum or sums, and a probation officer may require payment by those methods."

SECTION 2.(cc) G.S. 14-239 reads as rewritten:

"**§ 14-239. Allowing prisoners to escape; punishment.**

If any sheriff, deputy sheriff, jailer, or other custodial personnel shall willfully or wantonly allow the escape of any person committed to that person's custody who is (i) a person charged with a crime, (ii) a person sentenced by the court upon conviction of any offense, or (iii) committed to the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, that person shall be guilty of a Class 1 misdemeanor. No prosecution shall be brought against any such officer pursuant to this section by reason of a prisoner being allowed to participate pursuant to court order in any work release, work study, community service, or other lawful program, or by reason of any such prisoner failing to return from participation in any such program."

SECTION 2.(dd) G.S. 14-258.1 reads as rewritten:

"**§ 14-258.1. Furnishing poison, controlled substances, deadly weapons, cartridges, ammunition or alcoholic beverages to inmates of charitable, mental or penal institutions or local confinement facilities; furnishing tobacco products**

including vapor products; or furnishing mobile phones to inmates or delinquent juveniles.

…

(c) Any person who knowingly gives or sells any tobacco products, including vapor products, as defined in G.S. 148-23.1, to an inmate in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any tobacco products, including vapor products, to a person who is not an inmate for delivery to an inmate in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, other than for authorized religious purposes, is guilty of a Class 1 misdemeanor.

(d) Any person who knowingly gives or sells a mobile telephone or other wireless communications device, or a component of one of those devices, to an inmate in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, to a delinquent juvenile in the custody of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any such device or component to a person who is not an inmate or delinquent juvenile for delivery to an inmate or delinquent juvenile, is guilty of a Class H felony.

For purposes of this subsection, a delinquent juvenile in the custody of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall mean a juvenile confined in a youth development center or a detention facility as defined in G.S. 7B-1501, and shall include transportation of a juvenile to or from confinement.

…."

SECTION 2.(ee) G.S. 14-258.2(b) reads as rewritten:

"(b) A person is guilty of a Class H felony if he assists a prisoner in the custody of the Section of Prisons of the Division of Adult Correction and Juvenile Justice or of any local confinement facility as defined in G.S. 153A-217 in escaping or attempting to escape and:

(1) In the perpetration of the escape or attempted escape he commits an assault with a deadly weapon and inflicts bodily injury; or

(2) By the use of a deadly weapon he effects the escape of the prisoner."

SECTION 2.(ff) G.S. 14-258.3 reads as rewritten:

"**§ 14-258.3. Taking of hostage, etc., by prisoner.**

Any prisoner in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, including persons in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pending trial or appellate review or for presentence diagnostic evaluation, or any prisoner in the custody of any local confinement facility (as defined in G.S. 153A-217), or any person in the custody of any local confinement facility (as defined in G.S. 153A-217) pending trial or appellate review or for any lawful purpose, who by threats, coercion, intimidation or physical force takes, holds, or carries away any person, as hostage or otherwise, shall be punished as a Class F felon. The provisions of this section apply to: (i) violations committed by any prisoner in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, whether inside or outside of the facilities of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; (ii) violations committed by any prisoner or by any other person lawfully under the custody of any local confinement facility (as defined in G.S. 153A-217), whether inside or outside the local confinement facilities (as defined in G.S. 153A-217)."

SECTION 2.(gg) G.S. 14-258.4(a) reads as rewritten:

"(a) Any person in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, including the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, any law enforcement officer, or any local confinement facility (as defined in G.S. 153A-217, or G.S. 153A-230.1),

including persons pending trial, appellate review, or presentence diagnostic evaluation, who knowingly and willfully throws, emits, or causes to be used as a projectile, bodily fluids or excrement at a person who is an employee of the State or a local government while the employee is in the performance of the employee's duties is guilty of a Class F felony. The provisions of this section apply to violations committed inside or outside of the prison, jail, detention center, or other confinement facility."

SECTION 2.(hh) G.S. 14-269(b)(9) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

…

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

SECTION 2.(ii) G.S. 14-316.1 reads as rewritten:

"**§ 14-316.1. Contributing to delinquency and neglect by parents and others.**

Any person who is at least 16 years old who knowingly or willfully causes, encourages, or aids any juvenile within the jurisdiction of the court to be in a place or condition, or to commit an act whereby the juvenile could be adjudicated delinquent, undisciplined, abused, or neglected as defined by G.S. 7B-101 and G.S. 7B-1501 shall be guilty of a Class 1 misdemeanor.

It is not necessary for the district court exercising juvenile jurisdiction to make an adjudication that any juvenile is delinquent, undisciplined, abused, or neglected in order to prosecute a parent or any person, including an employee of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety under this section. An adjudication that a juvenile is delinquent, undisciplined, abused, or neglected shall not preclude a subsequent prosecution of a parent or any other person including an employee of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, who contributes to the delinquent, undisciplined, abused, or neglected condition of any juvenile."

SECTION 2.(jj) G.S. 14-415.10 reads as rewritten:

"**§ 14-415.10. Definitions.**

The following definitions apply to this Article:

…

(4b) Qualified retired probation or parole certified officer. – An individual who retired from service as a State probation or parole certified officer, other than for reasons of mental disability, who has been retired as a probation or parole certified officer two years or less from the date of the permit application and who meets all of the following criteria:

a. Immediately before retirement, the individual met firearms training standards of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and was authorized by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to carry a handgun in the course of duty.

b. The individual retired in good standing and was never a subject of a disciplinary action by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety that would have prevented the individual from carrying a handgun.

c. The individual has a vested right to benefits under the Teachers' and State Employees' Retirement System of North Carolina established under Article 1 of Chapter 135 of the General Statutes.

d. The individual is not prohibited by State or federal law from receiving a firearm.

…."

SECTION 2.(kk) G.S. 15-6.1 reads as rewritten:

"**§ 15-6.1. Changing place of confinement of prisoner committing offense.**

In all cases where a defendant has been convicted in a court inferior to the superior court and sentenced to a term in the county jail or to serve in some county institution other than under the supervision of the State Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and such defendant is subsequently brought before such court for an offense committed prior to the expiration of the term to be served in such county institution, upon conviction, plea of guilty or nolo contendere, the judge shall have the power and authority to change the place of confinement of the prisoner and commit such defendant to work under the supervision of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. This provision shall apply whether or not the terms of the new sentence are to run concurrently with or consecutive to the remaining portion of the old sentence."

SECTION 2.(ll) G.S. 15-10.1 reads as rewritten:

"**§ 15-10.1. Detainer; purpose; manner of use.**

Any person confined in the State prison system of North Carolina, subject to the authority and control of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or any person confined in any other prison of North Carolina, may be held to account for any other charge pending against him only upon a written order from the clerk or judge of the court in which the charge originated upon a case regularly docketed, directing that such person be held to answer the charge pending in such court; and in no event shall the prison authorities hold any person to answer any charge upon a warrant or notice when the charge has not been regularly docketed in the court in which the warrant or charge has been issued: Provided, that this section shall not apply to any State agency exercising supervision over such person or prisoner by virtue of a judgment, order of court or statutory authority."

SECTION 2.(mm) G.S. 15-194(a) reads as rewritten:

"(a) In sentencing a capital defendant to a death sentence pursuant to G.S. 15A-2000(b), the sentencing judge need not specify the date and time the execution is to be carried out by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Attorney General of North Carolina shall provide written notification to the Secretary of the Department of Public Safety of the occurrence of any of the following not more than 90 days from that occurrence:

…."

SECTION 2.(nn) G.S. 15-196.3 reads as rewritten:

"**§ 15-196.3. Effect of credit.**

Time creditable under this section shall reduce the minimum and maximum term of a sentence; and, irrespective of sentence, shall reduce the time required to attain privileges made available to inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety which are dependent, in whole or in part, upon the passage of a specific length of time in custody, including parole or post-release supervision consideration by the Post-Release Supervision and Parole Commission. However, nothing in this section shall be construed as requiring an automatic award of privileges by virtue of the passage of time."

SECTION 2.(oo) G.S. 15-206 reads as rewritten:

"**§ 15-206. Cooperation with Division of Adult Correction and Juvenile Justice of the Department of Public Safety and officials of local units.**

It is hereby made the duty of every city, county, or State official or department to render all assistance and cooperation within the official's or the Department's fundamental power which may further the objects of this Article. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Secretary of Public Safety, and the probation officers are authorized to seek the cooperation of such officials and departments, and especially of the

county superintendents of social services and of the Department of Health and Human Services."

SECTION 2.(pp) G.S. 15-209 reads as rewritten:

"**§ 15-209. Accommodations for probation offices.**

(a) The county commissioners in each county in which a probation office exists shall provide, in or near the courthouse, suitable office space for those probation officers assigned to the county who have probationary caseloads and their administrative support. This requirement does not include management staff of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, nonprobation staff, or other Division of Adult Correction and Juvenile Justice of the Department of Public Safety employees.

(b) If a county is unable to provide the space required under subsection (a) of this section for any reason, it may elect to request that the Division of Adult Correction and Juvenile Justice of the Department of Public Safety lease space for the probation office and receive reimbursement from the county for the leased space. If a county fails to reimburse the Division for such leased space, the Secretary of Public Safety may request that the Administrative Office of the Courts transfer the unpaid amount to the Division from the county's court and jail facility fee remittances."

SECTION 2.(qq) G.S. 15A-145(c) reads as rewritten:

"(c) The court shall also order that the misdemeanor conviction, or a civil revocation of a drivers license as the result of a criminal charge, be expunged from the records of the court. The court shall direct all law-enforcement agencies, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the petitioner's conviction or a civil revocation of a drivers license as the result of a criminal charge. This subsection does not apply to civil or criminal charges based upon the civil revocation, or to civil revocations under G.S. 20-16.2. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The clerk shall forward a certified copy of the order to the Division of Motor Vehicles for the expunction of a civil revocation provided the underlying criminal charge is also expunged. The civil revocation of a drivers license shall not be expunged prior to a final disposition of any pending civil or criminal charge based upon the civil revocation."

SECTION 2.(rr) G.S. 15A-145.1(b) reads as rewritten:

"(b) If the court, after hearing, finds that (i) the petitioner was dismissed and the proceedings against the petitioner discharged pursuant to G.S. 14-50.29 and that the person had not yet attained 18 years of age at the time of the offense or (ii) the petitioner has remained of good behavior and been free of conviction of any felony or misdemeanor other than a traffic violation for two years from the date of conviction of the offense in question, the petitioner has no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner, and the petitioner had not attained the age of 18 years at the time of the offense in question, it shall order that such person be restored, in the contemplation of the law, to the status occupied by the petitioner before such arrest or indictment or information, and that the record be expunged from the records of the court. No person as to whom such order has been entered shall be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, or indictment or information, or trial, or response to any inquiry made of the person for any purpose. The court shall also direct all law enforcement agencies, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the petitioner's criminal charge and any conviction resulting from the charge. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150."

SECTION 2.(ss) G.S. 15A-145.2(a) reads as rewritten:

"(a) Whenever a person is discharged, and the proceedings against the person dismissed, pursuant to G.S. 90-96(a) or (a1), and the person was not over 21 years of age at the time of the offense, the person may apply to the court for an order to expunge from all official records, other than the confidential files retained under G.S. 15A-151, all recordation relating to the person's arrest, indictment or information, trial, finding of guilty, and dismissal and discharge pursuant to this section. The applicant shall attach to the application the following:

(1) An affidavit by the petitioner that he or she has been of good behavior during the period of probation since the decision to defer further proceedings on the offense in question and has not been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state;

(2) Verified affidavits by two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which he or she lives, and that the petitioner's character and reputation are good;

(3) Repealed by Session Laws 2010-174, s. 5, effective October 1, 2010, and applicable to petitions for expunctions filed on or after that date.

(3a) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal record check by the Department of Justice using any information required by the Administrative Office of the Courts to identify the individual and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be forwarded to the Department of Justice and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

The judge to whom the petition is presented is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct during the probationary period deemed desirable.

If the court determines, after hearing, that such person was discharged and the proceedings against him or her dismissed and that the person was not over 21 years of age at the time of the offense, it shall enter such order. The effect of such order shall be to restore such person in the contemplation of the law to the status the person occupied before such arrest or indictment or information. No person as to whom such order was entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or trial in response to any inquiry made of him or her for any purpose.

The court shall also order that all records of the proceeding be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult ~~Correction,~~Correction and Juvenile Justice, the Division of Motor Vehicles, and any other State and local government agencies identified by the petitioner as bearing records of the same to expunge their records of the proceeding. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150."

SECTION 2.(tt) G.S. 15A-146(b) reads as rewritten:

"(b) The court may also order that the said entries, including civil revocations of drivers licenses as a result of the underlying charge, shall be expunged from the records of the court, and direct all law-enforcement agencies, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the entries, including civil revocations of drivers licenses as a result of the underlying charge being expunged. This subsection does not apply to civil or criminal charges based upon the civil revocation, or to civil revocations under G.S. 20-16.2. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The clerk shall forward a certified copy of the order to the Division of Motor Vehicles for the expunction of a

civil revocation provided the underlying criminal charge is also expunged. The civil revocation of a drivers license shall not be expunged prior to a final disposition of any pending civil or criminal charge based upon the civil revocation. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner."

SECTION 2.(uu) G.S. 15A-147 reads as rewritten:

"**§ 15A-147. Expunction of records when charges are dismissed or there are findings of not guilty as a result of identity theft.**

…

(c) The court shall also order that the said entries shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the petitioner, or the person eligible for automatic expungement under subsection (a1) of this section, as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

…

(e) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety and any other applicable State or local government agency shall expunge its records as provided in G.S. 15A-150. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. Notwithstanding any other provision of law, the normal fee for any reinstatement of a license or privilege resulting under this section shall be waived.

…."

SECTION 2.(vv) G.S. 15A-149(b) reads as rewritten:

"(b) The order of expunction shall include an instruction that any entries relating to the person's apprehension, charge, or trial shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner."

SECTION 2.(ww) G.S. 15A-534(a) reads as rewritten:

"(a) In determining conditions of pretrial release a judicial official must impose at least one of the following conditions:

(1) Release the defendant on his written promise to appear.

(2) Release the defendant upon his execution of an unsecured appearance bond in an amount specified by the judicial official.

(3) Place the defendant in the custody of a designated person or organization agreeing to supervise him.

(4) Require the execution of an appearance bond in a specified amount secured by a cash deposit of the full amount of the bond, by a mortgage pursuant to G.S. 58-74-5, or by at least one solvent surety.

(5) House arrest with electronic monitoring.

If condition (5) is imposed, the defendant must execute a secured appearance bond under subdivision (4) of this subsection. If condition (3) is imposed, however, the defendant may elect to execute an appearance bond under subdivision (4). If the defendant is required to provide fingerprints pursuant to G.S. 15A-502(a1), (a2), (a4), or (a6), or a DNA sample pursuant to G.S. 15A-266.3A or G.S. 15A-266.4, and (i) the fingerprints or DNA sample have not yet been taken or (ii) the defendant has refused to provide the fingerprints or DNA sample, the judicial official shall make the collection of the fingerprints or DNA sample a condition of pretrial release. The judicial official may also place restrictions on the travel, associations,

conduct, or place of abode of the defendant as conditions of pretrial release. The judicial official may include as a condition of pretrial release that the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney."

SECTION 2.(xx) G.S. 15A-534.1(a) reads as rewritten:

"(a) In all cases in which the defendant is charged with assault on, stalking, communicating a threat to, or committing a felony provided in Articles 7A, 8, 10, or 15 of Chapter 14 of the General Statutes upon a spouse or former spouse, a person with whom the defendant lives or has lived as if married, or a person with whom the defendant is or has been in a dating relationship as defined in G.S. 50B-1(b)(6), with domestic criminal trespass, or with violation of an order entered pursuant to Chapter 50B, Domestic Violence, of the General Statutes, the judicial official who determines the conditions of pretrial release shall be a judge. The judge shall direct a law enforcement officer or a district attorney to provide a criminal history report for the defendant and shall consider the criminal history when setting conditions of release. After setting conditions of release, the judge shall return the report to the providing agency or department. No judge shall unreasonably delay the determination of conditions of pretrial release for the purpose of reviewing the defendant's criminal history report. The following provisions shall apply in addition to the provisions of G.S. 15A-534:

(1) Upon a determination by the judge that the immediate release of the defendant will pose a danger of injury to the alleged victim or to any other person or is likely to result in intimidation of the alleged victim and upon a determination that the execution of an appearance bond as required by G.S. 15A-534 will not reasonably assure that such injury or intimidation will not occur, a judge may retain the defendant in custody for a reasonable period of time while determining the conditions of pretrial release.

(2) A judge may impose the following conditions on pretrial release:

a. That the defendant stay away from the home, school, business or place of employment of the alleged victim.

b. That the defendant refrain from assaulting, beating, molesting, or wounding the alleged victim.

c. That the defendant refrain from removing, damaging or injuring specifically identified property.

d. That the defendant may visit his or her child or children at times and places provided by the terms of any existing order entered by a judge.

e. That the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney.

The conditions set forth above may be imposed in addition to requiring that the defendant execute a secured appearance bond.

(3) Should the defendant be mentally ill and dangerous to himself or others or a substance abuser and dangerous to himself or others, the provisions of Article 5 of Chapter 122C of the General Statutes shall apply."

SECTION 2.(yy) G.S. 15A-544.3(b) reads as rewritten:

"(b) The forfeiture shall contain the following information:

…

(9) The following notice: "TO THE DEFENDANT AND EACH SURETY NAMED ABOVE: The defendant named above has failed to appear as

required before the court in the case identified above. A forfeiture for the amount of the bail bond shown above was entered in favor of the State against the defendant and each surety named above on the date of forfeiture shown above. This forfeiture will be set aside if, on or before the final judgment date shown above, satisfactory evidence is presented to the court that one of the following events has occurred: (i) the defendant's failure to appear has been stricken by the court in which the defendant was required to appear and any order for arrest that was issued for that failure to appear is recalled, (ii) all charges for which the defendant was bonded to appear have been finally disposed by the court other than by the State's taking a voluntary dismissal with leave, (iii) the defendant has been surrendered by a surety or bail agent to a sheriff of this State as provided by law, (iv) the defendant has been served with an Order for Arrest for the Failure to Appear on the criminal charge in the case in question as evidenced by a copy of an official court record, including an electronic record, (v) the defendant died before or within the period between the forfeiture and the final judgment as demonstrated by the presentation of a death certificate, (vi) the defendant was incarcerated in a unit of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and is serving a sentence or in a unit of the Federal Bureau of Prisons located within the borders of the State at the time of the failure to appear as evidenced by a copy of an official court record or a copy of a document from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or Federal Bureau of Prisons, or (vii) the defendant was incarcerated in a local, state, or federal detention center, jail, or prison located anywhere within the borders of the United States at the time of the failure to appear, and the district attorney for the county in which the charges are pending was notified of the defendant's incarceration while the defendant was still incarcerated and the defendant remains incarcerated for a period of 10 days following the district attorney's receipt of notice, as evidenced by a copy of the written notice served on the district attorney via hand delivery or certified mail and written documentation of date upon which the defendant was released from incarceration, if the defendant was released prior to the time the motion to set aside was filed. The forfeiture will not be set aside for any other reason. If this forfeiture is not set aside on or before the final judgment date shown above, and if no motion to set it aside is pending on that date, the forfeiture will become a final judgment on that date. The final judgment will be enforceable by execution against the defendant and any accommodation bondsman and professional bondsman on the bond. The final judgment will also be reported to the Department of Insurance. Further, no surety will be allowed to execute any bail bond in the above county until the final judgment is satisfied in full."

SECTION 2.(zz) G.S. 15A-544.5(b) reads as rewritten:

"(b) Reasons for Set Aside. – Except as provided by subsection (f) of this section, a forfeiture shall be set aside for any one of the following reasons, and none other:

…

(6) The defendant was incarcerated in a unit of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and is serving a sentence or in a unit of the Federal Bureau of Prisons located within the borders of the State at the time of the failure to appear as evidenced by a copy of an official court record or a copy of a document from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or Federal Bureau of Prisons, including an electronic record."

SECTION 2.(aaa) G.S. 15A-615(c) reads as rewritten:

"(c) If the defendant is in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the defendant shall be tested by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. If the defendant is not in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the defendant shall be tested by the local health department. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall inform the local health director of all test results. The local health director shall ensure that the victim is informed of the results of the tests and counseled appropriately. The agency conducting the tests shall inform the defendant of the results of the tests and ensure that the defendant is counseled appropriately. The results of the tests shall not be admissible as evidence in any criminal proceeding."

SECTION 2.(bbb) G.S. 15A-821(a) reads as rewritten:

"(a) If a judge of a court of general jurisdiction in any other state, which by its laws has made provision for commanding a prisoner within that state to attend and testify in this State, certifies under the seal of that court that there is a criminal prosecution pending in the court or that a grand jury investigation has commenced, and that a person confined in an institution under the control of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of North Carolina, other than a person confined as criminally insane, is a material witness in the prosecution or investigation and that his presence is required for a specified number of days, upon presentment of the certificate to a superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the person is confined, upon notice to the Attorney General, the judge must fix a time and place for a hearing and order the person having custody of the prisoner to produce him at the hearing."

SECTION 2.(ccc) G.S. 15A-830(a) reads as rewritten:

"(a) The following definitions apply in this Article:

…

(3) Custodial agency. – The agency that has legal custody of an accused or defendant arising from a charge or conviction of a crime covered by this Article including, but not limited to, local jails or detention facilities, regional jails or detention facilities, facilities designated under G.S. 122C-252 for the custody and treatment of involuntary clients, or the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(ddd) G.S. 15A-832(g) reads as rewritten:

"(g) At the sentencing hearing, the prosecuting attorney shall submit to the court a copy of a form containing the identifying information set forth in G.S. 15A-831(c) about any victim's electing to receive further notices under this Article. The clerk of superior court shall include the form with the final judgment and commitment, or judgment suspending sentence, transmitted to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or other agency receiving custody of the defendant and shall be maintained by the custodial agency as a confidential file."

SECTION 2.(eee) G.S. 15A-837 reads as rewritten:

"**§ 15A-837. Responsibilities of Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice.**

(a) The Section of Community Corrections of the Division of Adult Correction and Juvenile Justice shall notify the victim of:

…."

SECTION 2.(fff) G.S. 15A-1332(c) reads as rewritten:

"(c) Presentence Commitment for Study. – When the court desires more detailed information as a basis for determining the sentence to be imposed than can be provided by a presentence investigation, the court may commit a defendant to the Division of Adult

Correction and Juvenile Justice of the Department of Public Safety for study for the shortest period necessary to complete the study, not to exceed 90 days, if that defendant has been charged with or convicted of any felony or a Class A1 or Class 1 misdemeanor crime or crimes for which he may be imprisoned for more than six months and if he consents. The period of commitment must end when the study is completed, and may not exceed 90 days. The Division must conduct a complete study of a defendant committed to it under this subsection, inquiring into such matters as the defendant's previous delinquency or criminal experience, his social background, his capabilities, his mental, emotional and physical health, and the availability of resources or programs appropriate to the defendant. Upon completion of the study or the end of the 90-day period, whichever occurs first, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety must release the defendant to the sheriff of the county in which his case is docketed. The Division must forward the study to the clerk in that county, including whatever recommendations the Division believes will be helpful to a proper resolution of the case. When a defendant is returned from a presentence commitment for study, the conditions of pretrial release which obtained for the defendant before the commitment continue until judgment is entered, unless the conditions are modified under the provisions of G.S. 15A-534(e)."

SECTION 2.(ggg) G.S. 15A-1340.13(d) reads as rewritten:

"(d) Service of Minimum Required; Earned Time Authorization. – An offender sentenced to an active punishment shall serve the minimum term imposed, except as provided in G.S. 15A-1340.18. The maximum term may be reduced to, but not below, the minimum term by earned time credits awarded to an offender by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the custodian of the local confinement facility, pursuant to rules adopted in accordance with law."

SECTION 2.(hhh) G.S. 15A-1340.16(d) reads as rewritten:

"(d) Aggravating Factors. – The following are aggravating factors:

…

(6) The offense was committed against or proximately caused serious injury to a present or former law enforcement officer, employee of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, jailer, fireman, emergency medical technician, ambulance attendant, social worker, justice or judge, clerk or assistant or deputy clerk of court, magistrate, prosecutor, juror, or witness against the defendant, while engaged in the performance of that person's official duties or because of the exercise of that person's official duties.

…."

SECTION 2.(iii) G.S. 15A-1340.18(b) reads as rewritten:

"(b) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is authorized to create risk reduction incentives consisting of treatment, education, and rehabilitative programs. The incentives shall be designed to reduce the likelihood that the prisoner who receives the incentive will reoffend."

SECTION 2.(jjj) G.S. 15A-1340.20(d) reads as rewritten:

"(d) Earned Time Authorization. – An offender sentenced to a term of imprisonment that is activated is eligible to receive earned time credit for misdemeanant offenders awarded by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the custodian of a local confinement facility, pursuant to rules adopted in accordance with law and pursuant to G.S. 162-60. These rules and statute combined shall not award misdemeanant offenders more than four days of earned time credit per month of incarceration."

SECTION 2.(kkk) G.S. 15A-1342(a1) reads as rewritten:

"(a1) Supervision of Defendants on Deferred Prosecution or Conditional Discharge. – The Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may be ordered by the court to supervise an offender's compliance with the terms of a conditional discharge or deferred prosecution agreement.

Violations of the terms of the agreement or conditional discharge shall be reported to the court as provided in this Article and to the district attorney in the district in which the agreement was entered."

SECTION 2.(lll) G.S. 15A-1343 reads as rewritten:

"**§ 15A-1343. Conditions of probation.**

…

(b) Regular Conditions. – As regular conditions of probation, a defendant must:

…

(16) Supply a breath, urine, or blood specimen for analysis of the possible presence of prohibited drugs or alcohol when instructed by the defendant's probation officer for purposes directly related to the probation supervision. If the results of the analysis are positive, the probationer may be required to reimburse the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the actual costs of drug or alcohol screening and testing.

…

In addition to these regular conditions of probation, a defendant required to serve an active term of imprisonment as a condition of special probation pursuant to G.S. 15A-1344(e) or G.S. 15A-1351(a) shall, as additional regular conditions of probation, obey the rules and regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety governing the conduct of inmates while imprisoned and report to a probation officer in the State of North Carolina within 72 hours of his discharge from the active term of imprisonment.

Regular conditions of probation apply to each defendant placed on supervised probation unless the presiding judge specifically exempts the defendant from one or more of the conditions in open court and in the judgment of the court. It is not necessary for the presiding judge to state each regular condition of probation in open court, but the conditions must be set forth in the judgment of the court.

Defendants placed on unsupervised probation are subject to the provisions of this subsection, except that defendants placed on unsupervised probation are not subject to the regular conditions contained in subdivisions (2), (3), (6), (8), (13), (14), (15), (16), and (17) of this subsection.

(b1) Special Conditions. – In addition to the regular conditions of probation specified in subsection (b), the court may, as a condition of probation, require that during the probation the defendant comply with one or more of the following special conditions:

…

(6) Perform community or reparation service under the supervision of the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice and pay the fee required by G.S. 143B-708.

…

(b2) Special Conditions of Probation for Sex Offenders and Persons Convicted of Offenses Involving Physical, Mental, or Sexual Abuse of a Minor. – As special conditions of probation, a defendant who has been convicted of an offense which is a reportable conviction as defined in G.S. 14-208.6(4), or which involves the physical, mental, or sexual abuse of a minor, must:

…

(8) Submit to satellite-based monitoring pursuant to Part 5 of Article 27A of Chapter 14 of the General Statutes, if the defendant is in the category described by G.S. 14-208.40(a)(2), and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, based on the Division's risk assessment program, recommends that the defendant submit to the highest possible level of supervision and monitoring.

(9) Submit at reasonable times to warrantless searches by a probation officer of the probationer's person and of the probationer's vehicle and premises while the probationer is present, for purposes specified by the court and reasonably related to the probation supervision, but the probationer may not be required to submit to any other search that would otherwise be unlawful. For purposes of this subdivision, warrantless searches of the probationer's computer or other electronic mechanism which may contain electronic data shall be considered reasonably related to the probation supervision. Whenever the warrantless search consists of testing for the presence of illegal drugs, the probationer may also be required to reimburse the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the actual cost of drug screening and drug testing, if the results are positive.

Defendants subject to the provisions of this subsection shall not be placed on unsupervised probation.

(b3) Screening and Assessing for Chemical Dependency. – A defendant ordered to submit to a period of residential treatment in the Drug Alcohol Recovery Treatment program (DART) or the Black Mountain Substance Abuse Treatment Center for Women operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety must undergo a screening to determine chemical dependency. If the screening indicates the defendant is chemically dependent, the court shall order an assessment to determine the appropriate level of treatment. The assessment may be conducted either before or after the court imposes the condition, but participation in the program shall be based on the results of the assessment.

(b4) Intermediate Conditions. – The following conditions of probation apply to each defendant subject to intermediate punishment:

(1) If required in the discretion of the defendant's probation officer, perform community service under the supervision of the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice and pay the fee required by G.S. 143B-708.
(2) Not use, possess, or control alcohol.
(3) Remain within the county of residence unless granted written permission to leave by the court or the defendant's probation officer.
(4) Participate in any evaluation, counseling, treatment, or educational program as directed by the probation officer, keeping all appointments and abiding by the rules, regulations, and direction of each program.

These conditions apply to each defendant subject to intermediate punishment unless the court specifically exempts the defendant from one or more of the conditions in its judgment or order. It is not necessary for the presiding judge to state each of these conditions in open court, but the conditions must be set forth in the judgment or order of the court.

…."

SECTION 2.(mmm) G.S. 15A-1343.2 reads as rewritten:

"**§ 15A-1343.2. Special probation rules for persons sentenced under Article 81B.**

…

(b) Purposes of Probation for Community and Intermediate Punishments. – The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall develop a plan to handle offenders sentenced to community and intermediate punishments. The probation program designed to handle these offenders shall have the following principal purposes: to hold offenders accountable for making restitution, to ensure compliance with the court's judgment, to effectively rehabilitate offenders by directing them to specialized treatment or education programs, and to protect the public safety.

(b1) Departmental Risk Assessment by Validated Instrument Required. – As part of the probation program developed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pursuant to subsection (b) of this section, the Division of Adult

Correction and Juvenile Justice of the Department of Public Safety shall use a validated instrument to assess each probationer for risk of reoffending and shall place a probationer in a supervision level based on the probationer's risk of reoffending and criminogenic needs.

…

(e) Delegation to Probation Officer in Community Punishment. – Unless the presiding judge specifically finds in the judgment of the court that delegation is not appropriate, the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may require an offender sentenced to community punishment to do any of the following:

…

(f) Delegation to Probation Officer in Intermediate Punishments. – Unless the presiding judge specifically finds in the judgment of the court that delegation is not appropriate, the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may require an offender sentenced to intermediate punishment to do any of the following:

…."

SECTION 2.(nnn) G.S. 15A-1343.3 reads as rewritten:

"**§ 15A-1343.3. Division of Adult Correction and Juvenile Justice of the Department of Public Safety to establish regulations for continuous alcohol monitoring systems; payment of fees; authority to terminate monitoring.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall establish regulations for continuous alcohol monitoring systems that are authorized for use by the courts as evidence that an offender on probation has abstained from the use of alcohol for a specified period of time. A "continuous alcohol monitoring system" is a device that is worn by a person that can detect, monitor, record, and report the amount of alcohol within the wearer's system over a continuous 24-hour daily basis. The regulations shall include the procedures for supervision of the offender, collection and monitoring of the results, and the transmission of the data to the court for consideration by the court. All courts, including those using continuous alcohol monitoring systems prior to July 4, 2007, shall comply with the regulations established by the Division pursuant to this section.

The Secretary, or the Secretary's designee, shall approve continuous alcohol monitoring systems for use by the courts prior to their use by a court as evidence of alcohol abstinence, or their use as a condition of probation. The Secretary shall not unreasonably withhold approval of a continuous alcohol monitoring system and shall consult with the Division of Purchase and Contract in the Department of Administration to ensure that potential vendors are not discriminated against.

…."

SECTION 2.(ooo) G.S. 15A-1344 reads as rewritten:

"**§ 15A-1344. Response to violations; alteration and revocation.**

…

(c) Procedure on Altering or Revoking Probation; Returning Probationer to District Where Sentenced. – When a judge reduces, terminates, extends, modifies, or revokes probation outside the county where the judgment was entered, the clerk must send a copy of the order and any other records to the court where probation was originally imposed. A court on its own motion may return the probationer to the district court district as defined in G.S. 7A-133 or superior court district or set of districts as defined in G.S. 7A-41.1, as the case may be, where probation was imposed or where the probationer resides for reduction, termination, continuation, extension, modification, or revocation of probation. In cases where the probation is revoked in a county other than the county of original conviction the clerk in that county must issue a commitment order and must file the order revoking probation and the commitment order, which will constitute sufficient permanent record of the proceeding in that court, and must send a certified copy of the order revoking probation, the commitment order, and all other records pertaining thereto to the county of original conviction to be filed with the original

records. The clerk in the county other than the county of original conviction must issue the formal commitment to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(e) Special Probation in Response to Violation. – When a defendant has violated a condition of probation, the court may modify the probation to place the defendant on special probation as provided in this subsection. In placing the defendant on special probation, the court may continue or modify the conditions of probation and in addition require that the defendant submit to a period or periods of imprisonment, either continuous or noncontinuous, at whatever time or intervals within the period of probation the court determines. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the rules and regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. If imprisonment is for continuous periods, the confinement may be in either the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed one-fourth the maximum sentence of imprisonment imposed for the offense. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed one-fourth the maximum penalty allowed by law. No confinement other than an activated suspended sentence may be required beyond the period of probation or beyond two years of the time the special probation is imposed, whichever comes first.

(e1) Criminal Contempt in Response to Violation. – If a defendant willfully violates a condition of probation, the court may hold the defendant in criminal contempt as provided in Article 1 of Chapter 5A of the General Statutes. A finding of criminal contempt by the court shall not revoke the probation. If the offender serves a sentence for contempt in a local confinement facility, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall pay for the confinement at the standard rate set by the General Assembly pursuant to G.S. 148-32.1(a) regardless of whether the offender would be eligible under the terms of that subsection.

…."

SECTION 2.(ppp) G.S. 15A-1351(a) reads as rewritten:

"(a) The judge may sentence to special probation a defendant convicted of a criminal offense other than impaired driving under G.S. 20-138.1, if based on the defendant's prior record or conviction level as found pursuant to Article 81B of this Chapter, an intermediate punishment is authorized for the class of offense of which the defendant has been convicted. A defendant convicted of impaired driving under G.S. 20-138.1 may also be sentenced to special probation. Under a sentence of special probation, the court may suspend the term of imprisonment and place the defendant on probation as provided in Article 82, Probation, and in addition require that the defendant submit to a period or periods of imprisonment in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or a designated local confinement or treatment facility at whatever time or intervals within the period of probation, consecutive or nonconsecutive, the court determines, as provided in this subsection. For probationary sentences for misdemeanors, including impaired driving under G.S. 20-138.1, all imprisonment under this subsection shall be in a designated local confinement or treatment facility. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment

as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. Except for probationary sentences for misdemeanors, including impaired driving under G.S. 20-138.1, if imprisonment is for continuous periods, the confinement may be in the custody of either the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences of impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed one-fourth the maximum sentence of imprisonment imposed for the offense, and no confinement other than an activated suspended sentence may be required beyond two years of conviction. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed one-fourth the maximum penalty allowed by law. In imposing a sentence of special probation, the judge may credit any time spent committed or confined, as a result of the charge, to either the suspended sentence or to the imprisonment required for special probation. The original period of probation, including the period of imprisonment required for special probation, shall be as specified in G.S. 15A-1343.2(d), but may not exceed a maximum of five years, except as provided by G.S. 15A-1342(a). The court may revoke, modify, or terminate special probation as otherwise provided for probationary sentences."

SECTION 2.(qqq) G.S. 15A-1352 reads as rewritten:

"**§ 15A-1352. Commitment to Division of Adult Correction of the Department of Public Safety and Juvenile Justice or local confinement facility.**

…

(b) A person sentenced to imprisonment for a felony under this Article or for nonpayment of a fine for conviction of a felony under Article 84 of this Chapter shall be committed for the term designated by the court to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(rrr) G.S. 15A-1353(f) reads as rewritten:

"(f) When the sentencing court, with the consent of the person sentenced, orders that a person convicted of a misdemeanor be granted work release, the following provisions must be included in the commitment, or in a separate order referred to in the commitment:

(1) The date work release is to begin;

(2) The prison or local confinement facility to which the offender is to be committed;

(3) A provision that work release terminates the date the offender loses his job or violates the conditions of the work-release plan established by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; and

(4) A determination whether the earnings of the offender are to be disbursed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the clerk of the sentencing court in the manner that the court in its order directs."

SECTION 2.(sss) G.S. 15A-1354(b) reads as rewritten:

"(b) Effect of Consecutive Terms. – In determining the effect of consecutive sentences imposed under authority of this Article and the manner in which they will be served, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety must treat the defendant as though he has been committed for a single term with the following incidents:

(1) The maximum prison sentence consists of the total of the maximum terms of the consecutive sentences, less 12 months for each of the second and subsequent sentences imposed for Class B through Class E felonies, or less 60 months for each second or subsequent Class B1 through E felony for which the sentence was established pursuant to G.S. 15A-1340.17(f), and less nine months for each of the second and subsequent sentences imposed for Class F through Class I felonies; and

(2) The minimum term consists of the total of the minimum terms of the consecutive sentences."

SECTION 2.(ttt) G.S. 15A-1355 reads as rewritten:

"**§ 15A-1355. Calculation of terms of imprisonment.**

(a) Commencement of Sentence. – The commencement date of a sentence of imprisonment under authority of this Article is as provided in G.S. 15A-1353(a), except when the sentence is a consecutive sentence. When it is a consecutive sentence, it commences to run when the State has custody of the defendant following completion of the prior sentence.

(b) Repealed by Session Laws 1977, 2nd Sess., c. 1147, s. 19.

(c) Earned Time; Credit for Good Behavior for Impaired Drivers. – Persons convicted of felonies or misdemeanors under Article 81B of this Chapter may, consistent with rules of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, earn credit which may be used to reduce their maximum terms of imprisonment as provided in G.S. 15A-1340.13(d) for felony sentences and in G.S. 15A-1340.20(d) for misdemeanor sentences.

For sentences of imprisonment imposed for convictions of impaired driving under G.S. 20-138.1, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may give credit toward service of the maximum term and any minimum term of imprisonment and toward eligibility for parole for allowances of time as provided in rules and regulations made under G.S. 148-11 and 148-13.

(d) Earned Time Credit for Medically and Physically Unfit Inmates. – Inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety who suffer from medical conditions or physical disabilities that prevent their assignment to work release or other rehabilitative activities may, consistent with rules of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, earn credit based upon good behavior or other criteria determined by the Division that may be used to reduce their maximum term of imprisonment as provided in G.S. 15A-1340.13(d) for felony sentences and in G.S. 15A-1340.20(d) for misdemeanor sentences."

SECTION 2.(uuu) G.S. 15A-1368 reads as rewritten:

"**§ 15A-1368. Definitions and administration.**

(a) The following words have the listed meaning in this Article:

…

(2) Supervisee. – A person released from incarceration and in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and Post-Release Supervision and Parole Commission on post-release supervision.

…."

SECTION 2.(vvv) G.S. 15A-1368.2 reads as rewritten:

"**§ 15A-1368.2. Post-release supervision eligibility and procedure.**

(a) Except as otherwise provided in this subsection, a prisoner to whom this Article applies shall be released from prison for post-release supervision on the date equivalent to his maximum imposed prison term less 12 months in the case of Class B1 through E felons and less nine months in the case of Class F through I felons, less any earned time awarded by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the custodian of a local confinement facility under G.S. 15A-1340.13(d). A prisoner whose maximum sentence is established pursuant to G.S. 15A-1340.17(f) shall be released from

prison for post-release supervision on the date equivalent to his or her maximum imposed prison term less 60 months, less any earned time awarded by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the custodian of a local confinement facility under G.S. 15A-1340.13(d). If a prisoner has not been awarded any earned time, the prisoner shall be released for post-release supervision on the date equivalent to his maximum prison term less 12 months for Class B1 through E felons and less nine months for Class F through I felons.

…

(d) A supervisee's period of post-release supervision may be reduced while the supervisee is under supervision by earned time awarded by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, pursuant to rules adopted in accordance with law. A supervisee is eligible to receive earned time credit toward the period of supervision for compliance with reintegrative conditions described in G.S. 15A-1368.5.

…."

SECTION 2.(www) G.S. 15A-1368.3(c) reads as rewritten:

"(c) Effect of Violation. – If the supervisee violates a condition, described in G.S. 15A-1368.4, at any time before the termination of the supervision period, the Commission may continue the supervisee on the existing supervision, with or without modifying the conditions, or if continuation or modification is not appropriate, may revoke post-release supervision as provided in G.S. 15A-1368.6 and reimprison the supervisee for a term consistent with the following requirements:

…

(3) Pursuant to Article 19A of Chapter 15, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall award a prisoner credit against any term of reimprisonment for all time spent in custody as a result of revocation proceedings under G.S. 15A-1368.6.

…."

SECTION 2.(xxx) G.S. 15A-1368.4 reads as rewritten:

"**§ 15A-1368.4. Conditions of post-release supervision.**

…

(b1) Additional Required Conditions for Sex Offenders and Persons Convicted of Offenses Involving Physical, Mental, or Sexual Abuse of a Minor. – In addition to the required condition set forth in subsection (b) of this section, for a supervisee who has been convicted of an offense which is a reportable conviction as defined in G.S. 14-208.6(4), or which involves the physical, mental, or sexual abuse of a minor, controlling conditions, violations of which may result in revocation of post-release supervision, are:

…

(8) Submit at reasonable times to warrantless searches by a post-release supervision officer of the supervisee's person and of the supervisee's vehicle and premises while the supervisee is present, for purposes reasonably related to the post-release supervision, but the supervisee may not be required to submit to any other search that would otherwise be unlawful. For purposes of this subdivision, warrantless searches of the supervisee's computer or other electronic mechanism which may contain electronic data shall be considered reasonably related to the post-release supervision. Whenever the warrantless search consists of testing for the presence of illegal drugs, the supervisee may also be required to reimburse the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the actual cost of drug screening and drug testing, if the results are positive.

(c) Discretionary Conditions. – The Commission, in consultation with the Section of Community Corrections of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, may impose conditions on a supervisee it believes reasonably necessary to ensure that the supervisee will lead a law-abiding life or to assist the supervisee to do so. The Commission

may also impose a condition of community service on a supervisee who was a Class F through I felon and who has failed to fully satisfy any order for restitution, reparation, or costs imposed against the supervisee as part of the supervisee's sentence; however, the Commission shall not impose such a condition of community service if the Commission determines, upon inquiry, that the supervisee has the financial resources to satisfy the order.

…

(e) Controlling Conditions. – Appropriate controlling conditions, violation of which may result in revocation of post-release supervision, are:

…

(10) Submit at reasonable times to searches of the supervisee's person by a post-release supervision officer for purposes reasonably related to the post-release supervision. The Commission shall not require as a condition of post-release supervision that the supervisee submit to any other searches that would otherwise be unlawful. Whenever the search consists of testing for the presence of illegal drugs, the supervisee may also be required to reimburse the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the actual cost of drug testing and drug screening, if the results are positive.

…."

SECTION 2.(yyy) G.S. 15A-1368.6 reads as rewritten:

"**§ 15A-1368.6. Arrest and hearing on post-release supervision violation.**

…

(c) Officers to Conduct Preliminary Hearing. – The preliminary hearing on post-release supervision violation shall be conducted by a judicial official, or by a hearing officer designated by the Commission. A person employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall not serve as a hearing officer at a hearing provided by this section unless that person is a member of the Commission, or is employed solely as a hearing officer.

(d) Procedure for Preliminary Hearing. – The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall give the supervisee notice of the preliminary hearing and its purpose, including a statement of the violations alleged. At the hearing, the supervisee may appear and speak in the supervisee's own behalf, may present relevant information, and may, on request, personally question witnesses and adverse informants, unless the hearing officer finds good cause for not allowing confrontation. If the person holding the hearing determines there is probable cause to believe the supervisee violated conditions of supervision, the hearing officer shall summarize the reasons for the determination and the evidence relied on. Formal rules of evidence do not apply at the hearing. If probable cause is found, the supervisee may be held in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to serve the appropriate term of imprisonment, subject to the outcome of a revocation hearing under subsection (e) of this section.

…."

SECTION 2.(zzz) G.S. 15A-1369 reads as rewritten:

"**§ 15A-1369. Definitions.**

For purposes of this Article, the term:

…

(2) "Division" means the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(4) "Inmate" means any person sentenced to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(aaaa) G.S. 15A-1369.4(a) reads as rewritten:

"(a) The Commission shall set reasonable conditions upon an inmate's medical release that shall apply through the date upon which the inmate's sentence would have expired. These conditions shall include:

...

(3) That the released inmate shall be subject to supervision by the Section of Community Corrections of the Division of Adult Correction and Juvenile Justice and shall permit officers from the Division to visit the inmate at reasonable times at the inmate's home or elsewhere;

…."

SECTION 2.(bbbb) G.S. 15A-1371(h) reads as rewritten:

"(h) Community Service Parole. – Notwithstanding the provisions of any other subsection herein, prisoners serving sentences for impaired driving shall be eligible for community service parole after serving the minimum sentence required by G.S. 20-179, in the discretion of the Post-Release Supervision and Parole Commission.

Community service parole is early parole for the purpose of participation in community service under the supervision of the Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice. A parolee who is paroled under this subsection must perform as a condition of parole community service in an amount and over a period of time to be determined by the Post-Release Supervision and Parole Commission. However, the total amount of community service shall not exceed an amount equal to 32 hours for each month of active service remaining in his minimum sentence. The Post-Release Supervision and Parole Commission may grant early parole under this section without requiring the performance of community service if it determines that such performance is inappropriate to a particular case.

The probation/parole officer and the judicial services coordinator shall develop a program of community service for the parolee. The coordinator shall report any willful failure to perform community service work to the probation/parole officer. Parole may be revoked for any parolee who willfully fails to perform community service work as directed by the Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice. The provisions of G.S. 15A-1376 shall apply to this violation of a condition of parole.

Community service parole eligibility shall be available to a prisoner:

(1) Who is serving an active sentence the term of which exceeds six months; and

(2) Who, in the opinion of the Post-Release Supervision and Parole Commission, is unlikely to engage in further criminal conduct; and

(3) Who agrees to complete service of his sentence as herein specified; and

(4) Who has served one-half of his minimum sentence, at least 10 days if sentenced to Level One punishment or at least seven days if sentenced to Level Two punishment, whichever is longer.

In computing the service requirements of subdivision (4) of this subsection, credit shall be given for good time and gain time credit earned pursuant to G.S. 148-13 but only after a person has served at least 10 days if sentenced to Level One punishment or at least seven days if sentenced to Level Two punishment. Nothing herein is intended to create or shall be construed to create a right or entitlement to community service parole in any prisoner."

SECTION 2.(cccc) G.S. 15A-1374(b) reads as rewritten:

"(b) Appropriate Conditions. – As conditions of parole, the Commission may require that the parolee comply with one or more of the following conditions:

…

(8b) Remain alcohol free, and prove such abstinence through evaluation by a continuous alcohol monitoring system of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(11) Submit at reasonable times to warrantless searches by a parole officer of the parolee's person and of the parolee's vehicle and premises while the parolee is present, for purposes reasonably related to the parole supervision. The Commission may not require as a condition of parole that the parolee submit to any other searches that would otherwise be unlawful. If the parolee has been convicted of an offense which is a reportable conviction as defined in G.S. 14-208.6(4), or which involves the physical, mental, or sexual abuse of a minor, warrantless searches of the parolee's computer or other electronic mechanism which may contain electronic data shall be considered reasonably related to the parole supervision. Whenever the search consists of testing for the presence of illegal drugs, the parolee may also be required to reimburse the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the actual cost of drug testing and drug screening, if the results are positive.

…."

SECTION 2.(dddd) G.S. 15A-1376 reads as rewritten:

"**§ 15A-1376. Arrest and hearing on parole violation.**

…

(c) Officers to Conduct Hearing. – The preliminary hearing on parole violation must be conducted by a judicial official, or by a hearing officer designated by the Post-Release Supervision and Parole Commission. No person employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may serve as a hearing officer at a hearing provided in this section unless he is a member of the Post-Release Supervision and Parole Commission or is employed solely as a hearing officer.

(d) Procedure for Preliminary Hearing on Parole Violation. – The Division of Adult Correction and Juvenile Justice of the Department of Public Safety must give the parolee notice of the preliminary hearing and its purpose, including a statement of the violations alleged. At the hearing, the parolee may appear and speak in his own behalf, may present relevant information, and may, on request, personally question witnesses and adverse informants, unless the hearing officer finds good cause for not allowing confrontation. If the person holding the hearing determines there is probable cause to believe the parolee violated his parole, he must summarize the reasons for his determination and the evidence he relied on. Formal rules of evidence do not apply at the hearing. If probable cause is found, the parolee may be held in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to serve the appropriate term of imprisonment, subject to the outcome of a revocation hearing under subsection (e).

…."

SECTION 2.(eeee) G.S. 15A-2000(e) reads as rewritten:

"(e) Aggravating Circumstances. – Aggravating circumstances which may be considered shall be limited to the following:

…

(8) The capital felony was committed against a law-enforcement officer, employee of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, jailer, fireman, judge or justice, former judge or justice, prosecutor or former prosecutor, juror or former juror, or witness or former witness against the defendant, while engaged in the performance of his official duties or because of the exercise of his official duty.

…."

SECTION 2.(ffff) G.S. 15B-21 reads as rewritten:

"**§ 15B-21. Annual report.**

The Commission shall, by March 15 each year, prepare and transmit to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the chairs of the

House and Senate Appropriations Committees on Justice and Public Safety a report of its activities in the prior fiscal year and the current fiscal year to date. The report shall include:

…

(8) The amount of funds received in the prior fiscal year from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and from the compensation fund established pursuant to the Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.; and

(9) The amount of funds expected to be received in the current fiscal year, as well as the amount actually received in the current fiscal year on the date of the report, from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and from the compensation fund established pursuant to the Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.

…."

SECTION 2.(gggg) G.S. 15B-31 reads as rewritten:

"**§ 15B-31. Definitions.**

The following definitions apply in this Article:

…

(7) Funds of an offender. – All funds and property received from any source by an offender, excluding child support and earned income, where the offender:

a. Is an inmate serving a sentence with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or a prisoner confined at a local correctional facility or federal correctional institute, and includes funds that a superintendent, sheriff, or municipal official receives on behalf of an inmate or prisoner and deposits in an inmate account to the credit of the inmate or deposits in a prisoner account to the credit of the prisoner; or

b. Is not an inmate or prisoner but who is serving a sentence of probation, conditional discharge, or post-release supervision.

…."

SECTION 2.(hhhh) G.S. 15B-32(a) reads as rewritten:

"(a) Notice to Commission. –

…

(2) Whenever the payment or obligation to pay involves funds of an offender that a superintendent, sheriff, or municipal officer (i) receives or will receive on behalf of an inmate serving a sentence with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or a prisoner confined at a local correctional facility, (ii) deposits or will deposit in an inmate account to the credit of an inmate or prisoner, and (iii) the value of such funds exceeds or will exceed ten thousand dollars ($10,000), the State or subdivision of the State shall also give written notice to the Commission.

…."

SECTION 2.(iiii) G.S. 17C-3(a) reads as rewritten:

"(a) There is established the North Carolina Criminal Justice Education and Training Standards Commission, hereinafter called "the Commission." The Commission shall be composed of 31 members as follows:

…

(6) Adult Correction and Juvenile Justice. – Four correctional officers in management positions employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be appointed, two from the Section of Community Corrections upon the recommendation of the Speaker of the House of Representatives and two from the Section of Prisons upon the recommendation of the President Pro Tempore of the

Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall serve two-year terms to conclude on June 30th in odd-numbered years or until the appointee no longer serves in a management position with the Division of Adult ~~Correction,~~Correction and Juvenile Justice, whichever occurs first. The Governor shall appoint one correctional officer employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and assigned to the Office of Staff Development and Training, and one juvenile justice officer employed by the ~~Section of~~ Juvenile ~~Justice.~~Justice Section of the Division of Adult Correction and Juvenile Justice. The Governor's appointments shall serve three-year terms or until the appointee is no longer assigned to the Office of Staff Development and Training or is no longer a juvenile justice officer, whichever occurs first."

SECTION 2.(jjjj) G.S. 20-19(e2) reads as rewritten:

"(e2) Notwithstanding subsection (e) of this section, the Division may conditionally restore the license of a person to whom subsection (e) applies after it has been revoked for at least 24 months under G.S. 20-17(a)(2) if the person provides the Division with satisfactory proof of all of the following:

(1) The person has not consumed any alcohol for the 12 months preceding the restoration while being monitored by a continuous alcohol monitoring device of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(kkkk) G.S. 20-28(a1) reads as rewritten:

"(a1) Driving While License Revoked for Impaired Driving. – Any person whose drivers license has been revoked for an impaired driving revocation as defined in G.S. 20-28.2(a) and who drives any motor vehicle upon the highways of the State is guilty of a Class 1 misdemeanor. Upon conviction, the person's license shall be revoked for an additional period of one year for the first offense, two years for the second offense, and permanently for a third or subsequent offense.

If the person's license was originally revoked for an impaired driving revocation, the court may order as a condition of probation that the offender abstain from alcohol consumption and verify compliance by use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, for a minimum period of 90 days.

The restoree of a revoked drivers license who operates a motor vehicle upon the highways of the State without maintaining financial responsibility as provided by law shall be punished as for driving without a license."

SECTION 2.(llll) G.S. 20-79.4(a3) reads as rewritten:

"(a3) The Division shall develop, in consultation with the State Highway Patrol and the Division of Adult ~~Correction,~~Correction and Juvenile Justice, a standardized format for special license plates. The format shall allow for the name of the State and the license plate number to be reflective and to contrast with the background so it may be easily read by the human eye and by cameras installed along roadways as part of tolling and speed enforcement. A designated segment of the plate shall be set aside for unique design representing various groups and interests. Nothing in this subsection shall be construed to require the recall of existing special license plates."

SECTION 2.(mmmm) G.S. 20-81.12(b38) reads as rewritten:

"(b38) Stock Car Racing Theme. – The Division may issue any plate in this series without a minimum number of applications if the person providing the State with the license to use the words, logos, trademarks, or designs associated with the plate produces the plate for the State without a minimum order quantity.

The cost of the Stock Car Racing Theme plate shall include all costs to produce blank plates for issuance by the Division. Notwithstanding G.S. 66-58(b), the Division or the Division of Adult Correction of the Department of Public Safety may contract for the production of the blank plates in this series to be issued by the Division, provided the plates meet or exceed the State's specifications including durability and retroreflectivity, and provided the plates are manufactured using high-quality embossable aluminum. The cost of the blank plates to the State shall be substantially equivalent to the price paid to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for license tags, as provided in G.S. 66-58(b)(15).

The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Stock Car Racing Theme plates to the North Carolina Motorsports Foundation, Inc.; except that the Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Charlotte Motor Speedway plates to Speedway Children's Charities."

SECTION 2.(nnnn) G.S. 20-179 reads as rewritten:

"**§ 20-179. Sentencing hearing after conviction for impaired driving; determination of grossly aggravating and aggravating and mitigating factors; punishments.**

…

(e) Mitigating Factors to Be Weighed. – The judge shall also determine before sentencing under subsection (f) whether any of the mitigating factors listed below apply to the defendant. The judge shall weigh the degree of mitigation of each factor in light of the particular circumstances of the case. The factors are:

…

(6a) Completion of a substance abuse assessment, compliance with its recommendations, and simultaneously maintaining 60 days of continuous abstinence from alcohol consumption, as proven by a continuous alcohol monitoring system. The continuous alcohol monitoring system shall be of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

(7) Any other factor that mitigates the seriousness of the offense.

Except for the factors in subdivisions (4), (6), (6a), and (7), the conduct constituting the mitigating factor shall occur during the same transaction or occurrence as the impaired driving offense.

…

(f3) Aggravated Level One Punishment. – A defendant subject to Aggravated Level One punishment may be fined up to ten thousand dollars ($10,000) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than 12 months and a maximum term of not more than 36 months. Notwithstanding G.S. 15A-1371, a defendant sentenced to a term of imprisonment pursuant to this subsection shall not be eligible for parole. However, the defendant shall be released from the Statewide Misdemeanant Confinement Program on the date equivalent to the defendant's maximum imposed term of imprisonment less four months and shall be supervised by the Section of Community Supervision of the Division of Adult Correction and Juvenile Justice under and subject to the provisions of Article 84A of Chapter 15A of the General Statutes and shall also be required to abstain from alcohol consumption for the four-month period of supervision as verified by a continuous alcohol monitoring system. For purposes of revocation, violation of the requirement to abstain from alcohol or comply with the use of a continuous alcohol monitoring system shall be deemed a controlling condition under G.S. 15A-1368.4.

The term of imprisonment may be suspended only if a condition of special probation is imposed to require the defendant to serve a term of imprisonment of at least 120 days. If the defendant is placed on probation, the judge shall impose as requirements that the defendant (i) abstain from alcohol consumption for a minimum of 120 days to a maximum of the term of probation, as verified by a continuous alcohol monitoring system pursuant to subsections (h1)

and (h3) of this section, and (ii) obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation.

(g) Level One Punishment. – A defendant subject to Level One punishment may be fined up to four thousand dollars ($4,000) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than 30 days and a maximum term of not more than 24 months. The term of imprisonment may be suspended only if a condition of special probation is imposed to require the defendant to serve a term of imprisonment of at least 30 days. A judge may reduce the minimum term of imprisonment required to a term of not less than 10 days if a condition of special probation is imposed to require that a defendant abstain from alcohol consumption and be monitored by a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, for a period of not less than 120 days. If the defendant is monitored on an approved continuous alcohol monitoring system during the pretrial period, up to 60 days of pretrial monitoring may be credited against the 120-day monitoring requirement for probation. If the defendant is placed on probation, the judge shall impose a requirement that the defendant obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation.

(h) Level Two Punishment. – A defendant subject to Level Two punishment may be fined up to two thousand dollars ($2,000) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than seven days and a maximum term of not more than 12 months. The term of imprisonment may be suspended only if a condition of special probation is imposed to require the defendant to serve a term of imprisonment of at least seven days or to abstain from consuming alcohol for at least 90 consecutive days, as verified by a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. If the defendant is subject to Level Two punishment based on a finding that the grossly aggravating factor in subdivision (1) or (2) of subsection (c) of this section applies, the conviction for a prior offense involving impaired driving occurred within five years before the date of the offense for which the defendant is being sentenced and the judge suspends all active terms of imprisonment and imposes abstention from alcohol as verified by a continuous alcohol monitory system, then the judge must also impose as an additional condition of special probation that the defendant must complete 240 hours of community service. If the defendant is monitored on an approved continuous alcohol monitoring system during the pretrial period, up to 60 days of pretrial monitoring may be credited against the 90-day monitoring requirement for probation. If the defendant is placed on probation, the judge shall impose a requirement that the defendant obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation.

(h1) The judge may impose, as a condition of probation for defendants subject to Level One or Level Two punishments, that the defendant abstain from alcohol consumption for a minimum of 30 days, to a maximum of the term of probation, as verified by a continuous alcohol monitoring system. The defendant's abstinence from alcohol shall be verified by a continuous alcohol monitoring system of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(k2) Probationary Requirement for Abstinence and Use of Continuous Alcohol Monitoring. – The judge may order that as a condition of special probation for any level of offense under G.S. 20-179 the defendant abstain from alcohol consumption, as verified by a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(oooo) G.S. 20-179.3(j1) reads as rewritten:

"(j1) Effect of Violation of Community Service Requirement. – Section of Community Corrections of the Division of Adult Correction and Juvenile Justice staff shall report significant violations of the terms of a probation judgment related to community service to the court that ordered the community service. The court shall then conduct a hearing to determine if there was a willful failure to comply. The hearing may be held in the district where the requirement was imposed, where the alleged violation occurred, or where the probationer resides. If the court determines that there was a willful failure to pay the prescribed fee or to complete the work as ordered within the applicable time limits, the court shall revoke any limited driving privilege issued in the impaired driving case until community service requirements have been met. In addition, the court may take any further action authorized by Article 82 of Chapter 15A of the General Statutes for violation of a condition of probation."

SECTION 2.(pppp) G.S. 50-13.2(b2) reads as rewritten:

"(b2) Any order for custody, including visitation, may, as a condition of such custody or visitation, require either or both parents, or any other person seeking custody or visitation, to abstain from consuming alcohol and may require submission to a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, to verify compliance with this condition of custody or visitation. Any order pursuant to this subsection shall include an order to the monitoring provider to report any violation of the order to the court and each party to the action. Failure to comply with this condition shall be grounds for civil or criminal contempt."

SECTION 2.(qqqq) G.S. 65-4 reads as rewritten:

"**§ 65-4. State Division of Adult Correction of the Department of Public Safety to furnish labor.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is hereby authorized and directed to furnish at such time, or times, as may be convenient, such prisoner's labor as may be available, to properly care for the Confederate Cemetery situated in the City of Raleigh, such services to be rendered by the State's prisoners without compensation."

SECTION 2.(rrrr) G.S. 66-25(b) reads as rewritten:

"(b) Electrical devices, appliances, or equipment used by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in institutional kitchens and manufacturing equipment used by Correction Enterprises are exempt from the evaluation requirement of subsection (a) of this section."

SECTION 2.(ssss) G.S. 66-58 reads as rewritten:

"**§ 66-58. Sale of merchandise or services by governmental units.**

(a) Except as may be provided in this section, it shall be unlawful for any unit, department or agency of the State government, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency in his, or her, or their capacity as employee or employees thereof, to engage directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to provide transportation services, or to contract with any person, firm or corporation for the operation or rendering of the businesses or services on behalf of the unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise. The leasing or subleasing of space in any building owned, leased or operated by any unit, department or agency or division or subdivision thereof of the State for the purpose of operating or rendering of any of the businesses or services herein referred to is hereby prohibited.

(b) The provisions of subsection (a) of this section shall not apply to:

…

(6a) The Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(15) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is authorized to purchase and install automobile license tag plant equipment for the purpose of manufacturing license tags for the State and local governments and for such other purposes as the Division may direct.

The Commissioner of Motor Vehicles, or such other authority as may exercise the authority to purchase automobile license tags is hereby directed to purchase from, and to contract with, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the State automobile license tag requirements from year to year.

The price to be paid to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the tags shall be fixed and agreed upon by the Governor, the ~~State~~ Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Motor Vehicle Commissioner, or such authority as may be authorized to purchase the supplies.

(16) Laundry services performed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may be provided only for agencies and instrumentalities of the State which are supported by State funds and for county or municipally controlled and supported hospitals presently being served by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or for which services have been contracted or applied for in writing, as of May 22, 1973. In addition to the prior sentence, laundry services performed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may be provided for VA Medical Centers of the United States Department of Veterans Affairs, the Governor Morehead School, and the North Carolina School for the Deaf.

The services shall be limited to wet-washing, drying and ironing of flatwear or flat goods such as towels, sheets and bedding, linens and those uniforms prescribed for wear by the institutions and further limited to only flat goods or apparel owned, distributed or controlled entirely by the institutions and shall not include processing by any dry-cleaning methods; provided, however, those garments and items presently being serviced by wet-washing, drying and ironing may in the future, at the election of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, be processed by a dry-cleaning method.

…

(25) The gift or sale of any craft items made by inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as part of a program or initiative established by the Section of Prisons of the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

...

(c) The provisions of subsection (a) shall not prohibit:

…

(7) The operation by penal, correctional or facilities operated by the Department of Health and Human Services, the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or by the Department of Agriculture and Consumer Services, of dining rooms for the inmates or clients or members of the staff while on duty and

for the accommodation of persons visiting the inmates or clients, and other bona fide visitors.

…

(13) The operation by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of forestry management programs on State-owned lands, including the sale on the open market of timber cut as a part of the management program.

(14) The operation by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of facilities to manufacture and produce traffic and street name signs for use on the public streets and highways of the State.

(15) The operation by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of facilities to manufacture and produce paint for use on the public streets and highways of the State.

…

(f) Notwithstanding the provisions of G.S. 66-58(a), the operation by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of facilities for the manufacture of any product or the providing of any service pursuant to Article 14 of Chapter 148 of the General Statutes not regulated by the provisions of subsection (c) of this section shall be subject to the prior approval of the Governor, with biennial review by the General Assembly, at the beginning of each fiscal year commencing after October 1, 1975. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall file with the Director of the Budget quarterly reports detailing prison enterprise operations in such a format as shall be required by the Director of the Budget.

…."

SECTION 2.(tttt) G.S. 97-13(c) reads as rewritten:

"(c) Prisoners. – This Article shall not apply to prisoners being worked by the State or any subdivision thereof, except to the following extent: Whenever any prisoner assigned to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall suffer accidental injury or accidental death arising out of and in the course of the employment to which he had been assigned, if there be death or if the results of such injury continue until after the date of the lawful discharge of such prisoner to such an extent as to amount to a disability as defined in this Article, then such discharged prisoner or the dependents or next of kin of such discharged prisoner may have the benefit of this Article by applying to the Industrial Commission as any other employee; provided, such application is made within 12 months from the date of the discharge; and provided further that the maximum compensation to any prisoner or to the dependents or next of kin of any deceased prisoner shall not exceed thirty dollars ($30.00) per week and the period of compensation shall relate to the date of his discharge rather than the date of the accident. If any person who has been awarded compensation under the provisions of this subsection shall be recommitted to prison upon conviction of an offense committed subsequent to the award, such compensation shall immediately cease. Any awards made under the terms of this subsection shall be paid by the Department of Public Safety from the funds available for the operation of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The provisions of G.S. 97-10.1 and 97-10.2 shall apply to prisoners and discharged prisoners entitled to compensation under this subsection and to the State in the same manner as said section applies to employees and employers."

SECTION 2.(uuuu) G.S. 105-259(b) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for

determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

…

(15) To exchange information concerning a tax imposed by Articles 2A, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the Department or the agency:

a. The North Carolina Alcoholic Beverage Control Commission.

b. The Alcohol Law Enforcement Branch of the Department of Public Safety.

c. The Bureau of Alcohol, Tobacco, and Firearms of the United States Department of Justice.

d. Law enforcement agencies.

e. The Section of Community Corrections of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(vvvv) G.S. 108A-14(a) reads as rewritten:

"(a) The director of social services shall have the following duties and responsibilities:

…

(9) To assist and cooperate with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and their representatives;

…."

SECTION 2.(wwww) G.S. 114-12.1(b) reads as rewritten:

"(b) The Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall ensure that all juvenile court counselors and other Division personnel receive the minority sensitivity training specified in subsection (a) of this section."

SECTION 2.(xxxx) G.S. 115C-46.2 reads as rewritten:

"**§ 115C-46.2. Probation officer visits at school; limitations.**

(a) Except as provided in this section, probation officers are not authorized to visit students during school hours on school property.

(b) Probation officers of the Section of Community Corrections of the Division of Adult ~~Corrections,~~Correction and Juvenile Justice, when working as a part of the Section's School Partnership Program, may visit students during school hours on school property with prior authorization by school administrators. For purposes of this section, "authorization" includes requests for assistance from guidance counselors or school resource officers.

(c) Each local board of education shall develop policies and guidelines for coordinating with probation officers of the Section of Community Corrections of the Division of Adult ~~Corrections~~ Correction and Juvenile Justice in the planning and scheduling of school visits as provided in this section, utilizing existing administrative capacity to manage scheduling. Visits shall be conducted in a private area designated for such use and located away from contact with the general student population. The probation officer shall not initiate direct contact with a student while the student is in class or between classes. Initial contact with the student shall be made by a school administrator or other designated school employee, who shall direct the student to a private area to meet with the probation officer."

SECTION 2.(yyyy) G.S. 115C-106.3 reads as rewritten:

"**§ 115C-106.3. Definitions.**

The following definitions apply in this Article:

…

(11) "Local educational agency" includes any of the following that provides special education and related services to children with disabilities:

a. A local school administrative unit.

b. A charter school.

c. The Department of Health and Human Services.

d. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

~~e. The Division of Juvenile Justice of the Department of Public Safety.~~

f. Any other State agency or unit of local government.

...."

SECTION 2.(zzzz) G.S. 115C-107.6 reads as rewritten:

"**§ 115C-107.6. Duties of local educational agencies.**

(a) Each local educational agency, in providing for the education of children with disabilities within its jurisdiction, must comply with IDEA and the rules adopted by the State Board under this Article. In addition, each local educational agency shall have in effect policies, procedures, and programs that are consistent with this Article, IDEA, and rules adopted by the State Board.

(b) No child with disabilities shall be prevented from attending the public schools of the local educational agency in which the child resides or from which the child receives services or from attending any other public program of free appropriate public education based solely on the fact that the child has a disability. If it appears the child should receive a program of free appropriate public education in a program operated by or under the supervision of the Department of Health and Human Services or the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the local school administrative unit shall confer with the appropriate Department of Health and Human Services or Division of Adult Correction and Juvenile Justice of the Department of Public Safety staff for their participation and determination of the appropriateness of placement in that program and development of the child's individualized education program.

(c) No matriculation or tuition fees or other fees or charges shall be required or asked of children with disabilities or their parents except those fees or charges that are required uniformly of all public school pupils. The provision of a free appropriate public education within the facilities of the Department of Health and Human Services and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may not prevent that Department from charging for other services or treatment.

(d) Each child with a disability shall be educated in accordance with that child's IEP and in the least restrictive environment for that child.

(e) Each local educational agency may use the forms developed under G.S. 115C-107.2(d)."

SECTION 2.(aaaaa) G.S. 115C-108.1 reads as rewritten:

"**§ 115C-108.1. State Board lead agency.**

(a) The Board shall cause all local educational agencies to provide special education and related services to children with disabilities in their care, custody, management, jurisdiction, control, or programs.

(b) The jurisdiction of the Board with respect to the design and content of special education programs or related services for children with disabilities extends to and over the Department of Health and Human Services, and the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, and the Division of Adult Correction of the Department of Public~~ Safety.

(c) All provisions of this Article that are specifically applicable to local school administrative units also are applicable to the Department of Health and Human Services, and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, ~~and the Division of Adult Correction of the Department of Public Safety,~~ and their divisions and agencies; all duties, responsibilities, rights, and privileges specifically imposed on or granted to local school administrative units by this Article also are imposed on or granted to the Department of Health and Human Services, and the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, and the Division of Adult Correction of the Department of Public~~ Safety, and their divisions and agencies. However, with respect to children with disabilities who are residents or patients of any State-operated or State-supported

residential treatment facility, including a school for the deaf, school for the blind, mental hospital or center, mental retardation center, or in a facility operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, ~~the Division of Adult Correction of the Department of Public Safety,~~ or any of their divisions and agencies, the Board may contract with the Department of Health and Human Services, and the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, and the Division of Adult Correction of the Department of Public~~ Safety for the provision of special education and related services and the power to review, revise, and approve any plans for special education and related services to those residents.

(d) The ~~Departments~~Department of Health and Human ~~Services, Correction, and Juvenile Justice and Delinquency Prevention~~Services and the Department of Public Safety shall submit to the Board their plans for the education of children with disabilities in their care, custody, or control. The Board may grant specific exemptions for programs administered by the Department of Health and Human ~~Services,~~Services or the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, or the Division of Adult Correction of the Department of Public~~ Safety when compliance by them with the Board's standards would, in the Board's judgment, impose undue hardship on that department or division and when other procedural due process requirements, substantially equivalent to those required under this Article and IDEA, are assured in programs of special education and related services furnished to children with disabilities served by that department. Further, the Board shall recognize that inpatient and residential special education programs within the Departments of Health and Human ~~Services,~~Services or the Division of Adult Correction and Juvenile Justice of the Department of ~~Public Safety, or the Division of Adult Correction of the Department of~~ Public Safety may require more program resources than those necessary for optimal operation of these programs in local school administrative units.

(e) The Board shall support and encourage joint and collaborative special education planning and programming at local levels to include local school administrative units and the programs and agencies of the Departments of Health and Human ~~Services,~~ Services or the Division of Adult Correction and Juvenile Justice of the Department of Public ~~Safety, or the Division of Adult Correction of the Department of Public~~ Safety."

SECTION 2.(bbbbb) G.S. 115C-108.2 reads as rewritten:

"**§ 115C-108.2. Interlocal cooperation.**

The Board, any two or more local educational agencies, and any other agency and any State department, agency, or division having responsibility for the education, treatment, or habilitation of children with disabilities may enter into interlocal cooperative undertakings under Part 1 of Article 20 of Chapter 160A of the General Statutes or into undertakings with a State agency such as the Departments of Public Instruction, Health and Human Services, ~~Juvenile Justice and Delinquency Prevention, or Correction,~~or Public Safety, or their divisions, agencies, or units, for the purpose of providing for the special education and related services, treatment, or habilitation of these children within the jurisdiction of the agency or unit, and shall do so when it is unable to provide the appropriate public special education or related services for these children. In entering into such undertakings, the local agency and State department, agency, or division shall also contract to provide the special education or related services that are educationally appropriate to the children with disabilities for whose benefit the undertaking is made and provide these services by or in the local agency unit or State department, agency, or division located in the place most convenient to these children."

SECTION 2.(ccccc) G.S. 115C-250(a) reads as rewritten:

"(a) The State Board of Education and local boards of education may expend public funds for transportation of children with disabilities who are unable because of their disability to ride the regular school buses and who have been placed in programs by a local school board as a part of its duty to provide these children with a free appropriate education under Article 9 of this Chapter. At the option of the local board of education with the concurrence of the State Board of Education, funds appropriated to the State Board of Education for contract

transportation of children with disabilities may be used to purchase buses and minibuses as well as for the purposes authorized in the budget. The State Board of Education shall adopt rules concerning the construction and equipment of these buses and minibuses.

The Departments of Health and Human ~~Services, Juvenile Justice and Delinquency Prevention, and Correction~~Services and Public Safety may also expend public funds for transportation of children with disabilities who are unable because of their disability to ride the regular school buses and who have been placed in programs by one of these agencies as a part of that agency's duty to provide these children with a free appropriate public education under Article 9 of this Chapter.

If a local area mental health center places a child with a disability in an educational program, the local area mental health center shall pay for the transportation of the child who is unable due to the disability to ride the regular school buses to the program."

SECTION 2.(ddddd) G.S. 115C-296.2(b) reads as rewritten:

"(b) Definitions. – As used in this subsection:

(1) A "North Carolina public school" is a school operated by a local board of education, the Department of Health and Human Services, the Division of Adult Correction of the Department of Public Safety, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or The University of North Carolina; a school affiliated with The University of North Carolina; or a charter school approved by the State Board of Education.

…."

SECTION 2.(eeeee) G.S. 115C-325(p) reads as rewritten:

"(p) Section Applicable to Certain Institutions. – Notwithstanding any law or regulation to the contrary, this section shall apply to all persons employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human ~~Services and Public Instruction and the Divisions of Juvenile Justice and Adult Correction of the Department of Public Safety~~Services, Public Instruction, and Public Safety regardless of the age of the students."

SECTION 2.(fffff) G.S. 115C-325.10 reads as rewritten:

"**§ 115C-325.10. Application to certain institutions.**

Notwithstanding any law or regulation to the contrary, this Part shall apply to all persons employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services and Public Instruction and the ~~Divisions of Juvenile Justice and Adult Correction~~Division of Adult Correction and Juvenile Justice of the Department of Public Safety, regardless of the age of the students."

SECTION 2.(ggggg) G.S. 115D-1 reads as rewritten:

"**§ 115D-1. Statement of purpose.**

The purposes of this Chapter are to provide for the establishment, organization, and administration of a system of educational institutions throughout the State offering courses of instruction in one or more of the general areas of two-year college parallel, technical, vocational, and adult education programs, to serve as a legislative charter for such institutions, and to authorize the levying of local taxes and the issuing of local bonds for the support thereof. The major purpose of each and every institution operating under the provisions of this Chapter shall be and shall continue to be the offering of vocational and technical education and training, and of basic, high school level, academic education needed in order to profit from vocational and technical education, for students who are high school graduates or who are beyond the compulsory age limit of the public school system and who have left the public schools, provided, juveniles of any age committed to the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety by a court of competent jurisdiction may, if approved by the director of the youth development center to which they are assigned, take courses offered by institutions of the system if they are otherwise qualified for admission.

The Community Colleges System Office is designated as the primary lead agency for delivering workforce development training, adult literacy training, and adult education programs in the State."

SECTION 2.(hhhhh) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for the following:

…

(2) Courses requested by the following entities that support the organizations' training needs and are on a specialized course list approved by the State Board of Community Colleges:

…

g. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the training of full-time custodial employees and employees of the ~~Division's Section of Community Corrections~~Division required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.

~~h. The Division of Juvenile Justice of the Department of Public Safety for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.~~

…."

SECTION 2.(iiiii) G.S. 120-70.94 reads as rewritten:

"**§ 120-70.94. Purpose and powers of Committee.**

(a) The Joint Legislative Oversight Committee on Justice and Public Safety shall examine, on a continuing basis, the correctional, law enforcement, and juvenile justice systems in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve those systems and to assist those systems in realizing their objectives of protecting the public and of punishing and rehabilitating offenders. In this examination, the Committee shall:

…

(2) Examine the effectiveness of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in implementing the public policy stated in G.S. 148-26 of providing work assignments and employment for inmates as a means of reducing the cost of maintaining the inmate population while enabling inmates to acquire or retain skills and work habits needed to secure honest employment after their release.

…

(2b) Examine the effectiveness of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in implementing the duties and responsibilities charged to the Division in Part 3 of Article 13 of Chapter 143B of the General Statutes and the overall effectiveness and efficiency of the juvenile justice system in the State.

…

(10) Study the needs of juveniles. This study may include, but is not limited to:

a. Determining the adequacy and appropriateness of services:

1. To children and youth receiving child welfare services;
2. To children and youth in the juvenile court system;
3. Provided by the Division of Social Services of the Department of Health and Human Services and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety;

…."

SECTION 2.(jjjjj) G.S. 122C-22(a) reads as rewritten:

"(a) All of the following are excluded from the provisions of this Article and are not required to obtain licensure under this Article:

…

(10) Inpatient chemical dependency or substance abuse facilities that provide services exclusively to inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, as described in G.S. 148-19.1.

…."

SECTION 2.(kkkkk) G.S. 122C-55(c) reads as rewritten:

"(c) A facility may furnish confidential information in its possession to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety when requested by that department regarding any client of that facility when the inmate has been determined by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to be in need of treatment for mental illness, developmental disabilities, or substance abuse. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may furnish to a facility confidential information in its possession about treatment for mental illness, developmental disabilities, or substance abuse that the Division of Adult Correction and Juvenile Justice of the Department of Public Safety has provided to any present or former inmate if the inmate is presently seeking treatment from the requesting facility or if the inmate has been involuntarily committed to the requesting facility for inpatient or outpatient treatment. Under the circumstances described in this subsection, the consent of the client or inmate shall not be required in order for this information to be furnished and the information shall be furnished despite objection by the client or inmate. Confidential information disclosed pursuant to this subsection is restricted from further disclosure."

SECTION 2.(lllll) G.S. 122C-62(b) reads as rewritten:

"(b) Except as provided in subsections (e) and (h) of this section, each adult client who is receiving treatment or habilitation in a 24-hour facility at all times keeps the right to:

…

(4) Make visits outside the custody of the facility unless:

a. Commitment proceedings were initiated as the result of the client's being charged with a violent crime, including a crime involving an assault with a deadly weapon, and the respondent was found not guilty by reason of insanity or incapable of proceeding;

b. The client was voluntarily admitted or committed to the facility while under order of commitment to a correctional facility of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; or

c. The client is being held to determine capacity to proceed pursuant to G.S. 15A-1002;

A court order may expressly authorize visits otherwise prohibited by the existence of the conditions prescribed by this subdivision;

…."

SECTION 2.(mmmmm) G.S. 122C-113(b1) reads as rewritten:

"(b1) The Secretary shall cooperate with the State Board of Education and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of

Public Safety in coordinating the responsibilities of the Department of Health and Human Services, the State Board of Education, the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Department of Public Instruction for adolescent substance abuse programs. The Department of Health and Human Services, through its Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in cooperation with the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, shall be responsible for intervention and treatment in non-school based programs. The State Board of Education and the Department of Public Instruction, in consultation with the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, shall have primary responsibility for in-school education, identification, and intervention services, including student assistance programs."

SECTION 2.(nnnnn) G.S. 122C-115.4(g) reads as rewritten:

"(g) The Commission shall adopt rules to ensure that the needs of members of the active and reserve components of the Armed Forces of the United States, veterans, and their family members are met by requiring:

(1) Each LME to have at least one trained care coordination person on staff to serve as the point of contact for TRICARE, the North Carolina National Guard's Integrated Behavioral Health System, the Army Reserve Department of Psychological Health, the United States Department of Veterans Affairs, the Juvenile Justice Section of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, and related organizations to ensure that members of the active and reserve components of the Armed Forces of the United States, veterans, and their family members have access to State-funded services when they are not eligible for federally funded mental health or substance abuse services.

…."

SECTION 2.(ooooo) G.S. 122C-117 reads as rewritten:

"**§ 122C-117. Powers and duties of the area authority.**

(a) The area authority shall do all of the following:

…

(2) Ensure the provision of services to clients in the catchment area, including clients committed to the custody of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

(3) Determine the needs of the area authority's clients and coordinate with the Secretary and with the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the provision of services to clients through area and State facilities.

…."

SECTION 2.(ppppp) Part 10 of Article 5 of Chapter 122C of the General Statutes reads as rewritten:

"Part 10. Voluntary Admissions, Involuntary Commitments and Discharges, Inmates and Parolees, Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

"**§ 122C-312. Voluntary admissions and discharges of inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

Inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may seek voluntary admission to State facilities for the mentally ill or substance abusers. The provisions of Part 2 of this Article shall apply except that an admission may be accomplished only when the Secretary and the Secretary of Public Safety jointly agree to the inmate's request. When an inmate is admitted he shall be discharged in accordance with the provisions of Part 2 of this Article except that an inmate who is ready for

discharge, but still under a term of incarceration, shall be discharged only to an official of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is responsible for the security and cost of transporting inmates to and from facilities under the provisions of this section.

"**§ 122C-313. Inmate becoming mentally ill and dangerous to himself or others.**

(a) An inmate who becomes mentally ill and dangerous to himself or others after incarceration in any facility operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in the State is processed in accordance with Part 7 of this Article, as modified by this section, except when the provisions of Part 7 are manifestly inappropriate. A staff psychiatrist or eligible psychologist of the correctional facility shall execute the affidavit required by G.S. 122C-261 and send it to the clerk of superior court of the county in which the correctional facility is located. Upon receipt of the affidavit, the clerk shall calendar a district court hearing and notify the respondent and his counsel as required by G.S. 122C-284(a). The hearing is conducted in a district courtroom. If the judge finds by clear, cogent, and convincing evidence that the respondent is mentally ill and dangerous to himself or others, he shall order him transferred for treatment to a State facility designated by the Secretary. The judge shall not order outpatient commitment for an inmate-respondent.

…

(c) If the sentence of an inmate-respondent has not expired, and if in the opinion of the attending physician of the State facility an inmate-respondent ceases to be mentally ill and dangerous to himself or others, he shall notify the Division of Adult Correction and Juvenile Justice of the Department of Public Safety which shall arrange for the inmate-respondent's return to a correctional facility.

…

(e) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is responsible for the security and cost of transporting inmates to and from State facilities under the provisions of this section."

SECTION 2.(qqqqq) G.S. 122C-402 reads as rewritten:

"**§ 122C-402. Application of State highway and motor vehicle laws at State institutions on Camp Butner reservation.**

The provisions of Chapter 20 of the General Statutes relating to the use of the highways of the State and the operation of motor vehicles thereon are made applicable to the streets, alleys, and driveways on the Camp Butner reservation that are on the grounds of any State facility or any State institution operated by the Department or by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Any person violating any of the provisions of Chapter 20 of the General Statutes in or on these streets, alleys, or driveways shall upon conviction be punished as prescribed in that Chapter. This section does not interfere with the ownership and control of the streets, alleys, and driveways on the grounds as is now vested by law in the Department."

SECTION 2.(rrrrr) G.S. 122C-421(b) reads as rewritten:

"(b) These special police officers may exercise any and all of the powers enumerated in this Part upon or in pursuit from the property formerly occupied by the Black Mountain Center and transferred to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety by Senate Bill 388 and House Bill 709 of the 1985 Session of the General Assembly. These special police officers shall exercise said powers upon the property transferred to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety only by agreement of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and the Department of Health and Human Services."

SECTION 2.(sssss) G.S. 126-5(c3) reads as rewritten:

"(c3) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(5) and the provisions of Article 6 of this Chapter, the provisions of this Chapter shall not apply to: Teaching and related educational classes of employees of the Division of

Adult Correction and Juvenile Justice of the Department of Public Safety, the Department of Health and Human Services, and any other State department, agency or institution, whose salaries shall be set in the same manner as set for corresponding public school employees in accordance with Chapter 115C of the General Statutes."

SECTION 2.(ttttt) G.S. 126-23 reads as rewritten:

"**§ 126-23. Certain records to be kept by State agencies open to inspection.**

…

(d) Notwithstanding any other provision of this section, persons in the custody of, or under the supervision of, the Division of Adult Correction and Juvenile Justice and persons in the custody of local confinement facilities are not entitled to access to the records made public under this section and are prohibited from obtaining those records, absent a court order authorizing access to, or custody, or possession.

(e) An attorney investigating allegations of unlawful misconduct or abuse by a Division of Adult Correction and Juvenile Justice employee may request, and shall be provided with, information sufficient to identify the full name or names of the employee alleged to be involved in the misconduct or abuse in the current position of the employee within the Division; or, the last position held by the employee and the last date of employment by the Division. The attorney may not give the offender copies of departmental records or official documents absent a court order authorizing access to, or custody, or possession."

SECTION 2.(uuuuu) G.S. 127A-54(c) reads as rewritten:

"(c) Any defendant whose sentence by a military court includes confinement shall be placed into the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Division of Adult Correction of the Department of Public Safety is authorized to transfer physical custody of the defendant to a local confinement facility."

SECTION 2.(vvvvv) G.S. 130A-25(b) reads as rewritten:

"(b) A person convicted under this section for violation of G.S. 130A-144(f) or G.S. 130A-145 shall not be sentenced under Article 81B of Chapter 15A of the General Statutes but shall instead be sentenced to a term of imprisonment of no more than two years and shall serve any prison sentence in McCain Hospital, Section of Prisons of the Division of Adult Correction, McCain, North Carolina; the North Carolina Correctional Center for Women, Section of Prisons of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, Raleigh, North Carolina; or any other confinement facility designated for this purpose by the Secretary of Public Safety after consultation with the State Health Director. The Secretary of Public Safety shall consult with the State Health Director concerning the medical management of these persons."

SECTION 2.(wwwww) G.S. 131E-98 reads as rewritten:

"**§ 131E-98. Inmate medical records.**

Notwithstanding any other provision of law, a hospital does not breach patient confidentiality by providing the Division of Adult Correction and Juvenile Justice of the Department of Public Safety with the medical records of inmates who receive medical treatment at the hospital while in the custody of the Division. A hospital complying with a request from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety or its agent for a copy of the medical records of an inmate who received medical services while in custody shall be immune from liability in any civil action for the release of the inmate's medical record."

SECTION 2.(xxxxx) G.S. 131E-184(d) reads as rewritten:

"(d) In accordance with, and subject to the limitations of G.S. 148-19.1, the Department shall exempt from certificate of need review the construction and operation of a new chemical dependency or substance abuse facility for the purpose of providing inpatient chemical dependency or substance abuse services solely to inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. If an inpatient chemical dependency or substance abuse facility provides services both to inmates of the Division of Adult Correction

and Juvenile Justice of the Department of Public Safety and to members of the general public, only the portion of the facility that serves inmates shall be exempt from certificate of need review."

SECTION 2.(yyyyy) G.S. 131E-214.1 reads as rewritten:

"**§ 131E-214.1. Definitions.**

As used in this Article:

…

(3) "Hospital" means a facility licensed under Article 5 of this Chapter or Article 2 of Chapter 122C of the General Statutes, but does not include the following:

a. A facility with all of its beds designated for medical type "LTC" (long-term care).

b. A facility with the majority of its beds designated for medical type "PSY-3" (mental retardation).

c. A facility operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(zzzzz) G.S. 143-63.1(d) reads as rewritten:

"(d) Notwithstanding the provisions of this section, but subject to the provisions of G.S. 20-187.2, the North Carolina State Highway Patrol, the North Carolina Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the North Carolina State Bureau of Investigation may sell, trade, or otherwise dispose of any or all surplus weapons they possess to any federally licensed firearm dealers. The sale, trade, or disposal of these weapons shall be in a manner prescribed by the Department of Administration. Any moneys or property obtained from the sale, trade, or disposal shall go to the general fund."

SECTION 2.(aaaaaa) G.S. 143-138(g) reads as rewritten:

"(g) Publication and Distribution of Code. – The Building Code Council shall cause to be printed, after adoption by the Council, the North Carolina State Building Code and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

OFFICIAL OR AGENCY	NUMBER OF COPIES
State Departments and Officials	
Governor	1
Lieutenant Governor	1
Auditor	1
Treasurer	1
Secretary of State	1
Superintendent of Public Instruction	1
Attorney General (Library)	1
Commissioner of Agriculture	1
Commissioner of Labor	1
Commissioner of Insurance	1
Department of Environmental Quality	1
Department of Health and Human Services	1
Division of Adult Correction and Juvenile Justice of the Department of Public Safety	1
Board of Transportation	1
Utilities Commission	1
Department of Administration	1
Clerk of the Supreme Court	1
Clerk of the Court of Appeals	1

Department of Natural and Cultural Resources [State Library] 1
Supreme Court Library 1
Legislative Library 1
Office of Administrative Hearings 1
Rules Review Commission 1
Schools
All state-supported colleges and universities
in the State of North Carolina ..... *1 each
Local Officials
Clerks of the Superior Courts ..... 1 each
Chief Building Inspector of each incorporated
municipality or county 1

In addition, the Building Code Council shall make additional copies available at such price as it shall deem reasonable to members of the general public. The proceeds from sales of the Building Code shall be credited to the Insurance Regulatory Fund under G.S. 58-6-25."

SECTION 2.(bbbbbb) G.S. 143-166.2(d) reads as rewritten:

"(d) The term "law-enforcement officer", "officer", or "firefighter" shall mean a sheriff and all law-enforcement officers employed full-time, permanent part-time, or temporarily by a sheriff, the State of North Carolina or any county or municipality thereof, whether paid or unpaid; and all full-time custodial employees and probation and parole officers of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; and all full time institutional and full-time, permanent part-time, and temporary detention employees of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and full-time, permanent part-time, and temporary detention officers employed by any sheriff, county or municipality, whether paid or unpaid. The term "firemen" shall mean both firefighter or firemen as defined in G.S. 58-84-5(3a), or "eligible firemen" as defined in Article 86 of Chapter 58 of the General Statutes, notwithstanding any age requirements set out in that Article, and all full-time, permanent part-time and temporary employees of the North Carolina Forest Service of the Department of Agriculture and Consumer Services during the time they are actively engaged in firefighting activities; or engaged in emergency response activities pursuant to G.S. 166A-19.77; and shall mean all full-time employees of the North Carolina Department of Insurance during the time they are actively engaged in firefighting activities, during the time they are training firefighters or rescue squad workers, and during the time they are engaged in activities as members of the State Emergency Response Team, when the Team has been activated; and shall mean all otherwise eligible persons who, while actively engaged as firefighters or rescue squad workers, are acting in the capacity of a fire or rescue instructor outside their own department or squad. The term "rescue squad worker" shall mean a person who is dedicated to the purpose of alleviating human suffering and assisting anyone who is in difficulty or who is injured or becomes suddenly ill by providing the proper and efficient care or emergency medical services. In addition, this person must belong to an organized rescue squad which is eligible for membership in the North Carolina Association of Rescue and Emergency Medical Services, Inc., and the person must have attended a minimum of 36 hours of training in the last calendar year. Each rescue squad belonging to the North Carolina Association of Rescue and Emergency Medical Services, Inc., must file a roster of those members meeting the above requirements with the State Treasurer on or about January 31 of each year, and this roster must be certified to by the secretary of said association. In addition, the term "rescue squad worker" shall mean a member of an ambulance service certified by the Department of Health and Human Services pursuant to Article 7 of Chapter 131E of the General Statutes. The Department of Health and Human Services shall furnish a list of ambulance service members to the State Treasurer on or about January 31 of each year. The term "Civil Air Patrol members" shall mean those senior members of the North Carolina Wing-Civil Air Patrol 18 years of age or older and currently certified pursuant to G.S. 143B-1031. The term "firefighter" shall also mean county fire

marshals when engaged in the performance of their county duties. The term "rescue squad worker" shall also mean county emergency services coordinators when engaged in the performance of their county duties."

SECTION 2.(cccccc) G.S. 143-166.13 reads as rewritten:

"**§ 143-166.13. Persons entitled to benefits under Article.**

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

(1) State Government Security Officers, Department of Administration;
(2) State Correctional Officers, Division of Adult Correction and Juvenile Justice of the Department of Public Safety;
(3) State Probation and Parole Officers, Division of Adult Correction and Juvenile Justice of the Department of Public Safety;
(4) Sworn State Law-Enforcement Officers with the power of arrest, Division of Adult Correction and Juvenile Justice of the Department of Public Safety;
(5) Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice;
(6) State Highway Patrol Officers, Department of Public Safety;
(7) General Assembly Special Police, General Assembly;
(8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;
(9) Juvenile Justice Officers, Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety;
(10) Insurance Investigators, Department of Insurance;
(11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Public Safety;
(12) Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;
(13) Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;
(14) Utilities Commission Transportation Inspectors and Special Investigators;
(15) North Carolina Ports Authority Police, Department of Transportation;
(16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environmental Quality;
(17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Public Safety.
(18) Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue.
(19) Sworn State Law-Enforcement Officers with the power of arrest, University System.
(20) Sworn State Law-Enforcement Officers with the power of arrest, Department of Agriculture and Consumer Services.

(b) The following persons are entitled to benefits under this Article regardless of whether they are subject to the Criminal Justice Training and Standards Act:

(1) Driver License Examiners injured by accident arising out of and in the course of giving a road test, Division of Motor Vehicles, Department of Transportation;
(2) Employees of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety injured by a direct and deliberate act of an offender supervised by the Division or while performing supervisory duties over offenders which place the employees at risk of such injury.

...."

SECTION 2.(dddddd) G.S. 143-300.7 reads as rewritten:

"**§ 143-300.7. Defense of medical contractors.**

Notwithstanding any other provisions of this Article, any person or professional association who at the request of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety provides medical and dental services to inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and who is sued pursuant to the Federal Civil Rights Act of 1871 may be defended by the Attorney General and shall be protected from liability for violations of civil rights in accordance with the provisions of this Article."

SECTION 2.(eeeeee) G.S. 143-599 reads as rewritten:

"**§ 143-599. Exemptions.**

All of the following facilities shall be exempt from the provisions of this Article:

…

(9) State correctional facilities operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

...."

SECTION 2.(ffffff) G.S. 143B-1391(b) reads as rewritten:

"(b) The Board shall consist of 21 members, appointed as follows:

(1) Five members appointed by the Governor, including one member who is a director or employee of a State correction agency for a term to begin September 1, 1996 and to expire on June 30, 1997, one member who is an employee of the North Carolina Department of Public Safety for a term beginning September 1, 1996 and to expire on June 30, 1997, one member selected from the North Carolina Association of Chiefs of Police for a term to begin September 1, 1996 and to expire on June 30, 1999, one member who is an employee of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and one member who represents the Division of Motor Vehicles.

…."

SECTION 2.(gggggg) G.S. 143B-152.14 reads as rewritten:

"**§ 143B-152.14. Cooperation of State and local agencies.**

All agencies of the State and local government, including the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, departments of social services, health departments, local mental health, mental retardation, and substance abuse authorities, court personnel, law enforcement agencies, The University of North Carolina, the community college system, and cities and counties, shall cooperate with the Department of Health and Human Services, and local nonprofit corporations that receive grants in coordinating the program at the State level and in implementing the program at the local level. The Secretary of Health and Human Services, after consultation with the Superintendent of Public Instruction, shall develop a plan for ensuring the cooperation of State agencies and local agencies and encouraging the cooperation of private entities, especially those receiving State funds, in the coordination and implementation of the program."

SECTION 2.(hhhhhh) G.S. 143B-153(2) reads as rewritten:

"(2) The Social Services Commission shall have the power and duty to establish standards and adopt rules and regulations:

…

c. For the placement and supervision of dependent juveniles and of delinquent juveniles who are placed in the custody of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and payment of necessary costs of foster home care for needy and homeless children as provided by G.S. 108A-48;

…."

SECTION 2.(iiiiii) G.S. 143B-179(a) reads as rewritten:

"(a) The Council on Developmental Disabilities of the Department of Health and Human Services shall consist of 32 members appointed by the Governor. The composition of the Council shall be as follows:

(1) Eleven members from the General Assembly and State government agencies as follows: One person who is a member of the Senate, one person who is a member of the House of Representatives, one representative of the Department of Public Instruction, one representative of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and seven representatives of the Department of Health and Human Services to include the Secretary or his designee.

…."

SECTION 2.(jjjjjj) G.S. 143B-935 reads as rewritten:

"**§ 143B-935. Criminal history record checks of employees of and applicants for employment with the Department of Health and Human Services, and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

(a) Definitions. – As used in this section, the term:

(1) "Covered person" means any of the following:

a. An applicant for employment or a current employee in a position in the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety who provides direct care for a client, patient, student, resident or ward of the Division.

b. A person who supervises positions in the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety providing direct care for a client, patient, student, resident or ward of the Division.

…

f. An independent contractor or an employee of an independent contractor who has contracted with the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to provide direct care for a client, patient, student, resident, or ward of the Division.

g. A person who has been approved to perform volunteer services in or for the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to provide direct care for a client, patient, student, resident, or ward of the Division.

…

(b) When requested by the Department of Health and Human Services or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the North Carolina Department of Public Safety may provide to the requesting department or division a covered person's criminal history from the State Repository of Criminal Histories. Such requests shall not be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State criminal history record check only, the requesting department or division shall provide to the Department of Public Safety a form consenting to the check signed by the covered person to be checked and any additional information required by the Department of Public Safety. National criminal record checks are authorized for covered applicants who have not resided in the State of North Carolina during the past five years. For national checks the Department of Health and Human Services or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall provide to the North Carolina Department of Public Safety the fingerprints of the covered

person to be checked, any additional information required by the Department of Public Safety, and a form signed by the covered person to be checked consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Health and Human Services and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall keep all information pursuant to this section confidential. The Department of Public Safety shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section.

(c) All releases of criminal history information to the Department of Health and Human Services or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be subject to, and in compliance with, rules governing the dissemination of criminal history record checks as adopted by the North Carolina Department of Public Safety. All of the information either department receives through the checking of the criminal history is privileged information and for the exclusive use of that department.

(d) If the covered person's verified criminal history record check reveals one or more convictions covered under subsection (a) of this section, then the conviction shall constitute just cause for not selecting the person for employment, or for dismissing the person from current employment with the Department of Health and Human Services or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The conviction shall not automatically prohibit employment; however, the following factors shall be considered by the Department of Health and Human Services or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in determining whether employment shall be denied:

(1) The level and seriousness of the crime;
(2) The date of the crime;
(3) The age of the person at the time of the conviction;
(4) The circumstances surrounding the commission of the crime, if known;
(5) The nexus between the criminal conduct of the person and job duties of the person;
(6) The prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and
(7) The subsequent commission by the person of a crime listed in subsection (a) of this section.

(e) The Department of Health and Human Services and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may deny employment to or dismiss a covered person who refuses to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories. Any such refusal shall constitute just cause for the employment denial or the dismissal from employment.

(f) The Department of Health and Human Services and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may extend a conditional offer of employment pending the results of a criminal history record check authorized by this section."

SECTION 2.(kkkkkk) G.S. 143B-1100 reads as rewritten:

"**§ 143B-1100. Governor's Crime Commission – creation; composition; terms; meetings, etc.**

(a) There is hereby created the Governor's Crime Commission of the Department of Public Safety. The Commission shall consist of 37 voting members and five nonvoting members. The composition of the Commission shall be as follows:

…

(2) The nonvoting members shall be the Director of the State Bureau of Investigation, the ~~Deputy Director~~Deputy Chief of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety who is responsible for Intervention/Prevention programs, the ~~Deputy Director~~ Deputy Chief of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety who is responsible for Youth Development programs, the Section Chief of the Section of Prisons of the Division of Adult Correction and Juvenile Justice and the Section Chief of the Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

(b) The membership of the Commission shall be selected as follows:

(1) The following members shall serve by virtue of their office: the Governor, the Chief Justice of the Supreme Court, the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of Public Safety, the Director of the State Bureau of Investigation, the Section Chief of the Section of Prisons of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, the Section Chief of the Section of Community Corrections of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, the ~~Deputy Director~~Deputy Chief who is responsible for Intervention/Prevention of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the ~~Deputy Director~~ Deputy Chief who is responsible for Youth Development of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Superintendent of Public Instruction. Should the Chief Justice of the Supreme Court choose not to serve, his alternate shall be selected by the Governor from a list submitted by the Chief Justice which list must contain no less than three nominees from the membership of the Supreme Court.

…."

SECTION 2.(llllll) G.S. 143B-1104(c) reads as rewritten:

"(c) The Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall report to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety no later than March 1, 2006, and annually thereafter, on the results of the alternatives to commitment demonstration programs funded by Section 16.7 of S.L. 2004-124. The 2007 report and all annual reports thereafter shall also include projects funded by Section 16.11 of S.L. 2005-276 for the 2005-2006 fiscal year. Specifically, the report shall provide a detailed description of each of the demonstration programs, including the numbers of juveniles served, their adjudication status at the time of service, the services/treatments provided, the length of service, the total cost per juvenile, and the six- and 12-month recidivism rates for the juveniles after the termination of program services."

SECTION 2.(mmmmmm) G.S. 143B-1152 reads as rewritten:

"**§ 143B-1152. Definitions.**

The following definitions apply in this Subpart:

…

(2) Division. – The Division of Adult ~~Correction.~~Correction and Juvenile Justice.

…

(6a) Section. – The Section of Community Corrections of the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

…."

SECTION 2.(nnnnnn) G.S. 143B-1154(b) reads as rewritten:

"(b) The priority populations for programs funded under this Subpart shall be as follows:

(1) Offenders convicted of a felony or offenders sentenced under G.S. 90-96 conditional discharge for a felony offense.

(2) Offenders identified by the Division of Adult Correction and Juvenile Justice using a validated risk assessment instrument to have a high likelihood of reoffending and a moderate to high need for substance abuse treatment."

SECTION 2.(oooooo) G.S. 143B-1155 reads as rewritten:

"**§ 143B-1155. Duties of Division of Adult ~~Correction.~~Correction and Juvenile Justice.**

(a) In addition to those otherwise provided by law, the Division of Adult Correction and Juvenile Justice shall have the following duties:

(1) To enter into contractual agreements with eligible entities for the operation of community-based corrections programs and monitor compliance with those agreements.

(2) To develop the minimum program standards, policies, and rules for community-based corrections programs and to consult with the Department of Health and Human Services on those standards, policies, and rules that are applicable to licensed and credentialed substance abuse services.

(3) To monitor, oversee, and evaluate contracted service providers.

(4) To act as an information clearinghouse regarding community-based corrections programs.

(5) To collaborate with the Department of Health and Human Services on focusing treatment resources on high-risk and moderate to high need offenders on probation, parole, and post-release supervision.

(b) The Section of Community Corrections of the Division of Adult Correction and Juvenile Justice shall develop and publish a recidivism reduction plan for the State that accomplishes the following:

(1) Articulates a goal of reducing revocations among people on probation and post-release supervision by twenty percent (20%) from the rate in the 2009-2010 fiscal year.

(2) Identifies the number of people on probation and post-release supervision in each county that are in the priority population and have a likely need for substance abuse and/or mental health treatment, employment, education, and/or housing.

(3) Identifies the program models that research has shown to be effective at reducing recidivism for the target population and ranks those programs based on their cost-effectiveness.

(4) Propose a plan to fund the provision of the most cost-effective programs and services across the State. The plan shall describe the number and types of programs and/or services to be funded in each region of the State and how that program capacity compares with the needs of the target population in that region.

(c) The Department of Public Safety, Community Corrections Section, shall report by March 1 of each year to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the status of the programs funded through the Treatment for Effective Community Supervision Program. The report shall include the following information from each of the following components:

(1) Recidivism Reduction Services:

a. The method by which offenders are referred to the program.

b. The target population.

c. The amount of services contracted for and the amount of funding expended in each fiscal year.
d. The supervision type.
e. The risk level of the offenders served.
f. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
g. The demographics of the population served.
h. The number and kind of mandatory and optional services received by offenders in this program.
i. Employment status at entry and exit.
j. Supervision outcomes, including completion, revocation, and termination.

(2) Community Intervention Centers (CIC):
a. The target population.
b. The amount of funds contracted for and expended each fiscal year.
c. The supervision type.
d. The risk level of the offenders served.
e. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
f. The demographics of the population served.
g. Supervision outcomes, including completion, revocation, and termination.

(3) Transitional and Temporary Housing:
a. The target population.
b. The amount of funds contracted for and expended each fiscal year.
c. The supervision type.
d. The risk level of the offenders served.
e. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
f. The demographics of the population served.
g. The employment status at entry and exit.
h. Supervision outcomes, including completion, revocation, and termination.

(4) Local Reentry Councils (LRC):
a. The target population.
b. The amount of funds contracted for and expended each fiscal year.
c. The supervision type.
d. The risk level of the offenders served.
e. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
f. The demographics of the population served.
g. The employment status at entry and exit including, wherever possible, the average wage received at entry and exit.
h. Supervision outcomes, including completion, revocation, and termination.

(5) Intensive Outpatient Services. – If the Department enters into a contract for Intensive Outpatient Services, the Department of Public Safety shall report in the next fiscal year on this service including the following:
a. The target population.
b. The amount of funds contracted for and expended each fiscal year.
c. The supervision type.
d. The risk level of the offenders served.

e. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
f. The demographics of the population served.
g. Supervision outcomes, including completion, revocation, and termination."

SECTION 2.(pppppp) G.S. 143B-1156 reads as rewritten:

"**§ 143B-1156. Contract for services.**

(a) The Division of Adult Correction and Juvenile Justice shall contract with service providers through a competitive procurement process to provide community-based services to offenders on probation, parole, or post-release supervision.

…

(c) The Division of Adult ~~Correction,~~Correction and Juvenile Justice, in partnership with the Department of Health and Human Services, shall develop standard service definitions and performance measures for substance abuse and aftercare support services for inclusion in the contracts.

…."

SECTION 2.(qqqqqq) G.S. 143B-1391(b)(1) reads as rewritten:

"(b) The Board shall consist of 21 members, appointed as follows:

(1) Five members appointed by the Governor, including one member who is a director or employee of a State correction agency for a term to begin September 1, 1996 and to expire on June 30, 1997, one member who is an employee of the North Carolina Department of Public Safety for a term beginning September 1, 1996 and to expire on June 30, 1997, one member selected from the North Carolina Association of Chiefs of Police for a term to begin September 1, 1996 and to expire on June 30, 1999, one member who is an employee of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and one member who represents the Division of Motor Vehicles."

SECTION 2.(rrrrrr) G.S. 146-33 reads as rewritten:

"**§ 146-33. State agencies to locate and mark boundaries of lands.**

Every State agency shall locate and identify, and shall mark and keep marked, the boundaries of all lands allocated to that agency or under its control. The Department of Administration shall locate and identify, and mark and keep marked, the boundaries of all State lands not allocated to or under the control of any other State agency. The chief administrative officer of every State agency is authorized to contract with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the furnishing, upon such conditions as may be agreed upon from time to time between the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and the chief administrative officer of that agency, of prison labor for use where feasible in the performance of these duties."

SECTION 2.(ssssss) G.S. 147-12(b) reads as rewritten:

"(b) The Department of Transportation, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of Parks and Recreation in the Department of Environment and Natural Resources, and the Division of Marine Fisheries in the Department of Environment and Natural Resources shall deliver to the Governor by February 1 of each year detailed information on the agency's litter enforcement, litter prevention, and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor, by February 1 of each year, detailed information on the enforcement of the littering laws of the State, including the number of charges and convictions under the littering laws of the State. The Governor shall gather the information submitted by the respective agencies and deliver a consolidated annual report, on or before March 1 of each year, to the Environmental Review Commission, the Joint Legislative Transportation Oversight Committee, and the House of Representatives and the Senate Appropriations Subcommittees on Natural and Economic Resources."

SECTION 2.(ttttt) G.S. 148-2 reads as rewritten:

"**§ 148-2. Prison moneys and earnings.**

(a) Persons authorized to collect or receive the moneys and earnings of the State prison system shall enter into bonds payable to the State of North Carolina in penal sums and with security approved by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, conditioned upon the faithful performance by these persons of their duties in collecting, receiving, and paying over prison moneys and earnings to the State Treasurer. Only corporate security with sureties licensed to do business in North Carolina shall be accepted.

(b) Repealed by Session Laws 2007-280, s. 2, effective August 1, 2007.

(c) Notwithstanding G.S. 147-77, Article 6A of Chapter 147 of the General Statutes, or any other provision of law, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may deposit revenue from prison canteens in local banks. The profits from prison canteens shall be deposited with the State Treasurer on a monthly basis in a fund denominated as the Correction Inmate Welfare Fund. Once the operating budget for the Correction Inmate Welfare Fund has been met, an amount equal to the funds allocated to each prison unit on a per inmate per year basis shall be credited to the Crime Victims Compensation Fund established in ~~G.S 15B-23~~G.S. 15B-23G as soon as practicable after the total amount paid to each unit per inmate per year has been determined."

SECTION 2.(uuuuuu) G.S. 148-3 reads as rewritten:

"**§ 148-3. Prison property.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall subject to the provisions of G.S. 143-341, have control and custody of all unexpended surplus highway funds previously allocated for prison purposes and all property of every kind and description now used by or considered a part of units of the State prison system, except vehicles used on a rental basis. The property coming within the provisions of this section shall be identified and agreed upon by the executive heads of the highway and prison systems, or by their duly authorized representatives. The Governor shall have final authority to decide whether or not particular property shall be transferred to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in event the executive heads of the two systems are unable to agree.

(b) Property, both real and personal, deemed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to be necessary or convenient in the operation of the State prison system may, subject to the provisions of G.S. 143-341, be acquired by gift, devise, purchase, or lease. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may, subject to the provisions of G.S. 143-341, dispose of any prison property, either real or personal, or any interest or estate therein."

SECTION 2.(vvvvvv) G.S. 148-4 reads as rewritten:

"**§ 148-4. Control and custody of prisoners; authorizing prisoner to leave place of confinement.**

The Secretary of Public Safety shall have control and custody of all prisoners serving sentence in the State prison system, and such prisoners shall be subject to all the rules and regulations legally adopted for the government thereof. Any sentence to imprisonment in any unit of the State prison system, or to jail to be assigned to work under the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, shall be construed as a commitment, for such terms of imprisonment as the court may direct, to the custody of the Secretary of Public Safety or his authorized representative, who shall designate the places of confinement within the State prison system where the sentences of all such persons shall be served. The authorized agents of the Secretary shall have all the authority of peace officers for the purpose of transferring prisoners from place to place in the State as their duties might require and for apprehending, arresting, and returning to prison escaped prisoners, and may be commissioned by the Governor, either generally or specially, as special officers for returning escaped prisoners or other fugitives from justice from outside the State, when such persons have been extradited or voluntarily surrendered. Employees of departments, institutions,

agencies, and political subdivisions of the State hiring prisoners to perform work outside prison confines may be designated as the authorized agents of the Secretary of Public Safety for the purpose of maintaining control and custody of prisoners who may be placed under the supervision and control of such employees, including guarding and transferring such prisoners from place to place in the State as their duties might require, and apprehending and arresting escaped prisoners and returning them to prison. The governing authorities of the State prison system are authorized to determine by rules and regulations the manner of designating these agents and placing prisoners under their supervision and control, which rules and regulations shall be established in the same manner as other rules and regulations for the government of the State prison system.

The Secretary of Public Safety may extend the limits of the place of confinement of a prisoner, as to whom there is reasonable cause to believe he will honor his trust, by authorizing him, under prescribed conditions, to leave the confines of that place unaccompanied by a custodial agent for a prescribed period of time to

…."

SECTION 2.(wwwwww) G.S. 148-4.1 reads as rewritten:

"**§ 148-4.1. Release of inmates.**

(a) Whenever the Secretary of Public Safety determines from data compiled by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety that it is necessary to reduce the prison population to a more manageable level or to meet the State's obligations under law, he shall direct the Post-Release Supervision and Parole Commission to release on parole over a reasonable period of time a number of prisoners sufficient to that purpose. From the time the Secretary directs the Post-Release Supervision and Parole Commission until the prison population has been reduced to a more manageable level, the Secretary may not accept any inmates ordered transferred from local confinement facilities to the State prison system under G.S. 148-32.1(b). Further, the Secretary may return any inmate housed in the State prison system under an order entered pursuant to G.S. 148-32.1(b) to the local confinement facility from which the inmate was transferred. In order to meet the requirements of this section, the Parole Commission shall not parole any person convicted under Article 7A of Chapter 14 of a sex offense, under G.S. 14-39, 14-41, or 14-43.3, under G.S. 90-95(h) of a drug trafficking offense, or under G.S. 14-17, or any other violent felon as defined in subsection (a1) of this section. The Parole Commission may continue to consider the suitability for release of such persons in accordance with the criteria set forth in Articles 85 and 85A of Chapter 15A.

(a1) Notwithstanding any other provision of this section, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall at all times secure the necessary prison space to house any violent felon or habitual felon for the full active sentence imposed by the court. For purposes of this subsection, the term "violent felon" means any person convicted of the following felony offenses: first or second degree murder, voluntary manslaughter, first or second degree rape, first or second degree sexual offense, any sexual offense involving a minor, robbery, kidnapping, or assault, or attempting, soliciting, or conspiring to commit any of those offenses.

…."

SECTION 2.(xxxxxx) G.S. 148-6 reads as rewritten:

"**§ 148-6. Custody, employment and hiring out of convicts.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall provide for receiving, and keeping in custody until discharged by law, all such convicts as may be now confined in the prison and such as may be hereafter sentenced to imprisonment therein by the several courts of this State. The Division shall have full power and authority to provide for employment of such convicts, either in the prison or on farms leased or owned by the State of North Carolina, or elsewhere, or otherwise; and may contract for the hire or employment of any able-bodied convicts upon such terms as may be just and fair, but such

convicts so hired, or employed, shall remain under the actual management, control and care of the Division."

SECTION 2.(yyyyyy) G.S. 148-10 reads as rewritten:

"**§ 148-10. Department of Environment and Natural Resources to supervise sanitary and health conditions of prisoners.**

The Department of Environmental Quality shall have general supervision over the sanitary and health conditions of the central prison, over the prison camps, or other places of confinement of prisoners under the jurisdiction of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and shall make periodic examinations of the same and report to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the conditions found there with respect to the sanitary and hygienic care of such prisoners."

SECTION 2.(zzzzzz) G.S. 148-10.1 reads as rewritten:

"**§ 148-10.1. Employment of clinical chaplains for inmates.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is authorized and directed to employ clinical chaplains to provide moral, spiritual and social counselling and ministerial services to inmates in the custody of the Secretary of Public Safety. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall seek to employ a diversity of qualified persons having differing faiths which are to the extent practicable reflective of the professed religious composition of the inmate population."

SECTION 2.(aaaaaaa) G.S. 148-10.2 reads as rewritten:

"**§ 148-10.2. Policy: Certain inmates not to contact family members of victims.**

(a) It shall be the policy of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to prohibit death row inmates from contacting the surviving family members of the victims without the written consent of the family members being contacted. For purposes of this subsection, the term "contact" includes arranging for a third party to forward communications from the inmate to the surviving family members of the victim.

(b) At the request of the victim or a family member of the victim, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall prohibit an inmate convicted of an offense listed in G.S. 15A-830(a)(7) from contacting the requesting party. For purposes of this subsection, the term "contact" includes arranging for a third party to forward communications from the inmate to the victim or family member.

(c) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall develop and impose sanctions against any inmate who violates the provisions of this section."

SECTION 2.(bbbbbbb) G.S. 148-10.3 reads as rewritten:

"**§ 148-10.3. Electronic monitoring costs.**

Personnel, equipment, and other costs of providing electronic monitoring of pretrial or sentenced offenders shall be reimbursed to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety by the State or local agency requesting the service in an amount not exceeding the actual costs."

SECTION 2.(ccccccc) G.S. 148-10.4 reads as rewritten:

"**§ 148-10.4. Statewide Misdemeanant Confinement Fund.**

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

(1) Division. – Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…

(c) Statewide Misdemeanant Confinement Fund established. – There is created within the Division of Adult Correction and Juvenile Justice a special nonreverting fund called the Statewide Misdemeanant Confinement Fund.

(d) Fund Uses. – Moneys in the Fund may be used for the following:

(1) Reimbursements by the Sheriffs' Association to counties for the costs of housing misdemeanants under the Program, including the care, supervision, and transportation of those misdemeanants.

(2) Reimbursements to the Division of Adult Correction and Juvenile Justice for the cost of housing misdemeanants transferred to the Division pursuant to G.S. 148-32.1(b3), including the care, supervision, and transportation of those misdemeanants.

(3) To pay the Sheriffs' Association for administrative and operating expenses pursuant to subsection (e) of this section.

(4) To pay the Division of Adult Correction and Juvenile Justice for administrative and operating expenses pursuant to subsection (e) of this section.

...."

SECTION 2.(ddddddd) G.S. 148-10.5 reads as rewritten:

"**§ 148-10.5. Facilitation of reentry.**

In order to facilitate successful reentry and improve judicial efficiency, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall work with law enforcement, the district attorneys' offices, and the courts to develop a process by which, both at intake and before release, effort is made, for each inmate in custody, to identify all outstanding warrants on the inmate. The plan should seek to resolve inmates' outstanding warrants while in custody, whenever feasible. In the course of resolving an outstanding warrant while in custody, an inmate shall be notified of the outstanding warrant and his or her right to counsel if such a right exists."

SECTION 2.(eeeeeee) G.S. 148-11(b) reads as rewritten:

"(b) The Secretary of Public Safety has sole authority to designate the uniforms worn by inmates confined in the Section of Prisons of the Division of Adult ~~Correction.~~Correction and Juvenile Justice."

SECTION 2.(fffffff) G.S. 148-12(a) reads as rewritten:

"(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall, as soon as practicable, establish diagnostic centers to make social, medical, and psychological studies of persons committed to the Division. Full diagnostic studies shall be made before initial classification in cases where such studies have not been made."

SECTION 2.(ggggggg) G.S. 148-18(a) reads as rewritten:

"(a) Prisoners employed by Correction Enterprises shall be compensated as set forth in Article 14 of this Chapter. Prisoners participating in work assignments established by the Section of Prisons of the Division of Adult Correction and Juvenile Justice shall be compensated at rates fixed by the Division of Adult Correction of the Department of Public Safety's rules and regulations; provided, that no prisoner so paid shall receive more than one dollar ($1.00) per day, unless the Secretary determines that the work assignment requires special skills or training. Upon approval of the Secretary, inmates working in job assignments requiring special skills or training may be paid up to three dollars ($3.00) per day. The Correction Enterprises Fund shall be the source of wages and allowances provided to inmates who are employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in work assignments established by the Section of Prisons of the Division of Adult Correction."

SECTION 2.(hhhhhhh) G.S. 148-18.1 reads as rewritten:

"**§ 148-18.1. Confiscation of unauthorized articles.**

Any item of personal property which a prisoner in any correctional facility is prohibited from possessing by State law or which is not authorized by rules adopted by the Secretary of Public Safety shall, when found in the possession of a prisoner, be confiscated and destroyed or otherwise disposed of as the Secretary may direct. Any unauthorized funds confiscated under this section or funds from the sale of confiscated property shall be deposited to Inmate Welfare

Fund maintained by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(iiiiiii) G.S. 148-19 reads as rewritten:

"**§ 148-19. Health services.**

(a) The general policies, rules and regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall prescribe standards for health services to prisoners, which shall include preventive, diagnostic, and therapeutic measures on both an outpatient and a hospital basis, for all types of patients. A prisoner may be taken, when necessary, to a medical facility outside the State prison system. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall seek the cooperation of public and private agencies, institutions, officials and individuals in the development of adequate health services to prisoners.

(b) Upon request of the Secretary of Public Safety, the Secretary of Health and Human Services may detail personnel employed by the Department of Health and Human Services to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the purpose of supervising and furnishing medical, psychiatric, psychological, dental, and other technical and scientific services to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The compensation, allowances, and expenses of the personnel detailed under this section may be paid from applicable appropriations to the Department of Health and Human Services, and reimbursed from applicable appropriations to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Secretary of Public Safety may make similar arrangements with any other agency of State government able and willing to aid the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to meet the needs of prisoners for health services.

(c) Each prisoner committed to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall receive a physical and mental examination by a health care professional authorized by the North Carolina Medical Board to perform such examinations as soon as practicable after admission and before being assigned to work. The prisoner's work and other assignments shall be made with due regard for the prisoner's physical and mental condition.

(d) The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall adopt standards for the delivery of mental health and mental retardation services to inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall give the Secretary of Public Safety an opportunity to review and comment on proposed standards prior to promulgation of such standards; however, final authority to determine such standards remains with the Commission. The Secretary of the Department of Health and Human Services shall designate an agency or agencies within the Department of Health and Human Services to monitor the implementation by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety of these standards and of substance abuse standards adopted by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(jjjjjjj) G.S.148-19.1 reads as rewritten:

"**§ 148-19.1. Exemption from licensure and certificate of need.**

(a) Inpatient chemical dependency or substance abuse facilities that provide services exclusively to inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be exempt from licensure by the Department of Health and Human Services under Chapter 122C of the General Statutes. If an inpatient chemical dependency or substance abuse facility provides services both to inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and to members of the general public, the portion of the facility that serves inmates shall be exempt from licensure.

(b) Any person who contracts to provide inpatient chemical dependency or substance abuse services to inmates of the Division of Adult Correction and Juvenile Justice of the

Department of Public Safety may construct and operate a new chemical dependency or substance abuse facility for that purpose without first obtaining a certificate of need from the Department of Health and Human Services pursuant to Article 9 of Chapter 131E of the General Statutes. However, a new facility or addition developed for that purpose without a certificate of need shall not be licensed pursuant to Chapter 122C of the General Statutes and shall not admit anyone other than inmates unless the owner or operator first obtains a certificate of need."

SECTION 2.(kkkkkkk) G.S. 148-19.2 reads as rewritten:

"**§ 148-19.2. Mandatory HIV testing.**

Each person sentenced to imprisonment and committed to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be tested to determine whether the person is HIV positive.

Each inmate who has not previously tested positive for HIV shall also be tested:

(1) Not less than once every four years from the date of that inmate's initial testing.

(2) Prior to the inmate's release from the custody of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, except that testing is not mandatory prior to the release of an inmate who has been tested within one year of the inmate's release date.

In each case, the results of the test shall be reported to the inmate. If an inmate tests positive for HIV, that inmate shall be referred to public health officials for counseling."

SECTION 2.(lllllll) G.S. 148-22 reads as rewritten:

"**§ 148-22. Treatment programs.**

(a) The general policies, rules and regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall provide for humane treatment of prisoners and for programs to effect their correction and return to the community as promptly as practicable. Visits and correspondence between prisoners and approved friends shall be authorized under reasonable conditions, and family members shall be permitted and encouraged to maintain close contact with the prisoners unless such contacts prove to be hurtful. Casework, counseling, and psychotherapy services provided to prisoners may be extended to include members of the prisoner's family if practicable and necessary to achieve the purposes of such programs. Education, library, recreation, and vocational training programs shall be developed so as to coordinate with corresponding services and opportunities which will be available to the prisoner when he is released. Programs may be established for the treatment and training of mentally retarded prisoners and other special groups. These programs may be operated in segregated sections of facilities housing other prisoners or in separate facilities.

(b) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may cooperate with and seek the cooperation of public and private agencies, institutions, officials, and individuals in the development and conduct of programs designed to give persons committed to the Division opportunities for physical, mental and moral improvement. The Division may enter into agreements with other agencies of federal, State or local government and with private agencies to promote the most effective use of available resources.

Specifically the Secretary of Public Safety may enter into contracts or agreements with appropriate public or private agencies offering needed services including health, mental health, mental retardation, substance abuse, rehabilitative or training services for such inmates of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as the Secretary may deem eligible. These agencies shall be reimbursed from applicable appropriations to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for services rendered at a rate not to exceed that which such agencies normally receive for serving their regular clients.

The Secretary may contract for the housing of work-release inmates at county jails and local confinement facilities. Inmates may be placed in the care of such agencies but shall remain the responsibility of the Division and shall be subject to the complete supervision of the

Division. The Division may reimburse such agencies for the support of such inmates at a rate not in excess of the average daily cost of inmate care in the corrections unit to which the inmate would otherwise be assigned."

SECTION 2.(mmmmmmm) G.S. 148-22.1 reads as rewritten:

"**§ 148-22.1. Educational facilities and programs for selected inmates.**

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is authorized to take advantage of aid available from any source in establishing facilities and developing programs to provide inmates of the State prison system with such academic and vocational and technical education as seems most likely to facilitate the rehabilitation of these inmates and their return to free society with attitudes, knowledge, and skills that will improve their prospects of becoming law-abiding and self-supporting citizens. The State Department of Public Instruction is authorized to cooperate with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in planning academic and vocational and technical education of prison system inmates, but the State Department of Public Instruction is not authorized to expend any funds in this connection.

(b) In expending funds that may be made available for facilities and programs to provide inmates of the State prison system with academic and vocational and technical education, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall give priority to meeting the needs of inmates who are less than 21 years of age when received in the prison system with a sentence or sentences under which they will be held for not less than six months nor more than five years before becoming eligible to be considered for a parole or unconditional release. These inmates shall be given appropriate tests to determine their educational needs and aptitudes. When the necessary arrangements can be made, they shall receive such instruction as may be deemed practical and advisable for them.

…."

SECTION 2.(nnnnnnn) G.S. 148-23 reads as rewritten:

"**§ 148-23. Prison employees not to use intoxicants, narcotic drugs or profanity.**

No one addicted to the use of alcoholic beverages, or narcotic drugs, shall be employed as superintendent, warden, guard, or in any other position connected with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, where such position requires the incumbent to have any charge or direction of the prisoners; and anyone holding such position, or anyone who may be employed in any other capacity in the State prison system, who shall come under the influence of alcoholic beverages during hours of employment, or reports for duty under the effect of intoxicants, or narcotic drugs, or who shall become intoxicated, or uses narcotic drugs, under circumstances that bring discredit on the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, shall be subject to immediate dismissal from employment by any of the institutions and shall not be eligible for reinstatement to such position or be employed in any other position in any of the institutions. Any superintendent, warden, correctional officer, supervisor, or other person holding any position in the Division of Adult Correction and Juvenile Justice of the Department of Public Safety who curses a prisoner under his charge shall be subject to immediate dismissal from employment and shall not be eligible for reinstatement."

SECTION 2.(oooooo) G.S. 148-23.1 reads as rewritten:

"**§ 148-23.1. Tobacco products prohibited on State correctional facilities premises.**

(a) The General Assembly finds that in order to protect the health, welfare, and comfort of inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and to reduce the costs of inmate health care, it is necessary to prohibit inmates from using tobacco products on the premises of State correctional facilities and to ensure that employees and visitors do not use tobacco products on the premises of those facilities.

(b) No person may use tobacco products on the premises of a State correctional facility, except for authorized religious purposes. Notwithstanding any other provision of law, inmates in the custody of the Division of Adult Correction and Juvenile Justice of the Department of

Public Safety and persons facilitating religious observances may use and possess tobacco products for religious purposes consistent with the policies of the Division.

(b1) Except as provided in subsection (b) of this section, no person may possess tobacco products on the premises of a State correctional facility. Notwithstanding the provisions of this subsection, an employee or visitor may possess tobacco products within the confines of a motor vehicle located in a designated parking area of a correctional facility's premises if the tobacco product remains in the vehicle and the vehicle is locked when the employee or visitor has exited the vehicle.

(c) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may adopt rules to implement the provisions of this section. Inmates in violation of this section are subject to disciplinary measures to be determined by the Division, including the potential loss of sentence credits earned prior to that violation. Employees in violation of this section are subject to disciplinary action by the Division. Visitors in violation of this section are subject to removal from the facility and loss of visitation privileges.

(d) As used in this section, the following terms mean:

(1) State correctional facility. – All buildings and grounds of a State correctional institution operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

(2) Tobacco products. – Cigars, cigarettes, snuff, loose tobacco, or similar goods made with any part of the tobacco plant that are prepared or used for smoking, chewing, dipping, or other personal use.

(3) Vapor products. – Nonlighted, noncombustible products that employ a mechanical heating element, battery, or electronic circuit regardless of shape or size and that can be used to heat a liquid nicotine solution contained in a vapor cartridge. The term includes electronic cigarettes, electronic cigars, electronic cigarillos, and electronic pipes. The term does not include any product regulated by the United States Food and Drug Administration under Chapter V of the federal Food, Drug, and Cosmetic Act."

SECTION 2.(ppppppp) G.S. 148-23.2 reads as rewritten:

"**§ 148-23.2. Mobile phones prohibited on State correctional facilities premises.**

Except as authorized by Division of Adult Correction and Juvenile Justice of the Department of Public Safety policy, no person shall possess a mobile telephone or other wireless communications device on the premises of a State correctional facility. Notwithstanding the provisions of this section, an employee or visitor may possess a mobile telephone or other wireless communications device within the confines of a motor vehicle located in a designated parking area of a correctional facility's premises if the mobile telephone or other wireless communications device remains in the vehicle and the vehicle is locked when the employee or visitor has exited the vehicle."

SECTION 2.(qqqqqqq) G.S. 148-24 reads as rewritten:

"**§ 148-24. Religious services.**

The general policies, rules and regulations of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall provide for religious services to be held in all units of the State prison system on Sunday and at such other times as may be deemed appropriate. Attendance of prisoners at religious services shall be voluntary. The Secretary of Public Safety shall if possible secure the visits of some minister at the prison hospitals to administer to the spiritual wants of the sick."

SECTION 2.(rrrrrrr) G.S. 148-26 reads as rewritten:

"**§ 148-26. State policy on employment of prisoners.**

…

(b) As many minimum custody prisoners as are available and fit for road work, who cannot appropriately be placed on work release, study release, or other full-time programs, and as many medium custody prisoners as are available, fit for road work and can be adequately guarded during such work without reducing security levels at prison units, shall be employed in

the maintenance and construction of public roads of the State. The number and location of prisoners to be kept available for work on the public roads shall be agreed upon by the governing authorities of the Department of Transportation and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety far enough in advance of each budget to permit proper provisions to be made in the request for appropriations submitted by the Department of Transportation. Any dispute between the Departments will be resolved by the Governor. Prisoners so employed shall be compensated, at rates fixed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety's rules and regulations for work performed; provided, that no prisoner working on the public roads under the provisions of this section shall be paid more than one dollar ($1.00) per day from funds provided by the Department of Transportation to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for this purpose. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety and the Department of Transportation shall develop a program to be implemented no later than July 1, 1982, to the extent money is herein appropriated, which shall include:

(1) The use of portable toilets for inmate road crews.

(c) As many of the male prisoners available and fit for forestry work shall be employed in the development and improvement of state-owned forests as can be used for this purpose by the agencies controlling these forests.

(d) The remainder of the able-bodied inmates of the State prison system shall be employed so far as practicable in prison industries and agriculture, giving preference to the production of food supplies and other articles needed by state-supported institutions or activities.

(e) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may make such contracts with departments, institutions, agencies, and political subdivisions of the State for the hire of prisoners to perform other appropriate work as will help to make the prisons as nearly self-supporting as is consistent with the purposes of their creation. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may contract with any person or any group of persons for the hire of prisoners for forestry work, soil erosion control, water conservation, hurricane damage prevention, or any similar work certified by the Secretary of Environment and Natural Resources as beneficial in the conservation of the natural resources of this State. All contracts for the employment of prisoners shall provide that they shall be fed, clothed, quartered, guarded, and otherwise cared for by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Such work may include but is not limited to work with State or local government agencies in cleaning, construction, landscaping and maintenance of roads, parks, nature trails, bikeways, cemeteries, landfills or other government-owned or operated facilities.

(e1) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may establish work assignments for inmates or allow inmates to volunteer in service projects that benefit units of State or local government or 501(c)(3) entities that serve the citizens of this State. The work assignments may include the use of inmate labor and the use of Division of Adult Correction and Juvenile Justice of the Department of Public Safety resources in the production of finished goods. Any products made pursuant to this section shall not be subject to the provisions of Article 3A of Chapter 143 of the General Statutes and may be donated to the government unit or 501(c)(3) organization at no cost.

(f) Adult inmates of the State prison system shall be prohibited from working at or being on the premises of any schools or institutions operated or administered by the Youth Development Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety unless a complete sight and sound barrier is erected and maintained during the course of the labor performed by the adult inmates.

(g) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall establish rules, standards, and procedures for establishing inmate labor services contracts with any county or municipality expressing interest in contracting for inmate labor."

SECTION 2.(sssssss) G.S. 148-26.5 reads as rewritten:

"**§ 148-26.5. Pay and time allowances for work.**

The provisions of G.S. 148-18 and 148-13 shall be applicable to inmate work on local or State public work projects contracted for by the Secretary of Public Safety as provided by G.S. 148-26 through 148-26.4. Travel, cost of inmate wages and custodial supervision expenses incurred by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and arising out of a local or State public work project shall be reimbursed on a cost basis to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety by the local or State contracting agency."

SECTION 2.(tttttt) G.S. 148-28 reads as rewritten:

"**§ 148-28. Sentencing prisoners to Central Prison; youthful offenders.**

When a sentenced offender is to be taken to the Central Prison at Raleigh, a sheriff or other appropriate officer of the county shall cause such prisoner to be delivered with the proper commitment papers to the warden of the Central Prison. A person under 16 years of age convicted of a felony shall not be imprisoned in the Central Prison at Raleigh unless:

(1) The person was convicted of a capital felony; or

(2) He has previously been imprisoned in a county jail or under the authority of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety upon conviction of a felony.

This provision shall not limit the authority of the Secretary of Public Safety from transferring a person under 16 years of age to Central Prison when in the Secretary's determination this person would not benefit from confinement in separate facilities for youthful offenders or when it has been determined that his presence would be detrimental to the implementation of programs designed for the benefit of other youthful offenders. Nor shall this provision limit the authority of the judges of the superior courts of this State or the Secretary of Public Safety from committing or transferring a person under 16 years of age to Central Prison for medical or psychiatric treatment."

SECTION 2.(uuuuuuu) G.S. 148-29 reads as rewritten:

"**§ 148-29. Transportation of convicts to prison; reimbursement to counties; sheriff's expense affidavit.**

(a) The sheriff having in charge any prisoner to be taken to the State prison system shall send the prisoner to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety after sentencing and the disposal of all pending charges against the prisoner, if no appeal has been taken. Beginning on the day after the Section of Prisons of the Division of Adult Correction and Juvenile Justice has been notified by the sheriff that a prisoner is ready for transfer and the Division has informed the sheriff that bedspace is not available for that prisoner, and continuing through the day the prisoner is received by the Section of Prisons of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall pay the county:

(1) A standard sum set by the General Assembly in its appropriations acts for the cost of providing food, clothing, personal items, supervision, and necessary ordinary medical services to the prisoner awaiting transfer to the State prison system; and

(2) Extraordinary medical costs, as defined in G.S. 148-32.1(a), incurred by prisoners awaiting transfer to the State prison system.

If the Section of Prisons of the Division of Adult Correction and Juvenile Justice determines that bedspace is not available for a prisoner after the sheriff has notified the Division that the prisoner is ready for transfer, reimbursement under this subsection shall be made beginning on the day after the sheriff gave the notification.

(b) The sheriff having in charge any parolee or post-release supervisee to be taken to the State prison system shall send the prisoner to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety after preliminary hearing

held under G.S. 15A-1368.6(b) or G.S. 15A-1376(b). Beginning on the day after the Section of Prisons of the Division of Adult Correction and Juvenile Justice has been notified by the sheriff that a prisoner is ready for transfer and the Division has informed the sheriff that bedspace is not available for that prisoner, and continuing through the day the prisoner is received by the Section of Prisons of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall pay the county:

(1) A standard sum set by the General Assembly in its appropriations acts for the cost of providing food, clothing, personal items, supervision, and necessary ordinary medical services to the parolee or post-release supervisee awaiting transfer to the State prison system; and

(2) Extraordinary medical costs, as defined in G.S. 148-32.1(a), incurred by parolees or post-release supervisees awaiting transfer to the State prison system.

If the Section of Prisons of the Division of Adult Correction and Juvenile Justice determines that bedspace is not available for a prisoner after the sheriff has notified the Division that the prisoner is ready for transfer, reimbursement under this subsection shall be made beginning on the day after the sheriff gave the notification.

(c) The sheriff shall file with the board of commissioners of his county a copy of his affidavit as to necessary guard, together with a copy of his itemized account of expenses, both certified to by him as true copies of those on file in his office."

SECTION 2.(vvvvvvv) G.S. 148-32.1 reads as rewritten:

"**§ 148-32.1. Local confinement, costs, alternate facilities, parole, work release.**

(a) Repealed by Session Laws 2009-451, s. 19.22A, effective July 1, 2009.

(b) In the event that the custodian of the local confinement facility certifies in writing to the clerk of the superior court in the county in which the local confinement facility is located that the local confinement facility is filled to capacity, or that the facility cannot reasonably accommodate any more prisoners due to segregation requirements for particular prisoners, or that the custodian anticipates, in light of local experiences, an influx of temporary prisoners at that time, or if the local confinement facility does not meet the minimum standards published pursuant to G.S. 153A-221, any judge of the district court in the district court district as defined in G.S. 7A-133 where the facility is located, or any superior court judge who has jurisdiction pursuant to G.S. 7A-47.1 or G.S. 7A-48 in a district or set of districts as defined in G.S. 7A-41.1 where the facility is located may order that a prisoner not housed pursuant to the Statewide Misdemeanant Confinement Program established in subsection (b2) of this section be transferred to any other qualified local confinement facility within that district or within another such district where space is available, including a satellite jail unit operated pursuant to G.S. 153A-230.3 if the prisoner is a non-violent misdemeanant, which local facility shall accept the transferred prisoner.

If no other local confinement facility is available and the reason for the requested transfer is that the local confinement facility that would be required to house the prisoner cannot reasonably accommodate any more prisoners due to segregation requirements for particular prisoners or the local facility does not meet the minimum standards published pursuant to G.S. 153A-221, then the judge may order that a prisoner not housed pursuant to the Statewide Misdemeanant Confinement Program established in subsection (b2) of this section be transferred to a facility operated by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as designated by the Division of Adult ~~Correction.~~Correction and Juvenile Justice. In no event, however, shall a prisoner whose term of imprisonment is less than 30 days be assigned or ordered transferred to a facility operated by the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

(b1) It is the intent of the General Assembly to authorize the Division of Adult Correction and Juvenile Justice to enter into voluntary agreements with counties to provide housing for misdemeanants serving periods of confinement of more than 90 days and for all

sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. It is further the intent of the General Assembly that the Division of Adult ~~Correction,~~ Correction and Juvenile Justice, in conjunction with the North Carolina Sheriffs' Association, Inc., establish a program for housing misdemeanants serving periods of confinement of more than 90 days and for all sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. It is also the intent of the General Assembly that the Division of Adult Correction and Juvenile Justice contract with the North Carolina Sheriffs' Association, Inc., to provide a service that identifies space in local confinement facilities that is available for housing these misdemeanants.

The General Assembly intends that the cost of housing and caring for these misdemeanants, including, but not limited to, care, supervision, transportation, medical, and any other related costs, be covered by State funds and not be imposed as a local cost. Therefore, the General Assembly intends that the funds appropriated for the Statewide Misdemeanant Confinement Program be used to provide funding to cover the costs of managing a system for providing that housing of misdemeanants in local confinement facilities as well as reimbursing the counties for housing and related expenses for those misdemeanants.

(b2) The Statewide Misdemeanant Confinement Program is established. The Program shall provide for the housing of misdemeanants from all counties serving sentences imposed for a period of more than 90 days and for all sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. Those misdemeanants shall be confined in local confinement facilities except as provided in subsections (b3) and (b4) of this section. The Program shall address methods for the placement and transportation of inmates and reimbursement to counties for the housing of those inmates. Any county that voluntarily agrees to house misdemeanants from that county or from other counties pursuant to the Program may enter into a written agreement with the Division of Adult Correction and Juvenile Justice to do so.

(b3) The custodian of a local confinement facility may request a judicial order to transfer a misdemeanant housed pursuant to the Statewide Misdemeanant Confinement Program to a facility operated by the Division of Adult Correction and Juvenile Justice by certifying in writing to the clerk of the superior court in the county in which the local confinement facility is located that:

(1) The misdemeanant poses a security risk because the misdemeanant:
   a. Poses a serious escape risk;
   b. Exhibits violently aggressive behavior that cannot be contained and warrants a higher level of supervision;
   c. Needs to be protected from other inmates, and the county jail facility cannot provide such protection;
   d. Is a female or a person 18 years of age or younger, and the county jail facility does not have adequate housing for such prisoners;
   e. Is in custody at a time when a fire or other catastrophic event has caused the county jail facility to cease or curtail operations; or
   f. Otherwise poses an imminent danger to the staff of the county jail facility or to other prisoners in the facility.

(2) The misdemeanant requires medical or mental health treatment that the county decides can best be provided by the Division of Adult ~~Correction.~~Correction and Juvenile Justice.

(3) The local confinement facility that would be required to house the prisoner (i) cannot reasonably accommodate any more prisoners due to segregation requirements for particular prisoners, or the local facility does not meet the minimum standards published pursuant to G.S. 153A-221, and (ii) no other local confinement facility is available.

Upon receiving such request and certification in writing, any superior or district court judge for the district in which the local confinement facility is located may, after ascertaining that the

request meets the criteria set forth in subdivision (1), (2), or (3) of this subsection, order the misdemeanant transferred to a unit of the State prison system designated by the Secretary of Public Safety or the Secretary's authorized representative. The Division of Adult Correction and Juvenile Justice shall be reimbursed from the Statewide Misdemeanant Confinement Fund for the costs of housing the misdemeanant, including the care, supervision, and transportation of the misdemeanant.

(b4) A misdemeanant housed under the Statewide Misdemeanant Confinement Program established pursuant to subsection (b2) of this section may be transferred to a facility operated by the Division of Adult Correction and Juvenile Justice if the North Carolina Sheriffs' Association, Inc., determines that the local confinement facilities available for housing misdemeanants under the Program are filled to capacity. The Division of Adult Correction and Juvenile Justice shall be reimbursed from the Statewide Misdemeanant Confinement Fund for the costs of housing the misdemeanant, including the care, supervision, and transportation of the misdemeanant.

(c) Repealed by Session Laws 2015-40, s. 6.

(d) When a prisoner serving a sentence of 30 days or more in a local confinement facility is placed on work release pursuant to a recommendation of the sentencing court, the custodian of the facility shall forward the prisoner's work-release earnings to the Division of Adult ~~Correction,~~Correction and Juvenile Justice, which shall disburse the earnings as determined under G.S. 148-33.1(f). When a prisoner serving a sentence of 30 days or more in a local confinement facility is placed on work release pursuant to an order of the sentencing court, the custodian of the facility shall forward the prisoner's work-release earnings to the clerk of the court that sentenced the prisoner or to the Division of Adult ~~Correction,~~Correction and Juvenile Justice, as provided in the prisoner's commitment order. The clerk or the Division, as appropriate, shall disburse the earnings as provided in the prisoner's commitment order. Upon agreement between the Division of Adult Correction and Juvenile Justice and the custodian of the local confinement facility, however, the clerk may disburse to the local confinement facility the amount of the earnings to be paid for the cost of the prisoner's keep, and that amount shall be set off against the reimbursement to be paid by the Department to the local confinement facility pursuant to G.S. 148-32.1(a).

(e) Upon entry of a prisoner serving a sentence of imprisonment for impaired driving under G.S. 20-138.1 into a local confinement facility pursuant to this section, the custodian of the local confinement facility shall forward to the Post-Release Supervision and Parole Commission information pertaining to the prisoner so as to make him eligible for parole consideration pursuant to G.S. 15A-1371. Such information shall include date of incarceration, jail credit, and such other information as may be required by the Post-Release Supervision and Parole Commission. The Post-Release Supervision and Parole Commission shall approve a form upon which the custodian shall furnish this information, which form will be provided to the custodian by the Division of Adult ~~Correction.~~Correction and Juvenile Justice."

SECTION 2.(wwwwwww) G.S. 148-32.2 reads as rewritten:

"**§ 148-32.2. Community work crew fee.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may charge a fee to any unit of local government to which it provides, upon request, a community work crew. The amount of the fee shall be no more than the cost to the Division to provide the crew to the unit of local government."

SECTION 2.(xxxxxxx) G.S. 148-33 reads as rewritten:

"**§ 148-33. Prison labor furnished other State agencies.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety may furnish to any of the other State departments, State institutions, or agencies, upon such conditions as may be agreed upon from time to time between the Division and the governing authorities of such Department, institution or agency, prison labor for carrying on any work where it is practical and desirable to use prison labor in the furtherance of the purposes of any State department, institution or agency, and such other employment as is now provided by law

for inmates of the State's prison under the provisions of G.S. 148-6: Provided that such prisoners shall at all times be under the custody of and controlled by the duly authorized agent of such Division. Provided, further, that notwithstanding any provisions of law contained in this Article or in this Chapter, no prisoner or group of prisoners may be assigned to work in any building utilized by any State department, agency, or institution unless a duly designated custodial agent of the Secretary of Public Safety is assigned to the building to maintain supervision and control of the prisoner or prisoners working there."

SECTION 2.(yyyyyyy) G.S. 148-33.1 reads as rewritten:

"**§ 148-33.1. Sentencing, quartering, and control of prisoners with work-release privileges.**

…

(c) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall from time to time, as the need becomes evident, designate and adapt facilities in the State prison system for quartering prisoners with work-release privileges. No State or county prisoner shall be granted work-release privileges by the Director of Prisons or the custodian of a local confinement facility until suitable facilities for quartering him have been provided in the area where the prisoner has employment or the offer of employment.

…

(f) A prisoner who is convicted of a felony and who is granted work-release privileges shall give his work-release earnings, less standard payroll deductions required by law, to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. A prisoner who is convicted of a misdemeanor, is committed to a local confinement facility, and is granted work-release privileges by order of the sentencing court shall give his work-release earnings, less standard payroll deductions required by law, to the custodian of the local confinement facility. Other misdemeanants granted work-release privileges shall give their work-release earnings, less standard payroll deductions required by law, to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Division of Adult Correction and Juvenile Justice of the Department of Public Safety or the sentencing court, as appropriate, shall determine the amount to be deducted from a prisoner's work-release earnings to pay for the cost of the prisoner's keep and to accumulate a reasonable sum to be paid the prisoner when he is paroled or discharged from prison. The Division or sentencing court shall also determine the amount to be disbursed by the Division or clerk of court, as appropriate, for each of the following:

(1) To pay travel and other expenses of the prisoner made necessary by his employment;

(2) To provide a reasonable allowance to the prisoner for his incidental personal expenses;

(3) To make payments for the support of the prisoner's dependents in accordance with an order of a court of competent jurisdiction, or in the absence of a court order, in accordance with a determination of dependency status and need made by the local department of social services in the county of North Carolina in which such dependents reside;

(3a) To make restitution or reparation as provided in G.S. 148-33.2.

(4) To comply with an order from any court of competent jurisdiction regarding the payment of an obligation of the prisoner in connection with any judgment rendered by the court.

(5) To comply with a written request by the prisoner to withhold an amount, when the request has been granted by the Division or the sentencing court, as appropriate.

Any balance of his earnings remaining at the time the prisoner is released from prison shall be paid to him. The Social Services Commission is authorized to promulgate uniform rules and regulations governing the duties of county social services departments under this section.

…."

SECTION 2.(zzzzzzz) G.S. 148-36 reads as rewritten:

"**§ 148-36. Secretary of Public Safety to control classification and operation of prison facilities.**

All facilities established or acquired by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be under the administrative control and direction of the Secretary of Public Safety, and operated under rules and regulations proposed by the Secretary and adopted by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as provided in G.S. 148-11. Subject to such rules and regulations, the Secretary shall classify the facilities of the State prison system and develop a variety of programs so as to permit proper segregation and treatment of prisoners according to the nature of the offenses committed, the character and mental condition of the prisoners, and such other factors as should be considered in providing an individualized system of discipline, care, and correctional treatment of persons committed to the Division. The Secretary of Public Safety, or his authorized representative, shall designate the places of confinement where sentences to imprisonment in the State's prison system shall be served. The Secretary or his representative may designate any available facility appropriate for the individual in view of custodial and correctional considerations."

SECTION 2.(aaaaaaaa) G.S. 148-37 reads as rewritten:

"**§ 148-37. Additional facilities authorized; contractual arrangements.**

(a) Subject to the provisions of G.S. 143-341, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may establish additional facilities for use by the Division, such facilities to be either of a permanent type of construction or of a temporary or movable type as the Division may find most advantageous to the particular needs, to the end that the prisoners under its supervision may be so distributed throughout the State as to facilitate individualization of treatment designed to prepare them for lawful living in the community where they are most likely to reside after their release from prison. For this purpose, the Division may purchase or lease sites and suitable lands adjacent thereto and erect necessary buildings thereon, or purchase or lease existing facilities, all within the limits of allotments as approved by the Department of Administration.

(b) The Secretary of Public Safety may contract with the proper official of the United States or of any county or city of this State for the confinement of federal prisoners after they have been sentenced, county, or city prisoners in facilities of the State prison system or for the confinement of State prisoners in any county or any city facility located in North Carolina, or any facility of the United States Bureau of Prisons, when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Except as otherwise provided, any contract made under the authority of this subsection shall be for a period of not more than two years, and shall be renewable from time to time for a period not to exceed two years. Contracts made under the authority of this subsection for the confinement of State prisoners in local or district confinement facilities may be for a period of not more than 10 years and renewable from time to time for a period not to exceed 10 years, and shall be subject to the approval of the Council of State and the Department of Administration after consultation with the Joint Legislative Commission on Governmental Operations. Contracts for receiving federal, county and city prisoners shall provide for reimbursing the State in full for all costs involved. The financial provisions shall have the approval of the Department of Administration before the contract is executed. Payments received under such contracts shall be deposited in the State treasury for the use of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Such payments are hereby appropriated to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as a supplementary fund to compensate for the additional care and maintenance of such prisoners as are received under such contracts.

(b1) Recodified as G.S. 148-37.2 by Session Laws 2001-84, s. 1, effective May 17, 2001.

(c) In addition to the authority contained in subsections (a) and (b) of this section, and in addition to the contracts ratified by subsection (f) of this section, the Secretary of Public

Safety may enter into contracts with any public entity or any private nonprofit or for-profit firms for the confinement and care of State prisoners in any out-of-state correctional facility when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. Contracts entered into under the authority of this subsection shall be for a period not to exceed two years and shall be renewable from time to time for a period not to exceed two years. Prisoners may be sent to out-of-state correctional facilities only when there are no available facilities in this State within the State prison system to appropriately house those prisoners. Any contract made under the authority of this subsection shall be approved by the Department of Administration before the contract is executed. Before expending more than the amount specifically appropriated by the General Assembly for the out-of-state housing of inmates, the Division shall obtain the approval of the Joint Legislative Commission on Governmental Operations and shall report such expenditures to the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety.

(d) Prisoners confined in out-of-state correctional facilities pursuant to subsection (c) of this section shall remain subject to the rules adopted for the conduct of persons committed to the State prison system. The rules regarding good time and gain time, discipline, classification, extension of the limits of confinement, transfers, housing arrangements, and eligibility for parole shall apply to inmates housed in those out-of-state correctional facilities. The operators of those out-of-state correctional facilities may promulgate any other rules as may be necessary for the operation of those facilities with the written approval of the Secretary of Public Safety. Custodial officials employed by an out-of-state correctional facility are agents of the Secretary of Public Safety and may use those procedures for use of force authorized by the Secretary of Public Safety not inconsistent with the laws of the State of situs of the facility to defend themselves, to enforce the observance of discipline in compliance with correctional facility rules, to secure the person of a prisoner, and to prevent escape. Prisoners confined to out-of-state correctional facilities may be required to perform reasonable work assignments within those facilities. Private firms under subsection (c) of this section shall employ inmate disciplinary and grievance policies of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

(e) Repealed by Session Laws 1995, c. 324, s. 19.10.

(f) Any contracts entered into by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety with public contractors prior to March 25, 1994, for the out-of-state housing of inmates are ratified.

(g) The Secretary of Public Safety may contract with private for-profit or nonprofit firms for the provision and operation of four or more confinement facilities totaling up to 2,000 beds in the State to house State prisoners when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. This 2,000-bed limitation shall not apply to the 500 beds in private substance abuse treatment centers authorized by the General Assembly prior to July 1, 1995. Whenever the Division of Adult Correction and Juvenile Justice of the Department of Public Safety determines that new prison facilities are required in addition to existing and planned facilities, the Division may contract for any remaining beds authorized by this section before constructing State-operated facilities.

Contracts entered under the authority of this subsection shall be for a period not to exceed 10 years, shall be renewable from time to time for a period not to exceed 10 years. The Secretary of Public Safety shall enter contracts under this subsection only if funds are appropriated for this purpose by the General Assembly. Contracts entered under the authority of this subsection may be subject to any requirements for the location of the confinement facilities set forth by the General Assembly in appropriating those funds.

Once the Division has made a determination to contract for additional private prison beds, it shall issue a request for proposals within 30 days of the decision. The request for proposals shall require bids to be submitted within two months, and the Division shall award contracts at the earliest practicable date after the submission of bids. The Secretary of Public Safety, in consultation with the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety, shall make recommendations to the State Purchasing Officer on the final award decision. The State Purchasing Officer shall make the final award decision, and the contract shall then be subject to the approval of the Council of State after consultation with the Joint Legislative Commission on Governmental Operations.

Contracts made under the authority of this subsection may provide the State with an option to purchase the confinement facility or may provide for the purchase of the confinement facility by the State. Contracts made under the authority of this subsection shall state that plans and specifications for private confinement facilities shall be furnished to and reviewed by the Office of State Construction. The Office of State Construction shall inspect and review each project during construction to ensure that the project is suitable for habitation and to determine whether the project would be suitable for future acquisition by the State. All contracts for the housing of State prisoners in private confinement facilities shall require a minimum of ten million dollars ($10,000,000) of occurrence-based liability insurance and shall hold the State harmless and provide reimbursement for all liability arising out of actions caused by operations and employees of the private confinement facility.

Prisoners housed in private confinement facilities pursuant to this subsection shall remain subject to the rules adopted for the conduct of persons committed to the State prison system. The Secretary of Public Safety may review and approve the design and construction of private confinement facilities before housing State prisoners in these facilities. The rules regarding good time, gain time, and earned credits, discipline, classification, extension of the limits of confinement, transfers, housing arrangements, and eligibility for parole shall apply to inmates housed in private confinement facilities pursuant to this subsection. The operators of private confinement facilities may adopt any other rules as may be necessary for the operation of those facilities with the written approval of the Secretary of Public Safety. Custodial officials employed by a private confinement facility are agents of the Secretary of Public Safety and may use those procedures for use of force authorized by the Secretary of Public Safety to defend themselves, to enforce the observance of discipline in compliance with confinement facility rules, to secure the person of a prisoner, and to prevent escape. Private firms under this subsection shall employ inmate disciplinary and grievance policies of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

(h) Private confinement facilities under this section shall be designed, built, and operated in accordance with applicable State laws, court orders, fire safety codes, and local regulations.

(i) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall make a written report no later than March 1 of every year, beginning in 1997, on the substance of all outstanding contracts for the housing of State prisoners entered into under the authority of this section. The report shall be submitted to the Joint Legislative Oversight Committee on Justice and Public Safety."

SECTION 2.(bbbbbbbb) G.S. 148-37.3(a) reads as rewritten:

"(a) Correctional officers and security supervisors employed at private correctional facilities pursuant to a contract between their employer and the Federal Bureau of Prisons may, in the course of their employment as correctional officers or security supervisors, use necessary force and make arrests consistent with the laws applicable to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, which force shall not exceed that authorized to Division of Adult Correction and Juvenile Justice of the Department of Public Safety officers, provided that the employment policies of such private corporations meet the same minimum standards and practices followed by the Division of Adult Correction and

Juvenile Justice of the Department of Public Safety in employing its correctional personnel, and if:

(1) Those correctional officers and security supervisors have been certified as correctional officers as provided under Chapter 17C of the General Statutes; or

(2) Those correctional officers and security supervisors employed by the private corporation at the facility have completed a training curriculum that meets or exceeds the standards required by the North Carolina Criminal Justice Education and Training Standards Commission for correctional personnel."

SECTION 2.(cccccccc) G.S. 148-40 reads as rewritten:

"**§ 148-40. Recapture of escaped prisoners.**

The rules and regulations for the government of the State prison system may provide for the recapture of convicts that may escape, or any convicts that may have escaped from the State's prison or prison camps, or county road camps of this State, and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may pay to any person recapturing an escaped convict such reward or expense of recapture as the regulations may provide. Any citizen of North Carolina shall have authority to apprehend any convict who may escape before the expiration of his term of imprisonment whether he be guilty of a felony or misdemeanor, and retain him in custody and deliver him to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(dddddddd) G.S. 148-41 reads as rewritten:

"**§ 148-41. Recapture of escaping prisoners; reward.**

The Secretary of Public Safety shall use every means possible to recapture, regardless of expense, any prisoners escaping from or leaving without permission any of the State prisons, camps, or farms. When any person who has been confined or placed to work escapes from the State prison system, the Secretary shall immediately notify the Governor, and accompany the notice with a full description of the escaped prisoner, together with such information as will aid in the recapture. The Governor may offer such rewards as he may deem desirable and necessary for the recapture and return to the State prison system of any person who may escape or who heretofore has escaped therefrom. Such reward earned shall be paid by warrant of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and accounted for as a part of the expense of maintaining the State's prisons."

SECTION 2.(eeeeeeee) G.S. 148-45 reads as rewritten:

"**§ 148-45. Escaping or attempting escape from State prison system; failure of conditionally and temporarily released prisoners and certain youthful offenders to return to custody of Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

(a) Any person in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in any of the classifications hereinafter set forth who shall escape from the State prison system, shall for the first such offense, except as provided in subsection (g) of this section, be guilty of a Class 1 misdemeanor:

(1) A prisoner serving a sentence imposed upon conviction of a misdemeanor;

(2) A person who has been charged with a misdemeanor and who has been committed to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety under the provisions of G.S. 162-39;

(3) Repealed by Session Laws 1985, c. 226, s. 4.

(4) A person who shall have been convicted of a misdemeanor and who shall have been committed to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for presentence diagnostic study under the provisions of G.S. 15A-1332(c).

(b) Any person in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, in any of the classifications hereinafter set forth, who shall

escape from the State prison system, shall, except as provided in subsection (g) of this section, be punished as a Class H felon.

(1) A prisoner serving a sentence imposed upon conviction of a felony;

(2) A person who has been charged with a felony and who has been committed to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety under the provisions of G.S. 162-39;

(3) Repealed by Session Laws 1985, c. 226, s. 5.

(4) A person who shall have been convicted of a felony and who shall have been committed to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for presentence diagnostic study under the provisions of G.S. 15A-1332(c); or

(5) Any person previously convicted of escaping or attempting to escape from the State prison system.

(c) Repealed by Session Laws 1979, c. 760, s. 5.

(d) Any person who aids or assists other persons to escape or attempt to escape from the State prison system shall be guilty of a Class 1 misdemeanor.

(e) Repealed by Session Laws 1983, c. 465, s. 5.

(f) Any person convicted of an escape or attempt to escape classified as a felony by this section shall be immediately classified and treated as a convicted felon even if such person has time remaining to be served in the State prison system on a sentence or sentences imposed upon conviction of a misdemeanor or misdemeanors.

(g) (1) Any person convicted and in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and ordered or otherwise assigned to work under the work-release program, G.S. 148-33.1, or any convicted person in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and temporarily allowed to leave a place of confinement by the Secretary of Public Safety or his designee or other authority of law, who shall fail to return to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, shall be guilty of the crime of escape and subject to the applicable provisions of this section and shall be deemed an escapee. For the purpose of this subsection, escape is defined to include, but is not restricted to, willful failure to return to an appointed place and at an appointed time as ordered.

(2) If a person, who would otherwise be guilty of a first violation of G.S. 148-45(g)(1), voluntarily returns to his place of confinement within 24 hours of the time at which he was ordered to return, such person shall not be charged with an escape as provided in this section but shall be subject to such administrative action as may be deemed appropriate for an escapee by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety; said escapee shall not be allowed to be placed on work release for a four-month period or for the balance of his term if less than four months; provided, however, that if such person commits a subsequent violation of this section then such person shall be charged with that offense and, if convicted, punished under the provisions of this section."

SECTION 2.(ffffffff) G.S. 148-46.1 reads as rewritten:

"**§ 148-46.1. Inflicting or assisting in infliction of self injury to prisoner resulting in incapacity to perform assigned duties.**

Any person serving a sentence or sentences within the State prison system who, during the term of such imprisonment, willfully and intentionally inflicts upon himself any injury resulting in a permanent or temporary incapacity to perform work or duties assigned to him by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or any

prisoner who aids or abets any other prisoner in the commission of such offense, shall be punished as a Class H felon."

SECTION 2.(ggggggggg) G.S. 148-53 reads as rewritten:

"**§ 148-53. Investigators and investigations of cases of prisoners.**

For the purpose of investigating the cases of prisoners, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety is hereby authorized and empowered to appoint an adequate staff of competent investigators, particularly qualified for such work, with such reasonable clerical assistance as may be required, who shall, under the rules and regulations duly adopted by the Post-Release Supervision and Parole Commission, investigate all cases designated by it, investigate cases of prisoners eligible for post-release supervision, and otherwise aid the Commission in passing upon the question of the parole and post-release supervision of prisoners, to the end that every prisoner in the custodial care of the State may receive full, fair, and just consideration."

SECTION 2.(hhhhhhhh) G.S. 148-54 reads as rewritten:

"**§ 148-54. Parole and post-release supervision supervisors provided for; duties.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety is hereby authorized to appoint a sufficient number of competent parole and post-release supervision supervisors, who shall be particularly qualified for and adapted for the work required of them, and who shall under the direction of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and under regulations prescribed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety after consultation with the Commission, exercise supervision and authority over paroled prisoners and persons on post-release supervision, assist paroled prisoners and persons on post-release supervision, and those who are to be paroled or released for post-release supervision in finding and retaining self-supporting employment, and to promote rehabilitation work with paroled and post-release supervised prisoners, to the end that they may become law-abiding citizens. The supervisors shall also, under the direction of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, maintain frequent contact with paroled and post-release supervised prisoners and find out whether or not they are observing the conditions of their paroles or post-release supervision, and assist them in every possible way toward compliance with the conditions, and they shall perform such other duties in connection with paroled prisoners as the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may require. The number of supervisors may be increased by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as and when the number of paroled and post-release supervised prisoners to be supervised requires or justifies such increase."

SECTION 2.(iiiiiiii) G.S. 148-59 reads as rewritten:

"**§ 148-59. Duties of clerks of superior courts as to commitments; statements filed with Division of Adult Correction and Juvenile Justice of the Department of Public Safety.**

The several clerks of the superior courts shall attach to the commitment of each prisoner sentenced in such courts a statement furnishing such information as the Post-Release Supervision and Parole Commission shall by regulations prescribe, which information shall contain, among other things, the following:

(1) The court in which the prisoner was tried;
(2) The name of the prisoner and of all codefendants;
(3) The date or session when the prisoner was tried;
(4) The offense with which the prisoner was charged and the offense for which convicted;
(5) The judgment of the court and the date of the beginning of the sentence;
(6) The name and address of the presiding judge;
(7) The name and address of the prosecuting solicitor;
(8) The name and address of private prosecuting attorney, if any;

(9) The name and address of the arresting officer;
(10) All available information of the previous criminal record of the prisoner; and
(11) For all Class G or more serious felonies, the names and addresses of the following persons, where the presiding judge makes a finding of such facts:
a. Any victims of the offense for which the prisoner was convicted;
b. The parent or legal guardian of any minor victims of the offense for which the prisoner was convicted; and
c. The next of kin of any homicide victims of the offense for which the prisoner was convicted.

The prison authorities receiving the prisoner for the beginning of the service of sentence shall detach from the commitment the statement furnishing such information and forward it to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, together with any additional information in the possession of such prison authorities relating to the previous criminal record of such prisoner, and the information thus furnished shall constitute the foundation and file of the prisoner's case. Forms for furnishing the information required by this section shall, upon request, be furnished to the said clerks by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety without charge."

SECTION 2.(jjjjjjjj) G.S. 148-64 reads as rewritten:

"**§ 148-64. Cooperation of prison and parole officials and employees.**

The officials and employees of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and the Post-Release Supervision and Parole Commission shall at all times cooperate with and furnish each other such information and assistance as will promote the purposes of this Chapter and the purposes for which these agencies were established. The Commission shall have free access to all prisoners."

SECTION 2.(kkkkkkkk) G.S. 148-64.1 reads as rewritten:

"**§ 148-64.1. Early conditional release of inmates subject to a removal order; revocation of release.**

(a) Eligibility for Early Release. – Notwithstanding any other provision of law, the Post-Release Supervision and Parole Commission may conditionally release an inmate into the custody and control of United States Immigration and Customs Enforcement if all of the following requirements are satisfied:

(1) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety has received a final order of removal for the inmate from United States Immigration and Customs Enforcement.

…

(c) Return of Inmates. – In the event that the United States Immigration and Customs Enforcement is unable to or does not deport the inmate, the inmate shall be returned to the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to serve the remainder of the original sentence.

…."

SECTION 2.(lllllllll) G.S. 148-65.6(a) reads as rewritten:

"(a) The North Carolina State Council for Interstate Adult Offender Supervision shall be established, consisting of 14 members. North Carolina's Commissioner to the Interstate Compact Commission is a member of the State Council and serves as chair of the State Council. The remaining members of the State Council shall consist of the following:

…

(7) Four members representing the Section of Community Corrections of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, to be appointed by the Director of the Section of Community Corrections of the Division of Adult ~~Correction;~~Correction and Juvenile Justice;

…."

SECTION 2.(mmmmmmmm) G.S. 148-65.7(a) reads as rewritten:

"(a) Persons convicted in this State who make a request for transfer to another state pursuant to the compact shall pay a transfer application of two hundred fifty dollars ($250.00) for each transfer application submitted. The transfer application fee shall be paid to the Compact Commissioner upon submission of the transfer application. The Commissioner or the Commissioner's designee may waive the application fee if either the Commissioner or the Commissioner's designee finds that payment of the fee will constitute an undue economic burden on the offender.

All fees collected pursuant to this section shall be deposited in the Interstate Compact Fund and shall be used only to support administration of the Interstate Compact.

The Interstate Compact Fund is established within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety as a nonreverting, interest-bearing special revenue account. Accordingly, revenue in the Fund at the end of a fiscal year does not revert, and interest and other investment income earned by the Fund shall be credited to it. All moneys collected by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pursuant to this subsection shall be remitted to the State Treasurer to be deposited and held in this Fund. Moneys in the Fund shall be used to supplement funds otherwise available to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the administration of the Interstate Compact."

SECTION 2.(nnnnnnnn) G.S. 148-66 reads as rewritten:

"**§ 148-66. Cities and towns and Department of Agriculture and Consumer Services may contract for prison labor.**

The corporate authorities of any city or town may contract in writing with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the employment of convicts upon the highways or streets of such city or town, and such contracts when so exercised shall be valid and enforceable against such city or town, and the Attorney General may prosecute an action in the Superior Court of Wake County in the name of the State for their enforcement.

The Department of Agriculture and Consumer Services is hereby authorized and empowered to contract, in writing, with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the employment and use of convicts under its supervision to be worked on the State test farms and/or State experimental stations."

SECTION 2.(oooooooo) G.S. 148-67 reads as rewritten:

"**§ 148-67. Hiring to cities and towns and State Department of Agriculture and Consumer Services.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall in their discretion, upon application to them, hire to the corporate authorities of any city or town for the purposes specified in G.S. 148-66, such convicts as are mentally and physically capable of performing the work or labor contemplated and are not at the time of such application hired or otherwise engaged in labor under the direction of the Division; but the convicts so hired for services shall be fed, clothed and quartered while so employed by the Division.

Upon application to it, it shall be the duty of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, in its discretion, to hire to the Department of Agriculture and Consumer Services for the purposes of working on the State test farms and/or State experimental stations, such convicts as may be mentally and physically capable of performing the work or labor contemplated; but the convicts so hired for services under this paragraph shall be fed, clothed and quartered while so employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(pppppppp) G.S. 148-70 reads as rewritten:

"**§ 148-70. Management and care of inmates.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety in all contracts for labor shall provide for feeding and clothing the inmates and shall maintain, control and guard the quarters in which the inmates live during the time of the contracts; and

the Division shall provide for the guarding and working of such inmates under its sole supervision and control. The Division may make such contracts for the hire of the inmates confined in the State prison as may in its discretion be proper."

SECTION 2.(qqqqqqqq) G.S. 148-74 reads as rewritten:

"**§ 148-74. Records Section.**

Case records and related materials compiled for the use of the Secretary of Public Safety and the Parole Commission shall be maintained in a single central file system designed to minimize duplication and maximize effective use of such records and materials. When an individual is committed to the State prison system after a period on probation, the probation files on that individual shall be made a part of the combined files used by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety and the Parole Commission. The administration of the Records Section shall be under the control and direction of the Secretary of Public Safety."

SECTION 2.(rrrrrrrr) G.S. 148-78 reads as rewritten:

"**§ 148-78. Reports.**

The Secretary of Public Safety may prepare and release reports on the work of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, including statistics and other data, accounts of research, and recommendations for legislation."

SECTION 2.(ssssssss) G.S. 148-118.1 reads as rewritten:

"**§ 148-118.1. Authority.**

The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall adopt an Administrative Remedy Procedure in compliance with 42 U.S.C. 1997, the "Civil Rights of Institutionalized Persons Act". The Administrative Remedy Procedure and any amendments or changes thereto shall be adopted only after prior consultation with the Grievance Resolution Board."

SECTION 2.(ttttttt) G.S. 148-118.2(a) reads as rewritten:

"(a) Upon approval of the Administrative Remedy Procedure by a federal court as authorized and required by 42 U.S.C. 1997(e)(a), and the implementation of the procedure, this procedure shall constitute the administrative remedies available to a prisoner for the purpose of preserving any cause of action under the purview of the Administrative Remedy Procedure, which a prisoner may claim to have against the State of North Carolina, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, or its employees."

SECTION 2.(uuuuuuuu) G.S. 148-118.4 reads as rewritten:

"**§ 148-118.4. Definitions.**

For purposes of this Article, "prisoner" shall refer to all prisoners in the physical custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(vvvvvvvv) G.S. 148-118.5 reads as rewritten:

"**§ 148-118.5. Records confidentiality.**

All reports, investigations, and like supporting documents prepared by the Division for purposes of responding to the prisoner's request for an administrative remedy shall be deemed to be confidential. All formal written responses to the prisoner's request shall be furnished to the prisoner as a matter of course as required by the procedure. The Grievance Resolution Board shall have access to all relevant records developed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(wwwwwwww) G.S. 148-118.6 reads as rewritten:

"**§ 148-118.6. Grievance Resolution Board.**

The Grievance Resolution Board is established as a separate agency within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. It shall consist of five members appointed by the Governor to serve four-year terms. Of the members so appointed, three shall be attorneys selected from a list of 10 persons recommended by the Council of the North Carolina State Bar. The remaining two members shall be persons of knowledge and experience in one or more fields under the jurisdiction of the Secretary of Public Safety. In the event a vacancy occurs on the Board prior to the expiration of a member's

term, the Governor shall appoint a new Board member to serve the unexpired term. If the vacancy occurs in one of the positions designated for an attorney, the Governor shall select another attorney from a list of five persons recommended by the Council of the North Carolina State Bar. The Board shall perform those functions assigned to it by the Governor and shall review the grievance procedure. The Grievance Resolution Board shall meet not less then quarterly to review summaries of grievances. All members of the Inmate Grievance Commission, appointed by the Governor pursuant to G.S. 148-101, may complete their terms as members of the Board. Each member of the Board shall receive per diem and travel expenses as authorized for members of State commissions and boards under G.S. 138-5."

SECTION 2.(xxxxxxxx) G.S. 148-118.8(a) reads as rewritten:

"(a) The Grievance Resolution Board, in consultation with the Secretary of Public Safety, shall provide the Governor with at least three nominees, and the Governor shall appoint an Executive Director from those nominees. The Grievance Resolution Board shall appoint grievance examiners. The Executive Director shall manage the staff and perform such other functions as are assigned to the Director by the Grievance Resolution Board. The Executive Director shall serve at the pleasure of the Governor. The grievance examiners shall serve at the pleasure of the Grievance Resolution Board. The grievance examiners shall be subject to Article 2 of Chapter 126 of the North Carolina General Statutes for purposes of salary and leave. Support staff, equipment, and facilities for the Board shall be provided by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety."

SECTION 2.(yyyyyyyy) G.S. 148-128 reads as rewritten:

"**§ 148-128. Authorization for Correction Enterprises.**

The Section of Correction Enterprises of the Division of Adult Correction and Juvenile Justice is established as a division of the Division of Adult Correction of the Department of Public Safety. The Section of Correction Enterprises of the Division of Adult Correction and Juvenile Justice may develop and operate industrial, agricultural, and service enterprises that employ incarcerated offenders in an effort to provide them with meaningful work experiences and rehabilitative opportunities that will increase their employability upon release from prison. Enterprises operated under this Article shall be known as "Correction Enterprises.""

SECTION 2.(zzzzzzzz) G.S. 148-130 reads as rewritten:

"**§ 148-130. Correction Enterprises Fund.**

(a) All revenues from the sale of articles and commodities manufactured or produced by Correction Enterprises shall be deposited with the State Treasurer to be kept and maintained as a special revolving working-capital fund designated "Correction Enterprises Fund."

(b) Revenue in the Correction Enterprises Fund shall be applied first to capital and operating expenditures, including salaries and wages of personnel necessary to develop and operate Correction Enterprises and incentive wages for inmates employed by Correction Enterprises or participating in work assignments established by the Section of Prisons of the Division of Adult ~~Correction.~~Correction and Juvenile Justice. Of the remaining revenue in the Fund, five percent (5%) of the net proceeds, before expansion costs, shall be credited to the Crime Victims Compensation Fund established in G.S. 15B-23 as soon as practicable after net proceeds have been determined for the previous year. At the direction of the Governor, the remainder shall be used for other purposes within the State prison system or shall be transferred to the General Fund.

(c) The Correction Enterprises Fund shall be the source of all incentive wages and allowances paid to inmates employed by Correction Enterprises and inmates participating in work assignments established by the Section of Prisons of the Division of Adult ~~Correction.~~Correction and Juvenile Justice."

SECTION 2.(aaaaaaaaa) G.S. 148-131 reads as rewritten:

"**§ 148-131. Powers and responsibilities.**

In order to fulfill the purposes set forth in G.S. 148-129, the Section of Correction Enterprises of the Division of Adult Correction and Juvenile Justice is authorized and

empowered to take all actions necessary in the operation of its enterprises, including any of the following actions to:

…."

SECTION 2.(bbbbbbbbb) G.S. 148-132 reads as rewritten:

"**§ 148-132. Distribution of products and services.**

The Section of Correction Enterprises of the Division of Adult Correction and Juvenile Justice is empowered and authorized to market and sell products and services produced by Correction Enterprises to any of the following entities:

…."

SECTION 2.(ccccccccc) G.S. 148-134 reads as rewritten:

"**§ 148-134. Preference for Division of Adult Correction and Juvenile Justice of the Department of Public Safety products.**

All departments, institutions, and agencies of this State that are supported in whole or in part by the State shall give preference to Correction Enterprises products in purchasing articles, products, and commodities that these departments, institutions, and agencies require and that are manufactured or produced within the State prison system and offered for sale to them by Correction Enterprises. No article or commodity available from Correction Enterprises shall be purchased by any State department, institution, or agency from any other source unless the prison product does not meet the standard specifications and the reasonable requirements of the department, institution, or agency as determined by the Secretary of Administration or the requisition cannot be complied with because of an insufficient supply of the articles or commodities required. The provisions of Article 3 of Chapter 143 of the General Statutes respecting contracting for the purchase of all supplies, materials, and equipment required by the State government or any of its departments, institutions, or agencies under competitive bidding shall not apply to articles or commodities available from Correction Enterprises. The Section of Correction Enterprises of the Division of Adult Correction and Juvenile Justice shall be required to keep the price of such articles or commodities substantially in accord with that paid by governmental agencies for similar articles and commodities of equivalent quality."

SECTION 2.(ddddddddd) G.S. 150B-1 reads as rewritten:

§ 150B-1. Policy and scope.

…

(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

…

(6) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety, with respect to matters relating solely to persons in its custody or under its supervision, including prisoners, probationers, and parolees.

…

(e) Exemptions From Contested Case Provisions. – The contested case provisions of this Chapter apply to all agencies and all proceedings not expressly exempted from the Chapter. The contested case provisions of this Chapter do not apply to the following:

…

(7) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

…."

SECTION 2.(eeeeeeeee) G.S. 153A-221(b) reads as rewritten:

"(b) In developing the standards and any amendments thereto, the Secretary shall consult with organizations representing local government and local law enforcement, including the North Carolina Association of County Commissioners, the North Carolina League of Municipalities, the North Carolina Sheriffs' Association, and the North Carolina Police Executives' Association. The Secretary shall also consult with interested State departments and agencies, including the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the Department of Health and Human Services, the Department of Insurance,

and the North Carolina Criminal Justice Education and Training Standards Commission, and the North Carolina Sheriffs' Education and Training Standards Commission."

SECTION 2.(fffffffff) G.S. 153A-221.1 reads as rewritten:

"**§ 153A-221.1. Standards and inspections.**

The legal responsibility of the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for State services to county juvenile detention homes under this Article is hereby confirmed and shall include the following: development of State standards under the prescribed procedures; inspection; consultation; technical assistance; and training.

The Secretary of Health and Human Services, in consultation with the Secretary of Public Safety, shall also develop standards under which a local jail may be approved as a holdover facility for not more than five calendar days pending placement in a juvenile detention home which meets State standards, providing the local jail is so arranged that any child placed in the holdover facility cannot converse with, see, or be seen by the adult population of the jail while in the holdover facility. The personnel responsible for the administration of a jail with an approved holdover facility shall provide close supervision of any child placed in the holdover facility for the protection of the child."

SECTION 2.(ggggggggg) G.S. 153A-230.1(2) reads as rewritten:

"(2) "Satellite Jail/Work Release Unit" means a building or designated portion of a building primarily designed, staffed, and used for the housing of misdemeanants participating in a work release program. These units shall house misdemeanants only, except that, if he so chooses, the Sheriff may accept responsibility from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the housing of felons who do not present security risks, who have achieved work release status, and who will be employed on work release, or for felons committed directly to his custody pursuant to G.S. 15A-1352(b). These units shall be operated on a full time basis, i.e., seven days/nights a week."

SECTION 2.(hhhhhhhhh) G.S. 153A-230.2(b) reads as rewritten:

"(b) A county or group of counties is eligible for a grant under this section if it agrees to abide by the basic requirements for satellite jail/work release units established in G.S. 153A-230.3. In order to receive a grant under this section, there must be a written agreement to abide by the basic requirements for satellite jail/work release units set forth in G.S. 153A-230.3. The written agreement shall be signed by the Chairman of the Board of County Commissioners, with approval of the Board of County Commissioners and after consultation with the Sheriff, and a representative of the Office of State Budget and Management. If a group of counties applies for the grant, then the agreement must be signed by the Chairman of the Board of County Commissioners of each county. Any variation from, including termination of, the original signed agreement must be approved by both the Office of State Budget and Management and by a vote of the Board of County Commissioners of the county or counties.

When the county or group of counties receives a grant under this section, the county or group of counties accepts ownership of the satellite jail/work release unit and full financial responsibility for maintaining and operating the unit, and for the upkeep of its occupants who comply with the eligibility criteria in G.S. 153A-230.3(a)(1). The county shall receive from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the amount paid to local confinement facilities under G.S. 148-32.1 for prisoners which are in the unit, but do not meet the eligibility of requirements under G.S. 153A-230.3(a)(1)."

SECTION 2.(iiiiiiiii) G.S. 153A-230.3 reads as rewritten:

"**§ 153A-230.3. Basic requirements for satellite jail/work release units.**

(a) Eligibility for Unit. – The following rules shall govern which misdemeanants are housed in a satellite jail/work release unit:

…

(5) The Sheriff may accept work release misdemeanants or felons from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety provided that those inmates agree to pay for their upkeep, that space is available, and that the Sheriff is willing to accept responsibility for the prisoner after screening.

…

(b) Operation of Satellite Jail/Work Release Unit. – A county or group of counties operating a satellite jail/work release unit shall comply with the following requirements concerning operation of the unit:

…

(2) The county shall require the occupants to give their earnings, less standard payroll deduction required by law and premiums for group health insurance coverage, to the Sheriff. The county may charge a per day charge from those occupants who are employed or otherwise able to pay from other resources available to the occupants. The per day charge shall be calculated based on the following formula: The charge shall be either the amount that the Division of Adult Correction and Juvenile Justice of the Department of Public Safety deducts from a prisoner's work-release earnings to pay for the cost of the prisoner's keep or fifty percent (50%) of the occupant's net weekly income, whichever is greater, but in no event may the per day charge exceed an amount that is twice the amount that the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pays each local confinement facility for the cost of providing food, clothing, personal items, supervision, and necessary ordinary medical expenses. The per day charge may be adjusted on an individual basis where restitution and/or child support has been ordered, or where the occupant's salary or resources are insufficient to pay the charge.

The county also shall accumulate a reasonable sum from the earnings of the occupant to be returned to him when he is released from the unit. The county also shall follow the guidelines established for the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in G.S. 148-33.1(f) for determining the amount and order of disbursements from the occupant's earnings.

…

(4) The unit shall be operated on a full-time basis, i.e., seven days/nights a week, but weekend leave may be granted by the Sheriff. In granting weekend leave, the Sheriff shall follow the policies and procedures of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for granting weekend leave for Level 3 minimum custody inmates.

…."

SECTION 2.(jjjjjjjjj) G.S. 153A-230.5(b) reads as rewritten:

"(b) If a county operates a non-State funded satellite jail/work release unit that does not comply with the basic requirements listed in G.S. 153A-230.2 and G.S. 153A-230.3, then the satellite jail shall be subject to the standards, rules, and regulations to be promulgated by the Secretary of Health and Human Services pursuant to Part 2 of Article 10 of Chapter 153A. If a county is reimbursed for the cost of a prisoner's keep from an inmate's work release earnings in an amount equal to or greater than that paid by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to local confinement facilities under G.S. 148-32.1, the county may not receive additional payments from the Division for the cost of a prisoner's keep. However, if reimbursement to the county for the cost of a prisoner's keep is less than the amount allowed under G.S. 148-32.1, the county may receive from the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the difference in the amount

received from work release earnings and the amount paid by the Division to local confinement facilities. The Division may promulgate rules regarding such payment arrangements."

SECTION 2.(kkkkkkkkk) G.S. 162-39 reads as rewritten:

"**§ 162-39. Transfer of prisoners when necessary for safety and security; application of section to municipalities.**

…

(c) The sheriff of the county from which the prisoner is removed shall be responsible for conveying the prisoner to the jail or prison unit where he is to be held, and for returning him to the common jail of the county from which he was transferred. The return shall be made at the expiration of the time designated in the court order directing the transfer unless the judge, by appropriate order, shall direct otherwise. The sheriff or keeper of the jail of the county designated in the court order, or the officer in charge of the prison unit designated by the Secretary of Public Safety, shall receive and release custody of the prisoner in accordance with the terms of the court order. If a prisoner is transferred to a unit of the State prison system, the county from which the prisoner is transferred shall pay the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for maintaining the prisoner for the time designated by the court at the per day, per inmate rate at which the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pays a local jail for maintaining a prisoner. The county shall also pay the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for the costs of extraordinary medical care incurred while the prisoner was in the custody of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, defined as follows:

(1) Medical expenses incurred as a result of providing health care to a prisoner as an inpatient (hospitalized);

(2) Other medical expenses when the total cost exceeds thirty-five dollars ($35.00) per occurrence or illness as a result of providing health care to a prisoner as an outpatient (nonhospitalized); and

(3) Cost of replacement of eyeglasses and dental prosthetic devices if those eyeglasses or devices are broken while the prisoner is incarcerated, provided the prisoner was using the eyeglasses or devices at the time of his commitment and then only if prior written consent of the county is obtained by the Division.

If the prisoner is transferred to a jail in some other county, the county from which the prisoner is transferred shall pay to the county receiving the prisoner in its jail the actual cost of maintaining the prisoner for the time designated by the court. Counties are hereby authorized to enter into contractual agreements with other counties to provide jail facilities to which prisoners may be transferred as deemed necessary under this section.

Whenever prisoners are arrested in such numbers that county jail facilities are insufficient and inadequate for the safekeeping of such prisoners, the resident judge of the superior court or any superior or district court judge holding court in the district may order the prisoners transferred to a unit of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety designated by the Secretary of Public Safety or his authorized representative, where the prisoners may be held for such length of time as the judge may direct, such detention to be in cell separate from that used for imprisonment of persons already convicted of crimes, except when admission to an inpatient prison medical or mental health unit is required to provide services deemed necessary by a prison health care clinician. The sheriff of the county from which the prisoners are removed shall be responsible for conveying the prisoners to the prison unit or units where they are to be held, and for returning them to the common jail of the county from which they were transferred. However, if due to the number of prisoners to be conveyed the sheriff is unable to provide adequate transportation, he may request the assistance of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety is hereby authorized and directed to cooperate with the sheriff and provide whatever assistance is

available, both in vehicles and manpower, to accomplish the conveying of the prisoners to and from the county to the designated prison unit or units. The officer in charge of the prison unit designated by the Secretary of Public Safety or his authorized representative shall receive and release the custody of the prisoners in accordance with the terms of the court order. The county from which the prisoners are transferred shall pay to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the actual cost of transporting the prisoners and the cost of maintaining the prisoners at the per day, per inmate rate at which the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pays a local jail for maintaining a prisoner, provided, however, that a county is not required to reimburse the State for transporting or maintaining a prisoner who was a resident of another state or county at the time he was arrested. However, if the county commissioners shall certify to the Governor that the county is unable to pay the bill submitted by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to the county for the services rendered, either in whole or in part, the Governor may recommend to the Council of State that the State of North Carolina assume and pay, in whole or in part, the obligation of the county to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and upon approval of the Council of State the amount so approved shall be paid from Contingency and Emergency Fund to the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

When, due to an emergency, it is not feasible to obtain from a judge of the superior or district court a prior order of transfer, the sheriff of the county and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety may exercise the authority hereinafter conferred; provided, however, that the sheriff shall, as soon as possible after the emergency, obtain an order from the judge authorizing the prisoners to be held in the designated place of confinement for such period as the judge may direct. All provisions of this subsection shall be applicable to municipalities whenever prisoners are arrested in such numbers that the municipal jail facilities and the county jail facilities are insufficient and inadequate for the safekeeping of the prisoners. The chief of police is hereby authorized to exercise the authority herein conferred upon the sheriff, and the municipality shall be liable for the cost of transporting and maintaining the prisoners to the same extent as a county would be unless action is taken by the Governor and Council of State as herein provided for counties which are unable to pay such costs.

(d) Whenever a prisoner held in a county jail requires medical or mental health treatment that the county decides can best be provided by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, the resident judge of the superior court or any judge holding superior court in the district or any district court judge may order the prisoner transferred to a unit of the State prison system designated by the Secretary of Public Safety or his authorized representative. The sheriff of the county from which the prisoner is removed shall be responsible for conveying the prisoner to the prison unit where he is to be held, and for returning him to the jail of the county from which he was transferred. The prisoner shall be returned when the attending medical or mental health professional determines that the prisoner may be returned safely. The officer in charge of the prison unit designated by the Secretary of Public Safety shall receive custody of the prisoner in accordance with the terms of the order and shall release custody of the prisoner in accordance with the instructions of the attending medical or mental health professional. The county from which the prisoner is transferred shall pay the Division of Adult Correction and Juvenile Justice of the Department of Public Safety for maintaining the prisoner for the period of treatment at the per day, per inmate rate at which the Division of Adult Correction and Juvenile Justice of the Department of Public Safety pays a local jail for maintaining a prisoner, and for extraordinary medical expenses as set forth in subsection (c) of this section.

…."

SECTION 2.(lllllllll) G.S. 163-82.20A reads as rewritten:

"**§ 163-82.20A. Voter registration upon restoration of citizenship.**

The State Board of Elections, the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, and the Administrative Office of the Courts shall jointly develop and implement educational programs and procedures for persons to apply to register to vote at the time they are restored to citizenship and all filings required have been completed under Chapter 13 of the General Statutes. Those procedures shall be designed to do both of the following:

…."

SECTION 2.(mmmmmmmmm) G.S. 164-40 reads as rewritten:

"**§ 164-40. Correction population simulation model; Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety facilities population simulation model.**

(a) The Commission shall develop a correctional population simulation model, and shall have first priority to apply the model to a given fact situation, or theoretical change in the sentencing laws, when requested to do so by the Chairman, the Executive Director, or the Commission as a whole.

The Executive Director or the Chairman shall make the model available to respond to inquiries by any State legislator, or by the Secretary of Public Safety, in second priority to the work of the Commission.

(b) The Commission shall develop a Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety facilities population simulation model, and shall have first priority to apply the model to a given fact situation, or theoretical change in the dispositional laws set forth in Chapter 7B of the General Statutes, when requested to do so by the Chairman, the Executive Director, or the Commission as a whole.

The Executive Director or the Chairman shall make the model available to respond to inquiries by any State legislator, or by the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety, in second priority to the work of the Commission."

SECTION 2.(nnnnnnnnn) G.S. 164-42 reads as rewritten:

"**§ 164-42. Sentencing structures.**

...

(b) The sentencing structures shall be consistent with the goals, policies, and purposes of the criminal justice and corrections systems, as set forth in Sections 2 and 3 of the Sentencing and Policy Advisory Commission Act of 1990. As part of its work, the Commission shall offer recommendations for the incorporation of those sections into the sentencing laws of North Carolina. In formulating structures, the Commission also shall consider:

(1) The nature and characteristics of the offense;

(2) The severity of the offense in relation to other offenses;

(3) The characteristics of the defendant that mitigate or aggravate the seriousness of his criminal conduct and the punishment deserved therefor;

(4) The defendant's number of prior convictions;

(5) The available resources and constitutional capacity of the Division of Adult ~~Correction,~~Correction and Juvenile Justice, local confinement facilities, and community-based sanctions;

(6) The rights of the victims;

(7) That felony offenders sentenced to an active term of imprisonment, or whose suspended sentence to imprisonment is activated, should serve a designated minimum percentage of their sentences before they are eligible for parole; and

(8) That misdemeanor offenders sentenced to an active term of imprisonment, or whose suspended sentence to imprisonment is activated, should serve a

designated minimum percentage of their sentence before they are eligible for parole.

(c) The Commission shall also consider the policy issues set forth in G.S. 164-42.1 in developing its sentencing structures.

(d) The Commission shall include with each set of sentencing structures a statement of its estimate of the effect of the sentencing structures on the Division of Adult Correction and Juvenile Justice and local facilities, both in terms of fiscal impact and on inmate population. If the Commission finds that the proposed sentencing structures will result in inmate populations in the Division of Adult Correction and Juvenile Justice and local confinement facilities that exceed the standard operating capacity, then the Commission shall present an additional set of structures that are consistent with that capacity. For purposes of this subsection, "standard operating capacity" means the total capacity expected to be available in both local confinement facilities and in the Division of Adult Correction and Juvenile Justice once all the proceeds of bonds authorized by Chapter 933 of the 1989 Session Laws and Chapter 935 of the 1989 Session Laws have been expended for the construction of prison facilities."

SECTION 2.(oooooooo) G.S. 164-43 reads as rewritten:

"**§ 164-43. Priority of duties; reports; continuing duties.**

…

(d) Once the primary duties of the Commission have been accomplished, it shall have the continuing duty to monitor and review the criminal justice and corrections systems and the juvenile justice system in this State to ensure that sentences and dispositions remain uniform and consistent, and that the goals and policies established by the State are being implemented by sentencing and dispositional practices, and it shall recommend methods by which this ongoing work may be accomplished and by which the correctional population simulation model and the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety facilities population simulation model developed under G.S. 164-40 shall continue to be used by the State.

…

(h) The Commission or its successor shall meet within 10 days after the last day for filing general bills in the General Assembly for the purpose of reviewing bills as described in subsections (e), (f), and (g). The Commission or its successor shall include in its report on a bill an analysis based on an application of the correctional population simulation model or the Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety facilities population simulation model to the provisions of the bill."

SECTION 2.(ppppppppp) G.S. 164-47 reads as rewritten:

"**§ 164-47. Biennial Report on Recidivism.**

The Judicial Department, through the North Carolina Sentencing and Policy Advisory Commission, and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall jointly conduct ongoing evaluations of community corrections programs and in-prison treatment programs and make a biennial report to the General Assembly. The report shall include composite measures of program effectiveness based on recidivism rates, other outcome measures, and costs of the programs.

During the 1998-99 fiscal year, the Sentencing and Policy Advisory Commission shall coordinate the collection of all data necessary to create an expanded database containing offender information on prior convictions, current conviction and sentence, program participation, and outcome measures. Each program to be evaluated shall assist the Commission in the development of systems and collection of data necessary to complete the evaluation process. The first evaluation report shall be presented to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by April 15, 2000, and future reports shall be made by April 15 of each even-numbered year."

SECTION 2.(qqqqqqqqq) G.S. 164-50 reads as rewritten:

"**§ 164-50. Annual report on implementation of Justice Reinvestment Project.**

The Judicial Department, through the North Carolina Sentencing and Policy Advisory Commission, and the Division of Adult Correction and Juvenile Justice shall jointly conduct ongoing evaluations regarding the implementation of the Justice Reinvestment Act of 2011. The Commission shall present the first evaluation report to the Joint Legislative Correction, Crime Control, and Juvenile Justice Oversight Committee and to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by April 15, 2012, and future reports shall be made annually by April 15 of each year."

PART III. INSTRUCTIONS TO REVISOR AND EFFECTIVE DATE

SECTION 3.(a) The Revisor of Statutes shall change any additional references in the General Statutes to the "Division of Adult Correction" to the "Division of Adult Correction and Juvenile Justice".

SECTION 3.(b) The Revisor of Statutes shall change any additional references in the General Statutes to the "Division of Juvenile Justice" to the "Juvenile Justice Section of the Division of Adult Correction and Juvenile Justice".

SECTION 3.(c) Parts I, II, and III of this act become effective December 1, 2017.

PART IV. EXEMPTION FROM MEDICAID CAPITATED PREPAID HEALTH PLAN CONTRACTS FOR FABRICATION OF EYEGLASSES

SECTION 4. Subsection (4) of Section 4 of S.L. 2015-245, as amended by Section 2(b) of S.L. 2016-121, reads as rewritten:

"(4) Services covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice recipients, except as otherwise provided in this subdivision. The capitated contracts required by this subdivision shall not cover:

…

g. The fabrication of eyeglasses, including complete eyeglasses, eyeglass lenses, and ophthalmic frames."

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-187 **S.B. 468**

AN ACT TO MODIFY THE USES FOR QUALIFIED ZONE ACADEMY BONDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-489.6(a) reads as rewritten:

"(a) QZAB Program. – The State Board of Education is designated the State education agency responsible for administering the qualified zone academy bond program in North Carolina for the purposes of 26 U.S.C. § 54E. The State Board of Education shall perform all activities required to implement and carry out the qualified zone activity bond program in North Carolina. Those activities include:

…

(4) Awarding the State's allocation of total funds among selected applicants and establishing conditions upon the usage of the allocation. These conditions must include:

a. ~~Requiring~~ Ensuring that the bond proceeds be (i) used only ~~for rehabilitating or repairing the public school facility in which the qualified zone academy is located, which may include (i) wiring and~~

~~other infrastructure improvements related to providing technology and (ii) equipment related to the rehabilitation or repair, but not personal computers or similar technology equipment.~~for purposes listed in 26 U.S.C. § 54E and (ii) prioritized so as to be used first in counties determined to have greater economic distress, as determined pursuant to G.S. 143B-437.08, and for schools where seventy-five percent (75%) or more of the school's students are eligible to receive free or reduced lunch under the federal lunch program. The State Board of Education shall establish an application process and require any information necessary to enable the Board to accomplish the prioritization and efficient use of the bond proceeds in accordance with this subdivision.

b. Conditions designed to assure that the allocation is used in a timely manner.

…."

SECTION 1.1.(a) Section 5.3(e) of S.L. 2017-57 reads as rewritten:

"**SECTION 5.3.(e)** Grant funds awarded under this section shall be subject to a matching requirement from the recipient county as follows:

(1) For a county designated as a development tier one area, the grant shall not exceed three dollars ($3.00) in grant funds for every one dollar ($1.00) provided by the county. Grant funds awarded to a tier one county shall not exceed fifteen million dollars ($15,000,000).

(2) For a county designated as a development tier two area, the grant shall not exceed one dollar ($1.00) for every one dollar ($1.00) in grant funds provided by the county. Grant funds awarded to a tier two county shall not exceed ten million dollars ($10,000,000).

Grant funds shall be used for new capital projects only. Grant funds shall not be used for real property acquisition or for operational lease ~~agreements.~~agreements, except that grant funds may be used for projects when a pre-development agreement for an operational lease was entered into on or before June 30, 2017. Notwithstanding subdivision (2) of this subsection, grant funds shall only be awarded to development tier one counties until the 2020-2021 fiscal year. Grant funds shall not be awarded to any county that has received over eight million seven hundred fifty thousand dollars ($8,750,000) in funds from the Public School Building Capital Fund from the 2012-2013 fiscal year to the 2016-2017 fiscal year."

SECTION 1.1.(b) This section becomes effective July 1, 2017.

SECTION 2. Except as otherwise provided, this act is effective when it becomes law and applies to bond proceeds used on or after that date.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-188 **S.B. 55**

AN ACT TO AUTHORIZE THE USE OF PHOTOGRAPHIC OR VIDEO EVIDENCE FOR THE CIVIL ENFORCEMENT OF VIOLATIONS FOR PASSING A STOPPED SCHOOL BUS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 12 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-246. Use of photographs or videos recorded by automated school bus safety cameras.**

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

(1) Automated school bus safety camera. – As defined in G.S. 115C-242.1.

(2) Officials or agents. – This term includes a local board of education located within the county or a private vendor contracted with under G.S. 115C-242.1.

(3) School bus. – As used in G.S. 20-217.

(b) Civil Enforcement. – A county may adopt an ordinance for the civil enforcement of G.S. 20-217 by means of an automated school bus safety camera installed and operated on any school bus located within that county. An ordinance adopted pursuant to this section shall not apply to any violation of G.S. 20-217 that results in injury or death. Notwithstanding the provisions of G.S. 14-4, in the event that a county adopts an ordinance pursuant to this section, a violation of the ordinance shall not be an infraction. An ordinance authorized by this subsection shall provide all of the following:

(1) The notice of the violation shall be given in the form of a citation and shall be received by the registered owner of the vehicle no more than 60 days after the date of the violation.

(2) The registered owner of a vehicle shall be responsible for a violation unless the vehicle was, at the time of the violation, in the care, custody, or control of another person or unless the citation was not received by the registered owner within 60 days after the date of the violation.

(3) A person wishing to contest a citation shall, within 30 days after receiving the citation, deliver to the officials or agents of the county that issued the citation a written request for a hearing accompanied by an affidavit stating the basis for contesting the citation, including, as applicable:

a. The name and address of the person other than the registered owner who had the care, custody, or control of the vehicle.

b. A statement that the vehicle involved was stolen at the time of the violation, with a copy of any insurance report or police report supporting this statement.

c. A statement that the citation was not received within 60 days after the date of the violation, and a statement of the date on which the citation was received.

d. A copy of a criminal pleading charging the person with a violation of G.S. 20-217 arising out of the same facts as those for which the citation was issued.

(4) The citation shall include all of the following:

a. The date and time of the violation, the location of the violation, the amount of the civil monetary penalty imposed, and the date by which the civil monetary penalty shall be paid or contested.

b. An image taken from the recorded image showing the vehicle involved in the violation.

c. A copy of a statement or electronically generated affirmation of a law enforcement officer employed by a law enforcement agency with whom an agreement has been reached pursuant to G.S. 115C-242.1(c) stating that, based upon inspection of the recorded images, the owner's motor vehicle was operated in violation of the ordinance adopted pursuant to this subsection.

d. Instructions explaining the manner in which, and the time within which, liability under the citation may be contested pursuant to subdivision (3) of this subsection.

e. A warning that failure to pay the civil monetary penalty or to contest liability in a timely manner shall waive any right to contest liability and shall result in a late penalty of one hundred dollars ($100.00), in addition to the civil monetary penalty.

f. In citations issued to the registered owner of the vehicle, a warning that failure to pay the civil monetary penalty or to contest liability in a timely manner shall result in refusal by the Division of Motor Vehicles to register the motor vehicle, in addition to imposition of the civil monetary penalty and late penalty.

(5) Violations of the ordinance shall be deemed a noncriminal violation for which a civil penalty shall be assessed and for which no points authorized by G.S. 20-16(c) and no insurance points authorized by G.S. 58-36-65 shall be assigned to the registered owner or driver of the vehicle. The amount of such penalty shall be four hundred dollars ($400.00) for the first offense, seven hundred fifty dollars ($750.00) for the second violation, and one thousand dollars ($1,000) for each subsequent violation of the ordinance.

(6) If a registered owner provides an affidavit that the vehicle was, at the time of the violation, in the care, custody, or control of another person or company, the identified person or company may be issued a citation complying with the requirements of subdivision (4) of this subsection.

(7) The citation shall be processed by officials or agents of the county and shall be served by any method permitted for service of process pursuant to G.S. 1A-1, Rule 4 of the North Carolina Rules of Civil Procedure, or by first-class mail to the address of the registered owner of the vehicle provided on the motor vehicle registration or, as applicable, to the address of the person identified in an affidavit submitted by the registered owner of the vehicle.

(8) If the person to whom a citation is issued makes a timely request for a hearing pursuant to subdivision (3) of this subsection, a summons shall be issued by any method permitted for service of process pursuant to G.S. 1A-1, Rule 4 of the North Carolina Rules of Civil Procedure, directing the person to appear at the place and time specified in the summons in order to contest the citation at an administrative hearing.

(9) A citation recipient who, within 30 days after receiving the citation, fails either to pay the civil penalty or to request a hearing to contest the citation shall have waived the right to contest responsibility for the violation and shall be subject to a late penalty of one hundred dollars ($100.00) in addition to the civil penalty assessed under this subsection.

(10) The county shall institute a nonjudicial administrative hearing to hear contested citations or penalties issued or assessed under this section. The decision on a contested citation shall be rendered in writing within five days after the hearing and shall be served upon the person contesting the citation by any method permitted for service of process pursuant to G.S. 1A-1, Rule 4 of the North Carolina Rules of Civil Procedure. If the decision is adverse to the person contesting the citation, the decision shall contain instructions explaining the manner and the time within which the decision may be appealed pursuant to subdivision (11) of this subsection.

(11) A person may appeal to the district court division of the General Court of Justice from any adverse decision on a contested citation by filing notice of appeal in the office of the clerk of superior court. Enforcement of an adverse decision shall be stayed pending the outcome of a timely appeal. Except as otherwise provided in this subdivision, appeal shall be in accordance with the procedure set forth in Article 19 of Chapter 7A of the General Statutes applicable to appeals from the magistrate to the district court. For purposes of calculating the time within which any action must be taken to meet procedural requirements of the appeal, the date upon which the person

contesting the citation is served with the adverse decision shall be deemed to be the date of entry of judgment.

(12) In the event a person is charged in a criminal pleading with a violation of G.S. 20-217, all of the following shall apply:

a. The charging law enforcement agency shall provide written notice to the county office responsible for processing civil citations pursuant to subdivision (7) of subsection (b) of this section containing the name and address of the person charged with violation of G.S. 20-217 and the date of the violation.

b. After receiving notice pursuant to this subdivision that a person has been charged in a criminal pleading with a violation of G.S. 20-217, the county shall not impose a civil penalty against that person arising out of the same facts as those for which the person was charged in the criminal pleading.

c. The county shall issue a full refund of any civil penalty payment received from a person who was charged in a criminal pleading with a violation of G.S. 20-217 if the civil penalty arose out of the same facts as those for which that person was charged in the criminal pleading, together with interest at the legal rate as provided by G.S. 24-1 from the date the penalty was paid until the date of refund.

(13) If a citation is not contested pursuant to subdivision (3) of this subsection, payment of the civil penalty is due within 30 days after receipt of the citation. If the citation is contested, and the result of the administrative hearing held pursuant to subdivision (10) of this subsection is a decision adverse to the citation recipient, then payment is due within 30 days after receipt of the adverse decision, unless the citation recipient appeals the adverse decision pursuant to subdivision (11) of this subsection. If the adverse decision is appealed, and if the final decision on appeal is adverse to the citation recipient, then payment of the civil penalty is due within 30 days after the citation recipient receives notice of the final adverse decision on appeal.

(14) If the registered owner of a motor vehicle who receives a citation fails to pay the civil penalty when due, the Division of Motor Vehicles shall refuse to register the motor vehicle for the owner in accordance with G.S. 20-54(11). The county may establish procedures for providing notice to the Division of Motor Vehicles and for the collection of these penalties and may enforce the penalties by civil action in the nature of debt.

(15) The county shall provide each law enforcement agency within its jurisdiction with the name and address of the county official to whom written notice of persons charged with violation of G.S. 20-217 should be given pursuant to subdivision (12) of this subsection.

(c) Notice. – An automated school bus safety camera installed on a school bus must be identified by appropriate warning signs conspicuously posted on the school bus. All warning signs shall be consistent with a statewide standard adopted by the State Board of Education in conjunction with local boards of education that install and operate automated school bus safety cameras on their school buses.

(d) Application. – Nothing in this section shall be construed to do any of the following:

(1) Require the installation and operation of automated school bus safety cameras on a school bus.

(2) Prohibit the use and admissibility of any photograph or video recorded by an automated school bus safety camera in any criminal proceeding alleging a violation of G.S. 20-217.

(3) Prohibit the imposition of penalties, including the assignment of points authorized by G.S. 20-16(c) and insurance points authorized by G.S. 58-36-65, on any registered owner or driver of the vehicle convicted of a misdemeanor or felony violation of G.S. 20-217.

(e) Criminal Prosecution Encouraged. – The General Assembly of North Carolina encourages criminal prosecution for violation of G.S. 20-217 whenever photographs or videos recorded by an automated school bus safety camera provide evidence sufficient to support such prosecution."

SECTION 2. Article 17 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-242.1. Installation and operation of automated school bus safety camera.**

(a) Definition. – An "automated school bus safety camera" is a device that is affixed to a school bus, as that term is used in G.S. 20-217, that is synchronized to automatically record photographs or video of a vehicle at the time the vehicle is detected for a violation of (i) G.S. 20-217 or (ii) an ordinance adopted under G.S. 153A-246.

(b) Installation and Operation. – Automated school bus safety cameras may be installed and operated on any school bus operated by a local board of education within a county that has adopted an ordinance under G.S. 153A-246 as follows:

(1) A local board of education may install and operate automated school bus safety cameras without contracting with a private vendor.

(2) A local board of education may enter into a service contract to install and operate automated school bus safety cameras with a private vendor. Contracts shall be let in accordance with the provisions of G.S. 143-129 applicable to purchases of apparatus, supplies, materials, or equipment. The maximum length of any contract entered into under this subdivision shall be three years. A contract entered into under this subdivision may contain an option to renew or extend the contract for only one additional term not to exceed three years.

(3) Upon request by one or more local boards of education, the State Board of Education shall enter into a contract for a statewide service or contracts for regional services to install and operate automated school bus safety cameras with a private vendor. These contracts shall be let in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes.

(c) Interlocal Agreements. – Any local board of education, board of county commissioners, and law enforcement agency may enter into an interlocal agreement pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes that is necessary and proper to effectuate the purpose and intent of this section and G.S. 153A-246. Any agreement entered into pursuant to this subsection may include provisions on cost-sharing and reimbursement to which the local board of education, board of county commissioners, or law enforcement agency freely and voluntarily agree for the purposes of effectuating this section and G.S. 153A-246.

(d) Evidence in Criminal Proceeding. – Any photographs or videos recorded by an automated school bus safety camera that capture a violation of G.S. 20-217 shall also be provided to the investigating law enforcement agency for use as evidence in any proceeding alleging a violation of G.S. 20-217."

SECTION 3. G.S. 20-54 reads as rewritten:

"**§ 20-54. Authority for refusing registration or certificate of title.**

The Division shall refuse registration or issuance of a certificate of title or any transfer of registration upon any of the following grounds:

…

(11) The Division has been notified (i) pursuant to G.S. 20-217(g2) that the owner of the vehicle has failed to pay any fine imposed pursuant to ~~G.S. 20-217.~~G.S. 20-217 or (ii) pursuant to G.S. 153A-246(b)(14) that the

owner of the vehicle has failed to pay a civil penalty due under G.S. 153A-246.

…."

SECTION 4. G.S. 20-217 reads as rewritten:

"**§ 20-217. Motor vehicles to stop for properly marked and designated school buses in certain instances; evidence of identity of driver.**

…

(h) ~~Automated camera and video recording systems~~ Automated school bus safety cameras, as defined in G.S. 115C-242.1, may be used to detect and prosecute violations of this section. Any photograph or video recorded by ~~a camera or video recording system~~ an automated school bus safety camera shall, if consistent with the North Carolina Rules of Evidence, be admissible as evidence in any proceeding alleging a violation of subsection (a) of this section. Failure to produce a photograph or video recorded by an automated school bus safety camera shall not preclude prosecution under this section."

SECTION 5. A county that adopts an ordinance as provided in G.S. 153A-246, as enacted by this act, shall maintain records of all violations of that ordinance for which a civil penalty is assessed. Upon request, the county shall provide at least five years of those records to the North Carolina Child Fatality Task Force and the North Carolina General Assembly.

SECTION 6. Within 90 days of the enactment of this act, the State Board of Education shall develop a model request for proposals and a model contract that may be used by the local boards of education in letting contracts in accordance with the provisions of G.S. 115C-242.1(b)(2), as enacted by Section 2 of this act. The State Board of Education and the Department of Public Instruction shall provide technical assistance to a local board of education on this process upon a request by the local board.

SECTION 7. Section 3 of this act is effective one year after it becomes law and shall apply to the registration of any motor vehicle whose owner's failure to pay a civil penalty due under G.S. 153A-246 is reported by a county to the Division of Motor Vehicles on or after the effective date of this act. The remainder of this act is effective when it becomes law. The requirements in G.S. 115C-242.1(b)(2), as enacted by Section 2 of this act, shall not apply to a local board of education that, prior to the effective date of this act, entered into a contract with a private vendor to install and operate automated school bus safety cameras.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-189 **S.B. 599**

AN ACT TO ESTABLISH THE PROFESSIONAL EDUCATOR PREPARATION AND STANDARDS COMMISSION, TO AUTHORIZE THE EXPANSION OF EDUCATOR PREPARATION PROGRAMS AND TO CREATE A SYSTEM THAT HOLDS ALL PROGRAMS ACCOUNTABLE, TO REORGANIZE AND CLARIFY THE EDUCATOR LICENSURE PROCESS, AND TO ENSURE AVAILABILITY OF INFORMATION ON TEACHER VACANCIES OCCURRING IN NORTH CAROLINA PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. NORTH CAROLINA PROFESSIONAL EDUCATOR PREPARATION AND STANDARDS COMMISSION

SECTION 1.(a) Subchapter V of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 17C.

"Professional Educator Preparation and Standards Commission.

"**§ 115C-268.1. Professional Educator Preparation and Standards Commission.**

(a) Commission. – There is created the Professional Educator Preparation and Standards Commission (Commission). The purpose of the Commission is to involve stakeholders in establishing high standards for North Carolina educators. The Commission shall

make rule recommendations regarding all aspects of preparation, licensure, continuing education, and standards of conduct of public school educators.

(b) Location. – The Commission shall be located administratively under the State Board of Education but shall exercise its powers and duties independently of the State Board of Education.

(c) Membership. – The Commission shall consist of the following 18 members:

(1) The General Assembly, upon the recommendation of the President Pro Tempore of the Senate, shall appoint the following:

a. One superintendent.
b. One principal.
c. One dean, or dean's designee, of an educator preparation program at a constituent institution of The University of North Carolina.
d. One dean, or dean's designee, of an educator preparation program at a nonpublic postsecondary educational institution in North Carolina.
e. One dean, or dean's designee, of an educator preparation program at a historically black college or university in North Carolina.
f. One teacher.
g. One personnel administrator from a local school administrative unit in North Carolina with at least 30,000 students.
h. One at-large member.

(2) The General Assembly, upon the recommendation of the Speaker of the House of Representatives, shall appoint the following:

a. One superintendent.
b. One principal.
c. One dean, or dean's designee, of an educator preparation program at a constituent institution of The University of North Carolina.
d. One dean, or dean's designee, of an educator preparation program at a nonpublic postsecondary educational institution in North Carolina.
e. One teacher.
f. One personnel administrator from a local school administrative unit in North Carolina with less than 30,000 students.
g. One member of the State Advisory Council on Indian Education.
h. One at-large member.

(3) The State Teacher of the Year.

(4) The Superintendent of Public Instruction or his or her designee.

In making appointments, the General Assembly is encouraged to select qualified citizens who are committed to improving the teaching profession and student achievement and who represent the racial, geographic, and gender diversity of the State. Before their appointment to this Commission, with the exception of the at-large members, the members must have been actively engaged in the profession of teaching, in the education of students in educator preparation programs, or in the practice of public school administration for at least three years, at least two of which occurred in this State. Appointed members shall serve for two-year terms. Initial terms shall begin September 1, 2017. Vacancies in the membership shall be filled by the General Assembly, as provided in G.S. 120-122, using the same criteria as provided in this subsection.

(d) Organization and Functioning. – The Commission shall elect a chair, a vice-chair, and a secretary from among its membership. In the absence of the chair, the vice-chair shall preside over the Commission's meetings. All members are voting members and a majority of the Commission constitutes a quorum. The Commission shall adopt rules to govern its proceedings.

(e) Meetings. – Meetings of the Commission shall be held upon the call of the chair or the vice-chair in the absence of the chair. The Superintendent shall call the initial meeting of the Commission.

(f) Compensation and Reimbursement. – Members of the Commission shall receive compensation for their services and reimbursement for expenses incurred in the performance of their duties required by this Article at the rate prescribed in G.S. 138-5 and G.S. 138-6.

(g) Personnel. – The Commission may employ, subject to Chapter 126 of the General Statutes, the necessary personnel for the performance of its functions and fix compensation within the limits of funds available to the Commission.

"**§ 115C-268.5. Powers and duties of the Commission.**

(a) Duties. – The Commission shall:

(1) Develop and recommend to the State Board of Education rules related to all aspects of educator preparation programs in accordance with Article 17D of this Chapter. These rules shall include the following:

a. Requirements for appropriate pedagogy to be included in residency license programs.

b. Appropriate courses to be used for calculation of individual and cohort grade point averages for admission to educator preparation programs, which may account for prior degrees attained, type of license, and areas of licensure. The Commission shall consider which grade point average, either the grade point average in the content courses relevant to the licensure area or the cumulative grade point average, would be most appropriate for clinical residency students.

(2) Develop and recommend to the State Board of Education rules related to all aspects of professional standards for North Carolina educators in accordance with Article 17E of this Chapter. These rules shall include specific hour requirements for the following:

a. Preservice training and field experiences prior to entering the classroom for individuals issued residency licenses.

b. Preservice training prior to entering the classroom for individuals issued emergency licenses.

(3) Provide recommendations as requested to the State Board of Education related to the educator preparation programs and professional standards of North Carolina educators.

(b) The Commission shall recommend ways to ensure that the clinical practice requirements described in G.S. 115C-269.25(d) effectively prepare high-quality professional educators who meet the demands of North Carolina schools.

(c) State Board Approval. – The Commission shall submit its recommendations under subsection (a) of this section to the State Board. The State Board shall adopt or reject the rules recommendations. The State Board shall not make any substantive changes to any rules recommendation that it adopts. If the State Board rejects the rules recommendation, it shall state with specificity its reasons for rejection; the Commission may then amend that rules recommendation and resubmit it to the State Board. The Board shall adopt or reject the amended rules recommendation. If the State Board fails to adopt the Commission's original and amended rule recommendations, the State Board may develop and adopt its own rules.

(d) Annual Report. – The Commission shall submit a report by December 1, 2018, and annually thereafter, to the Joint Legislative Education Oversight Committee and the State Board of Education of its activities during the preceding year, together with any recommendations and findings regarding improvement of the teaching profession."

PART II. EDUCATOR PREPARATION PROGRAMS

SECTION 2.(a) G.S. 115C-296.8 is repealed.

SECTION 2.(b) G.S. 115C-296.9 is repealed.

SECTION 2.(c) G.S. 115C-296.10 is repealed.

SECTION 2.(d) G.S. 115C-296.11 is repealed.

SECTION 2.(e) G.S. 115C-296.12 is repealed.

SECTION 2.(f) G.S. 115C-296.13 is repealed.

SECTION 2.(g) G.S. 115C-309 is repealed.

SECTION 2.(h) G.S. 115C-310 is repealed.

SECTION 2.(i) Subchapter V of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 17D.

"Educator Preparation Programs.

"**§ 115C-269.1. Definitions.**

As used in this Article, the following definitions shall apply:

(1) Approved EPP. – An EPP that has been approved by the State Board as meeting the requirements established by rule, as provided in G.S. 115C-269.10.

(2) Authorized EPP. – An EPP that (i) has met the accountability performance standards described in G.S. 115C-269.35 and (ii) has been approved by the State Board or accredited by CAEP to prepare, train, and recommend students for licensure.

(3) CAEP. – Council for the Accreditation of Educator Preparation.

(4) Clinical educator. – An individual employed by a partner school, including a classroom teacher, who assesses, supports, and develops a clinical intern's knowledge, skills, and professional disposition during an internship.

(5) Clinical intern or intern. – Any student enrolled in a recognized EPP who is jointly assigned by that EPP and a local board of education to teach under the direction and supervision of a clinical educator, as provided in G.S. 115C-269.25.

(6) Clinical internship or internship. – Type of field experience in which a clinical intern works under the supervision of a clinical educator and may be delegated those duties granted to an educator by G.S. 115C-307 and any other part of the school program for which the clinical educator is responsible.

(7) Clinical mentor or mentor. – An individual employed by an elementary or secondary school, including a classroom teacher, who assesses, supports, and develops a clinical resident's knowledge, skills, and professional disposition during the residency.

(8) Clinical residency or residency. – Type of field experience in which a clinical resident who already holds a bachelor's degree is enrolled in a recognized EPP and also employed by a local school administrative unit as an educator and supervised by the recognized EPP in partial fulfillment of the recognized EPP's training requirements.

(9) Clinical resident. – Any student who meets the following criteria:

a. Holds a bachelor's degree.

b. Is enrolled in a recognized EPP.

c. Is employed by a local school administrative unit as an educator and supervised by the recognized EPP in partial fulfillment of the recognized EPP's training requirements.

(10) Educator preparation program or EPP. – Any entity that prepares, trains, and recommends students for teacher licensure.

(11) Field experience. – Placement of students enrolled in a recognized EPP in settings to provide opportunities to observe, practice, and demonstrate knowledge and skills. A field experience may include preclinical classroom experiences.

(12) Field supervisor. – An individual who is employed by a recognized EPP to observe students, monitor their performance, and provide constructive

feedback to improve their effectiveness as educators during their clinical internship or residency.

(13) Initially authorized EPP. – An EPP that has been either approved by the State Board or accredited by CAEP to prepare, train, and recommend students for licensure, but lacks data required by the performance standards described in G.S. 115C-269.35.

(14) Partner school. – An elementary or secondary school located in North Carolina that includes (i) a public school governed by a local board of education, a charter school board of directors, a regional school board of directors, or a UNC laboratory school board of trustees; (ii) a Department of Defense Elementary and Secondary School established pursuant to 10 U.S.C. § 2164; and (iii) a nonpublic school that meets the requirements of Part 1 or 2 of Article 39 of this Chapter.

(15) Recognized educator preparation program or recognized EPP. – An entity that is initially authorized or authorized by the State Board to recommend students for educator licensure.

(16) Student. – An individual enrolled in a recognized educator preparation program.

"**§ 115C-269.5. Educator preparation programs.**

(a) Role of EPPs. – An EPP shall prepare students for educator licensure and meet the standards and requirements set forth in this Article. To recommend students for licensure, an EPP shall be recognized by the State Board.

(b) State Board Authority. – The State Board shall initially authorize and recognize an EPP as required by this Article. The State Board shall have authority to regulate EPPs in accordance with this Article.

(c) Initial Authorization. – The State Board shall assign the status of initially authorized to an EPP if it has not yet generated sufficient data to meet the performance standards, but the EPP meets one of the following criteria:

(1) The EPP is approved by the State Board.

(2) The EPP is nationally accredited by CAEP.

(d) Authorization. – The State Board shall assign the status of authorized to an EPP if the EPP meets the following criteria:

(1) The EPP is approved by the State Board or nationally accredited by CAEP.

(2) The EPP satisfies the performance standards to the extent that the EPP has not been assigned revoked status described in G.S. 115C-269.45.

(e) The State Board shall assign the status of recognized EPP to an EPP that has the status of initially authorized or authorized.

"**§ 115C-269.10. Educator preparation program approval process.**

(a) State Board Authority. – The State Board shall have authority to approve an EPP that meets the requirements established by rule as provided in subsection (b) of this section.

(b) Rules for Granting State Approval. – The State Board shall adopt rules for granting approval to EPPs in accordance with this Article. The rules shall ensure the following:

(1) A rigorous approval process that requires that the criteria in this Article are met.

(2) An application process, peer review, and technical assistance provided by the State Board.

(3) An approval period of five years and process for renewal of approval.

(c) Minimum Approval Standards. – At a minimum, the rules established as provided in subsection (b) of this section shall include the following standards:

(1) Students shall develop a deep understanding of the critical concepts and principles of their discipline and, by completion, be able to use discipline-specific practices flexibly to advance the learning of all students toward attainment of college- and career-ready standards.

(2) Effective partnerships and high-quality clinical practice shall be central to preparation so that students develop the knowledge, skills, and professional dispositions necessary to demonstrate positive impact on all elementary and secondary students' learning and development.

(3) Quality of students shall be a continuing and purposeful part of the EPP's responsibility from recruitment, at admission, through the progression of courses and field experiences, and to decisions that completers are prepared to teach effectively and are recommended for licensure. The EPP shall demonstrate that development of student quality is the goal of educator preparation in all phases of the program through evidence of impact under subdivision (4) of this subsection.

(4) The EPP shall demonstrate the impact of its completers on elementary and secondary student learning and development, classroom instruction, and schools, and the satisfaction of its completers with the relevance and effectiveness of their preparation.

(5) The EPP shall maintain a quality assurance system comprised of valid data from multiple measures, including evidence of students' and completers' positive impact on elementary and secondary student learning and development. The EPP shall support continuous improvement that is sustained and evidence-based and that evaluates the effectiveness of its completers. The EPP shall use the results of inquiry and data collection to establish priorities, enhance program elements and capacity, and test innovations to improve completers' impact on elementary and secondary student learning and development.

(d) Application. – An EPP seeking to be approved by the State Board shall complete the application process established by the State Board.

(e) Peer Review. – An EPP seeking to be approved by the State Board shall undergo a peer review process established by the State Board that includes highly qualified and trained members to adequately review programs within the State.

(f) Technical Assistance. – For EPPs seeking approval, the State Board shall provide technical assistance in efforts to do the following:

(1) Improve education quality and EPP performance.

(2) Inform EPPs about the program approval process as part of EPP performance based on outcome data.

(3) Assist with State and federal reporting processes.

(4) Help build and maintain partnerships between elementary and secondary schools and EPPs.

"**§ 115C-269.15. Minimum admissions requirements for educator preparation programs.**

(a) Testing. – A recognized EPP shall not admit a student until that student has met one of the following criteria:

(1) Attained a passing score or prescribed minimum score set by the State Board for a preprofessional skills test.

(2) Achieved the appropriate required scores, as determined by the State Board, on the verbal and mathematics portions of the SAT or ACT. The minimum combined verbal and mathematics score set by the State Board for the SAT shall be 1,100 or greater. The minimum composite score set by the State Board for the ACT shall be 24 or greater.

(3) Holds a bachelor's degree.

(b) Individual Grade Point Average. – A recognized EPP shall not admit a student into an EPP unless that student has earned a grade point average of at least a 2.7.

(c) Grade Point Average Exceptions. – Notwithstanding subsection (b) of this section, the individual grade point average requirement does not apply to a clinical resident student if the hiring local school administrative unit determines that one of the following criteria is met:

(1) The student has at least 10 years of relevant experience.

(2) For a program leading to licensure in career and technical education, the student has at least five years of relevant experience.

(d) Cohort Grade Point Average. – A recognized EPP shall ensure that the minimum cohort grade point average for each entering cohort to an EPP is at least a 3.0.

"**§ 115C-269.20. Content and pedagogy requirements.**

(a) Content and Pedagogy Requirements. – To ensure that EPPs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board shall require at least the following minimum requirements with demonstrated competencies in its rules:

(1) All EPPs shall include instruction in the following:

a. The identification and education of children with disabilities.

b. Positive management of student behavior and effective communication techniques for defusing and de-escalating disruptive or dangerous behavior.

c. Demonstration of competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

d. The skills and responsibilities required of educators.

e. The expectations for student performance based on State standards.

f. The supply of and demand for educators in this State, as identified in the vacancy report required by G.S. 115C-299.5(e).

g. The State's framework for appraisal of educators.

(2) EPPs providing training for elementary education teachers shall include the following:

a. Adequate coursework in the teaching of reading, writing, and mathematics.

b. Assessment prior to licensure to determine if a student possesses the requisite knowledge in scientifically based reading, writing, and mathematics instruction that is aligned with the State Board's expectations.

c. Instruction in application of formative and summative assessments within the school and classroom setting through technology-based assessment systems available in State schools that measure and predict expected student improvement.

d. Instruction in integration of arts education across the curriculum.

(3) EPPs providing training for elementary and special education general curriculum teachers shall ensure that students receive instruction in early literacy intervention strategies and practices that are aligned with State and national reading standards and shall include the following:

a. Instruction in the teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension. Instruction shall include appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

b. Instruction in evidence-based assessment and diagnosis of specific areas of difficulty with reading development and of reading deficiencies.

c. Instruction in appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

(4) EPPs providing training for middle and high school teachers shall include the following:

a. Adequate coursework in the relevant content area. For clinical residency programs, students may instead demonstrate mastery of the relevant content area through the passage of the relevant content area examination approved by the State Board.

b. Adequate coursework in the teaching of the relevant content area.

c. For EPPs providing training for science teachers, adequate preparation in issues related to science laboratory safety.

"**§ 115C-269.25. Clinical partnerships and practice in educator preparation programs.**

(a) Collaborative Partnerships With Elementary and Secondary Schools. – EPPs shall establish and maintain collaborative, formalized partnerships with elementary and secondary partner schools that are focused on student achievement, continuous school improvement, and the professional development of elementary and secondary educators, as well as those preparing educators.

(b) Memorandum of Understanding With Local School Administrative Units. – EPPs shall enter into a memorandum of understanding with the local school administrative unit or the partner school where students are placed or employed. In the memorandum, the EPP and the local school administrative unit or partner school, as applicable, shall:

(1) Define the collaborative relationship between the EPP and the local school administrative unit or partner school and how this partnership will be focused on continuous school improvement and student achievement.

(2) Adopt a plan for collaborative clinical educator or mentor selection, orientation, and student placement.

(3) Determine how information will be shared and verified between the EPP and the local school administrative unit or partner school.

(c) Field Experience Requirements. – To the extent practicable, EPPs shall require, in all programs leading to initial professional licensure, the following:

(1) Field experiences in every semester that include organized and sequenced engagement of students in settings that provide them with opportunities to observe, practice, and demonstrate knowledge and skills. The experiences shall be systematically designed and sequenced to increase the complexity and levels of engagement with which students apply, reflect upon, and expand their knowledge and skills, and to increase in each semester prior to the student's internship the number of hours spent in field experiences.

(2) A minimum of two hours of field experience in the first semester of the program and a cumulative total of at least 12 hours of field experiences prior to the student's internship.

(3) At least one field experience in a low-performing school.

(d) Clinical Practice Requirements. – EPPs shall require clinical practice in the form of one of the following:

(1) Internship that lasts for a minimum of 16 weeks. Internships may be over the course of two semesters and shall, to the extent practicable, provide field experiences at both the beginning and ending of the school year. It shall be the responsibility of a clinical educator, in cooperation with the principal and the representative of the EPP, to assign to the intern responsibilities and duties that will provide adequate preparation for teaching.

(2) Residency that meets the following criteria:

a. The residency lasts for a minimum of one year.

b. The EPP provides ongoing support to a student for the full term of the residency.

c. The EPP assigns a clinical mentor to the resident.

d. The resident completes field experiences and training required by the State Board prior to the residency.

(e) Clinical Educator and Clinical Mentor Requirements. – The EPP shall ensure clinical educators and clinical mentors who supervise students in internships and residencies meet the following requirements:

(1) Be professionally licensed in the field of licensure sought by the student.

(2) Have a minimum of three years of experience in a teaching role.

(3) Have been rated, through the educator's most recent formal evaluations, at least at the "proficient" level as part of the North Carolina Teacher Evaluation System, or the equivalent on an evaluation system utilized by another state or partner school, as applicable, and have met expectations as part of a student growth assessment system used by a school in the field of licensure sought by the student. The principal shall determine which clinical educator best meets the needs of each intern and shall assign the most appropriate clinical educator to that intern, with priority consideration for those clinical educators rated as "distinguished" and "accomplished." If a principal determines that a teacher rated as "proficient" is the most appropriate clinical educator for an intern, the principal shall maintain records of the reasons for that determination.

(f) Legal Protection of Interns. – An intern under the supervision of a clinical educator or principal shall have the protection of the laws accorded to a licensed educator.

(g) Pedagogy Assessment. – EPPs shall require, in addition to a content assessment, a nationally normed and valid pedagogy assessment to determine clinical practice performance. Passing scores and mastery criteria shall be determined by the State Board.

"**§ 115C-269.30. Teacher assistants engaged in internships.**

(a) Program for Teacher Assistants. – The State Board shall adopt a program to facilitate the process by which teacher assistants may become teachers. Teacher assistants who participate in this program:

(1) Shall be enrolled in a recognized EPP.

(2) Shall be employed in a North Carolina public school.

(b) Internship Assignments. – Local school administrative units are encouraged to assign teacher assistants to a different classroom during an internship than the classroom they are assigned to as a teacher assistant. To the extent possible, they may be assigned to another school within the same local school administrative unit.

(c) Salary and Benefits. – At the discretion of the local school administrative unit, teacher assistants may continue to receive their salary and benefits while interning in the same local school administrative unit where they are employed as a teacher assistant.

(d) Consultation With Institutions of Higher Education. – The State Board shall consult with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities in the development of the program.

"**§ 115C-269.35. Accountability for educator preparation programs.**

(a) Performance Measures. – The State Board shall adopt rules necessary to establish standards of performance to govern the continuing accountability of all EPPs. At a minimum, the performance standards shall be based on the following information that is disaggregated with respect to race, sex, and ethnicity:

(1) Performance based on the standards and criteria for annual evaluations of licensed employees.

(2) Proficiency and growth of students taught by educators holding an initial professional license, to the extent practicable. When available, EVAAS data shall be used to measure student proficiency and growth.

(3) Results from an educator satisfaction survey, developed by the State Board with stakeholder input, performed at the end of the educator's first year of teaching after receiving an initial professional license.

(4) Quality of students entering the EPP, including the average grade point average and average score on preprofessional skills tests or college entrance exams that assess reading, writing, mathematics, and other competencies.

(b) Annual Performance Reports. – The State Board shall require all recognized EPPs to submit annual performance reports. The performance reports shall provide the State Board with a focused review of the EPPs and the current authorization process in order to ensure that the programs produce graduates that are well prepared to teach. At a minimum, the annual report shall contain the following indicators:

(1) Performance data from subsection (a) of this section.

(2) Data related to the EPP's compliance with requirements for field supervision of students during their internship and residency experiences.

(3) The following information, disaggregated by race, sex, and ethnicity:

a. The number of students who apply.

b. The number of students admitted.

c. The number of students retained.

d. The number of students completing the program.

e. The number of students employed as beginning teachers under initial professional licenses by not later than the first anniversary of completing the program.

f. The amount of time required by students employed as beginning teachers under residency licenses to be issued initial professional licenses.

g. The number of students retained in the profession.

h. Any other information required by federal law.

(4) The ratio of field supervisors to students completing an internship or residency.

(5) Graduation rates.

(6) Time-to-graduation rates.

(7) Average scores of graduates on professional, pedagogy, and content area examinations for the purpose of licensure.

(8) Percentage of graduates receiving initial professional licenses.

(9) The extent to which the program prepares educators, including general education teachers and special education teachers, to effectively teach the following:

a. Students with disabilities.

b. Students of limited English proficiency.

(10) The activities offered by the program that are designed to prepare educators to do the following:

a. Integrate technology effectively into curricula and instruction, including activities consistent with the principles of universal design for learning.

b. Use technology effectively to collect, manage, and analyze data to improve teaching and learning for the purpose of increasing student academic achievement.

(11) The perseverance of beginning educators in the profession, as determined on the basis of the number of beginning educators who maintain status as active contributing members in the North Carolina State Employee Retirement System at least three years after licensure in comparison to similar programs.

(12) The results of surveys given to school principals that involve evaluation of the program's effectiveness in preparing participants to succeed in the classroom, based on experience with employed program participants.

(13) Any other information necessary to enable the State Board to assess the effectiveness of the program on the basis of educator retention and success criteria adopted by the State Board.

(c) Submission of Annual Performance Reports. – Performance reports shall be provided annually to the following:

(1) The State Board.

(2) The board of trustees or board of directors of the entity submitting the report.

(d) Information Requests by EPPs. – The State Board of Education shall annually provide, upon request, the data required to be included in an EPP's annual performance report related to subdivisions (1) and (2) of subsection (a) of this section and subdivision (11) of subsection (b) of this section. The State Board of Education shall provide this information to an EPP as aggregate data and disaggregated by race, sex, and ethnicity. Notwithstanding Article 21A of this Chapter, local school administrative units shall provide to the State Board of Education for the purposes of these information requests any North Carolina Educator Evaluation System effectiveness status assigned to teachers based on queries from the State Board. The State Board of Education shall not report aggregated or disaggregated data to the EPP that reveals confidential information in a teacher's personnel file, as defined by Article 21A of this Chapter, such as making the effectiveness status personally identifiable to an individual teacher.

"**§ 115C-269.40. Risk factors for educator preparation programs; risk-assessment model.**

(a) Risk Factor Rules. – The State Board shall adopt rules establishing risk factors for assessment of the overall risk level of each EPP. The set of risk factors shall include the following:

(1) A history of the EPP's compliance with State law and rules, with consideration given to the following:

a. The seriousness of any violation of a law or rule.

b. Whether the violation resulted in an action being taken against the EPP.

c. Whether the violation was promptly remedied by the EPP.

d. The number of alleged violations.

e. Any other matter considered to be appropriate in evaluating the EPP's compliance history.

(2) Whether the program meets the accountability performance standards under G.S. 115C-269.35.

(b) CAEP Accreditation. – The rules for risk factors developed by the State Board may include whether an EPP is accredited by CAEP.

(c) Use of Risk Factors. – The State Board shall use the rules for risk factors when conducting monitoring, inspections, and compliance audits of EPPs, including evaluations associated with renewals of approval under G.S. 115C-269.10.

"**§ 115C-269.45. Sanctions.**

(a) Accountability Statuses. – The State Board shall at least annually review the accountability status of each EPP. The State Board shall adopt rules necessary for the sanction of EPPs that do not meet accountability standards or comply with State law or rules. The rules shall provide for the assignment of warned, probation, or revoked statuses according to the following criteria:

(1) Warned. – An EPP shall be assigned warned status if the program meets any of the following criteria:

a. Fails to meet the performance standards set by the State Board for the overall performance of all its students on any of the indicators set forth in G.S. 115C-269.35(a) in any one year.

b. Fails to meet the performance standards in any two sex, race, or ethnicity demographic groups on any of the indicators set forth in G.S. 115C-269.35(a) in any one year.

c. Fails to meet the performance standards for a sex, race, or ethnicity demographic group on any of the indicators set forth in G.S. 115C-269.35(a) for two consecutively measured years, regardless of whether the deficiency is in the same demographic group or standard.

d. The State Board determines that the EPP has violated applicable laws or rules that should result in warned status.

(2) Probation. – An EPP shall be assigned probation status if the program meets any of the following criteria:

a. Fails to meet the performance standards set by the State Board for the overall performance of all its students on any of the indicators set forth in G.S. 115C-269.35(a) for two consecutively measured years.

b. Fails to meet the performance standards in any three sex, race, or ethnicity demographic groups on any of the indicators set forth in G.S. 115C-269.35(a) in any one year.

c. Fails to meet the performance standards for a sex, race, or ethnicity demographic group on any of the indicators set forth in G.S. 115C-269.35(a) for three consecutively measured years, regardless of whether the deficiency is in the same demographic group or standard.

d. The State Board determines that the EPP has violated applicable laws or rules that should result in probation status.

(3) Revoked. – An EPP shall be assigned revoked status and its approval to recommend students for educator licensure revoked if it meets any of the following criteria:

a. Is assigned probation status for three consecutively measured years.

b. Has been on probation status for one year and the State Board determines that revoking the program's approval is reasonably necessary to achieve the purposes of this Article.

(b) Revocation. – Any revocation of an EPP's accountability status shall meet the following criteria:

(1) Complies with the requirements of notice as described in subsection (f) of this section.

(2) Upon assignment of revoked status of EPP approval, the EPP shall not admit new students, but may complete the training of students already admitted by the program and recommend them for licensure. If necessary, the State Board and other EPPs shall cooperate to assist the previously admitted students of the revoked EPP to complete their training.

(3) A revocation shall be effective for a period of at least two years. After two years, the program may seek initial authorization to prepare educators for licensure.

(c) Range of Sanctions. – In addition to revocation as provided in subsections (a) and (b) of this section, the rules described in subsection (a) of this section shall provide for the State Board to assign other sanctions deemed necessary, including one or more of the following:

(1) Requiring the EPP to obtain technical assistance approved by the State Board.

(2) Requiring the EPP to obtain professional services under contract with another entity.

(3) Appointing a monitor to participate in and report to the State Board on the activities of the EPP.

(4) Managing the EPP's enrollment.

(d) Particular Fields of Licensure. – Any sanction authorized or required to be taken against an EPP under subsection (c) of this section may also be taken with regard to a program for a particular field of licensure authorized to be offered by an EPP.

(e) Costs. – Any costs associated with the sanctions under subsection (c) of this section shall be paid by the EPP.

(f) Notice, Hearing, and Appeal. – The State Board shall give written notice to the EPP by certified mail of an EPP's revocation of authorized status, including a written explanation of the basis for the revocation. An EPP may commence a contested case as provided in Article 3 of Chapter 150B of the General Statutes as to the revocation by the State Board.

"**§ 115C-269.50. EPP report cards.**

The State Board shall create a report card in a common format for each EPP that, at a minimum, summarizes the information collected in the annual performance reports, as set forth in G.S. 115C-269.35(b). The State Board shall make the report cards available to the public through the State Board's Internet Web site on an annual basis beginning December 15, 2019, and shall submit the report to the Joint Legislative Education Oversight Committee annually by that date. The State Board of Education shall also provide the information from each EPP's annual performance report to the Board of Governors of The University of North Carolina to be incorporated into the Teacher Quality Dashboard to provide greater accessibility and comparability of data on the performance of EPPs in the State.

"**§ 115C-269.55. Reports of alleged violations regarding educator preparation programs.**

(a) Authority. – The State Board shall adopt rules necessary to establish a process for a student to report a violation of this Article to the State Board.

(b) EPP Notice to Students. – The State Board by rule shall require an EPP to notify students of the complaint process adopted under subsection (a) of this section. The notice shall include the appropriate contact information, including name, mailing address, telephone number, and Internet Web site address for the purpose of directing complaints to the State Board. The EPP shall provide for that notification as follows:

(1) On the Internet Web site of the EPP, if the program maintains a Web site.

(2) On a sign prominently displayed in program facilities.

(3) In the student handbook.

(c) Notice of Complaint Process. – The State Board shall post the complaint process adopted under subsection (a) of this section on the State Board's Internet Web site.

(d) Limits on State Board Authority. – The State Board has no authority to mediate, arbitrate, or resolve contractual or commercial issues between an EPP and a student."

SECTION 2.(j) G.S. 115C-284(e) reads as rewritten:

"(e) It shall be unlawful for any board of education to employ or keep in service any principal or supervisor who neither holds nor is qualified to hold a ~~certificate~~license in compliance with the provision of the law or in accordance with the regulations of the State Board of Education. However, a local board of education may select a retired principal or retired assistant principal to serve as an interim principal for the remainder of any school year, regardless of licensure status."

SECTION 2.(k) Article 19 of Subchapter V of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-284.1. School administrator preparation programs.**

Rules for approval of school administrator preparation programs shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program."

PART III. EDUCATOR LICENSURE

SECTION 3.(a) G.S. 115C-296 is repealed.

SECTION 3.(b) Article 20 of Subchapter V of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-300.1. New teacher induction programs.**

(a) Induction Program. – The State Board of Education shall develop a new teacher induction program to provide ongoing support for teachers entering the profession.

(b) New Teacher Guidelines. – For the purpose of helping local boards to support new teachers, the State Board shall develop and distribute guidelines that address optimum teaching load, extracurricular duties, student assignment, and other working condition considerations. These guidelines shall provide that teachers holding initial professional licenses not be assigned extracurricular activities unless they request the assignments in writing and that other noninstructional duties of these teachers be minimized.

(c) Mentor Teacher Training. – The State Board shall develop and coordinate a mentor teacher training program. The State Board shall develop criteria for selecting excellent, experienced, and qualified teachers to be participants in the mentor teacher training program as follows:

(1) Mentor teachers shall be either of the following:
  a. Teachers rated, through formal evaluations, at least at the "proficient" level as part of the North Carolina Teacher Evaluation System and who have met expectations for student growth.
  b. Retired teachers.

(2) The principal shall determine which mentor teacher best meets the needs of each new teacher and shall assign the most appropriate mentor teacher to that new teacher, with priority consideration for those mentor teachers rated as "distinguished" and "accomplished."

(3) If a principal determines that a teacher rated as "proficient" or a retired teacher is the most appropriate mentor for a new teacher, the principal shall maintain records of the reasons for that determination.

(4) A teacher may be a mentor at a different school building from which the mentor is assigned if the following criteria are met:
  a. The principals of each school and the mentor teacher approve of the assignment.
  b. The mentor teacher is rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation System and has met expectations for student growth.
  c. The new teacher's principal maintains a record of the reasons for selecting the mentor from a different school building."

SECTION 3.(c) Subchapter V of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 17E.

"Licensure.

"**§ 115C-270.1. Definitions.**

As used in this Article, the following definitions shall apply:

(1) Administrator. – An administrator or supervisor who serves in general and program administrator roles, as classified by the State Board. Administrators shall include superintendents, assistant or associate superintendents, principals, assistant principals, or curriculum-instructional specialists.

(2) Professional educator. – An administrator, teacher, or student services personnel.

(3) Recognized educator preparation program or recognized EPP. – As defined in G.S. 115C-269.1(15).

(4) Student services personnel. – An individual providing specialized assistance to students, teachers, administrators, or the education program in general, as classified by the State Board. Student services personnel shall include individuals employed in school counseling, school social work, school psychology, audiology, speech-language pathology, and media coordination.

(5) Teacher. – An individual whose major responsibility is to either teach or directly supervise teaching, as classified by the State Board.

"**§ 115C-270.5. State Board of Education establishes licensure requirements.**

(a) Authority. – The State Board of Education shall have entire control of licensing all applicants for professional educator positions in all public schools of North Carolina, subject to the requirements of this Article. The State Board shall adopt rules for the issuance, renewal, and extension of all licenses and shall determine and fix the salary for each grade and type of license which it authorizes.

(b) Consultation – The State Board shall receive recommendations from the Professional Educator Preparation and Standards Commission and seek input from The University of North Carolina Board of Governors, the State Board of Community Colleges, educator preparation programs, and such other public and private agencies as are necessary in adopting rules required by this Article.

"**§ 115C-270.10. Licensure fees.**

(a) Fee Schedule. – The State Board of Education shall establish by rule a schedule of fees for professional educator licensure and administrative changes. The fees established under this section shall not exceed the actual cost of providing the service. The schedule may include fees for any of the following services:

(1) Application for demographic or administrative changes to a license.

(2) Application for a duplicate license or for copies of documents in the licensure files.

(3) Application for a renewal, extension, addition, upgrade, reinstatement, and variation to a license.

(4) Initial application for a new graduate from any recognized educator preparation program.

(5) Initial application for an out-of-state applicant.

(6) All other applications.

An applicant must pay any nonrefundable or nontransferable service fees at the time an application is submitted.

(b) Fee Increase Reporting. – The State Board of Education shall report to the Joint Legislative Education Oversight Committee by March 15 in any year that the amount of fees in the fee schedule established under this section has been modified during the previous 12 months. The report shall include the number of personnel paid from licensure receipts, any change in personnel paid from receipts, other related costs covered by the receipts, and the estimated unexpended receipts as of June 30 of the year reported.

"**§ 115C-270.15. Examination requirements for initial professional licenses.**

(a) Examination Score Requirements. – The State Board of Education shall require an applicant for an initial professional license to demonstrate the applicant's academic and professional preparation by achieving a prescribed minimum score on a standard examination appropriate and adequate for that purpose. Elementary education (K-6) and special education general curriculum teachers shall also achieve a prescribed minimum score on subtests or standard examinations specific to teaching reading and mathematics.

(b) Establishment of Minimum Scores. – The State Board shall adopt rules that establish the minimum scores for any required standard examinations and other measures necessary to assess the qualifications of professional educators as required under this section. For purposes of this section, the State Board shall not be subject to Article 2A of Chapter 150B of the General Statutes. At least 30 days prior to changing any rule adopted under this section, the State Board shall provide written notice to all recognized educator preparation programs and to all local boards of education. The written notice shall include the proposed revised rule. The State Board of Education shall make any required standard initial professional licensure exam rigorous and raise the prescribed minimum score as necessary to ensure that each applicant has received high-quality academic and professional preparation to teach effectively.

(c) Time Line for Completion of Examinations. – The State Board of Education shall permit an applicant to fulfill any such testing requirement before or during the applicant's second year of teaching, provided the applicant took the examination at least once during the first year of teaching.

"**§ 115C-270.20. Licensure requirements.**

(a) Teacher Licenses. – The State Board shall adopt rules for the issuance of the following classes of teacher licenses, including required levels of preparation for each classification:

(1) Continuing professional license or CPL. – A five-year renewable license issued to a teacher who has at least three years of licensed teaching experience and meets other requirements established by the State Board. A CPL shall remain in effect for five years after retirement.

(2) Emergency license or EL. – A one-year nonrenewable license issued to an individual who holds a bachelor's degree with coursework relevant to the requested licensure area, but has not successfully completed a recognized educator preparation program and does not qualify for a residency license. An emergency license shall only be requested by the local board of education, and applicants for emergency licenses shall meet all other requirements established by the State Board, including preservice training, prior to teaching.

(3) Initial professional license or IPL. – A three-year nonrenewable license issued to an individual who has successfully completed a recognized educator preparation program and meets other requirements established by the State Board.

(4) Lifetime license. – A license issued to a teacher after 50 or more years of teaching as a licensed teacher that requires no renewal.

(5) Residency License or RL. – A one-year license, renewable twice, that meets both of the following requirements:

a. Is requested by the local board of education and accompanied by a certification of supervision from the recognized educator preparation program in which the individual is enrolled.

b. The individual for whom the license is requested meets all of the following requirements:

1. Holds a bachelor's degree.

2. Has either completed coursework relevant to the requested licensure area or passed the content area examination relevant to the requested licensure area that has been approved by the State Board.

3. Is enrolled in a recognized educator preparation program.

4. Meets all other requirements established by the State Board, including completing preservice requirements prior to teaching.

(6) Retirement licensure. – A five-year renewable license issued to a teacher who retired with 30 or more years of teaching experience in North Carolina and who has been employed by a local school administrative unit after retirement as any of the following:

a. A substitute teacher.

b. A part-time provider of any of the following services: classroom instruction, tutoring, mentoring teachers, writing curricula, developing and leading staff development programs for teachers, or working in after-school programs.

(b) Administrator and Student Services Personnel. – The State Board shall establish classification and levels of preparation necessary for issuance of licenses for administrators and student services personnel.

(c) Notwithstanding the requirement in subsection (a) of this section that an individual must hold a bachelor's degree with coursework relevant to the requested licensure area for individuals seeking licensure in a career or technical education area, the State Board may establish alternate criteria related to that area to establish competency in lieu of a bachelor's degree.

"**§ 115C-270.25. Out-of-state license applicants.**

Initial applications from an individual with an out-of-state teacher's license shall require the applicant to provide evidence of that teacher's effectiveness, when available, as measured by the evaluation system used in that applicant's state of current licensure at the time of application, including any growth measures included in that evaluation system. Applications that include the evidence of that educator's effectiveness shall be prioritized for review over initial applications from applicants with out-of-state licenses that do not include that information. An individual who does not include evidence of that teacher's effectiveness with the initial application shall only be eligible for an IPL.

"**§ 115C-270.30. Licensure renewal.**

(a) Licensure Renewal. – The State Board shall adopt rules establishing the requirements for renewal of all professional educator licenses. These requirements shall reflect rigorous standards for continuing licensure and shall be aligned with high-quality professional development programs that reflect State priorities for improving student achievement.

(b) Teacher Licensure Renewal. – Rules for continuing licensure for teachers shall include the following:

(1) For all teachers, at least eight continuing education credits with at least three credits required in a teacher's academic subject area.

(2) For elementary school teachers, at least three continuing education credits related to literacy. Literacy renewal credits shall include evidence-based assessment, diagnosis, and intervention strategies for students not demonstrating reading proficiency. Oral language, phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension shall be addressed in literacy-related activities leading to license renewal for elementary school teachers.

(3) For retirement licensure, at least 640 hours of documented employment in a local school administrative unit each renewal cycle and eight hours of annual professional development approved by a local school administrative unit.

(4) For all teachers employed by a local board of education, evidence of a rating of at least proficient on the most recent annual evaluation to maintain the current license status. A teacher who is unable to satisfy this requirement but has been placed on a mandatory improvement plan may be eligible to receive an IPL if that teacher satisfies all other licensure requirements.

(5) A member of the General Assembly is exempt from the continuing education credit requirements for teachers during any five-year licensure renewal cycle in which the member serves a term or some portion thereof in the General Assembly as long as the member notifies the Department of Public Instruction of the exemption during that five-year licensure renewal cycle.

(c) License Renewal Rules Review. – The rules for licensure renewal shall be reviewed at least once every five years by the State Board to do the following:

(1) Reevaluate and enhance the requirements for renewal of professional educator licenses.

(2) Consider modifications in the license renewal achievement to make it a mechanism for professional educators to renew continually their knowledge and professional skills.

(3) Integrate digital teaching and learning into the requirements for licensure renewal.

"**§ 115C-270.35. License suspension and revocation.**

(a) The State Board shall adopt rules to establish the reasons and procedures for the suspension and revocation of licenses, subject to the requirements of this section.

(b) Automatic Revocation With No Hearing. – The State Board shall automatically revoke the license of a professional educator without the right to a hearing upon receiving verification of the identity of the professional educator together with a certified copy of a criminal record showing that the professional educator has entered a plea of guilty or nolo contendere to or has been finally convicted of any of the following crimes:

(1) Murder in the first or second degree, G.S. 14-17.

(2) Conspiracy or solicitation to commit murder, G.S. 14-18.1.

(3) Rape or sexual offense, as defined in Article 7B of Chapter 14 of the General Statutes.

(4) Felonious assault with deadly weapon with intent to kill or inflicting serious injury, G.S. 14-32.

(5) Kidnapping, G.S. 14-39.

(6) Abduction of children, G.S. 14-41.

(7) Crime against nature, G.S. 14-177.

(8) Incest, G.S. 14-178 or G.S. 14-179.

(9) Employing or permitting minor to assist in offense against public morality and decency, G.S. 14-190.6.

(10) Dissemination to minors under the age of 16 years, G.S. 14-190.7.

(11) Dissemination to minors under the age of 13 years, G.S. 14-190.8.

(12) Displaying material harmful to minors, G.S. 14-190.14.

(13) Disseminating harmful material to minors, G.S. 14-190.15.

(14) First degree sexual exploitation of a minor, G.S. 14-190.16.

(15) Second degree sexual exploitation of a minor, G.S. 14-190.17.

(16) Third degree sexual exploitation of a minor, G.S. 14-190.17A.

(17) Taking indecent liberties with children, G.S. 14-202.1.

(18) Solicitation of child by computer to commit an unlawful sex act, G.S. 14-202.3.

(19) Taking indecent liberties with a student, G.S. 14-202.4.

(20) Prostitution, G.S. 14-204.

(21) Patronizing a prostitute who is a minor or a mentally disabled person, G.S. 14-205.2(c) or (d).

(22) Promoting prostitution of a minor or a mentally disabled person, G.S. 14-205.3(b).

(23) Child abuse under G.S. 14-318.4.

The State Board shall mail notice of its intent to act pursuant to this subsection by certified mail, return receipt requested, directed to the professional educator's last known address. The notice shall inform the professional educator that it will revoke the person's license unless the professional educator notifies the State Board in writing within 10 days after receipt of the notice that the defendant identified in the criminal record is not the same person as the professional educator. If the professional educator provides this written notice to the State Board, the State Board shall not revoke the license unless it can establish as a fact that the defendant and the professional educator are the same person.

(c) Mandatory Revocation. – The State Board shall revoke the license of a professional educator if the State Board receives notification from a local board of education or the Secretary of Health and Human Services that a professional educator has received a rating on

any standard that was identified as an area of concern on the mandatory improvement plan that was below proficient or otherwise represented unsatisfactory or below standard performance under G.S. 115C-333(d) and G.S. 115C-333.1(f).

(d) Discretionary Revocation. – The State Board may revoke or refuse to renew a professional educator's license when the Board identifies the school in which the professional educator is employed as low-performing under G.S. 115C-105.37 or G.S. 143B-146.5, and the assistance team assigned to that school makes the recommendation to revoke or refuse to renew the professional educator's license for one or more reasons established by the State Board in its rules for license suspension or revocation.

(e) Subpoena Power. – The State Board may issue subpoenas for the purpose of obtaining documents or the testimony of witnesses in connection with proceedings to suspend or revoke licenses. In addition, the Board shall have the authority to contract with individuals who are qualified to conduct investigations in order to obtain all information needed to assist the Board in the proper disposition of allegations of misconduct by licensed persons."

SECTION 3.(d) Any professional educator license issued by the State Board of Education prior to the effective date of this act shall continue in effect until the expiration of that license. The State Board of Education may continue to issue lateral entry licenses for the 2017-2018 and 2018-2019 school years in accordance with State Board Policy LICN-001 as it was in effect on the effective date of this act.

SECTION 3.(f) If Senate Bill 257, 2017 Regular Session, becomes law, Section 7.26B(b) of that act reads as rewritten:

"**SECTION 7.26B.(b)** Reading Improvement Commission. – The Superintendent of Public Instruction shall establish a Reading Improvement Commission (Commission) within the Department of Public Instruction to study and make recommendations on (i) best practices for public schools in the State to improve reading comprehension, understanding, and application for students in grades four through 12 to ensure that students complete high school with literacy skills necessary for career and college ~~readiness. The Commission shall develop recommendations on appropriate~~ readiness; (ii) methods to monitor student progress and provide appropriate and timely remediation to students to ensure success on nationally norm-referenced college admissions ~~tests.~~tests; (iii) the effectiveness of professional development in the area of literacy in developing the capacity of teachers in grades four through 12 for improving student performance in reading; and (iv) whether requiring professional development in the area of literacy for licensure renewal would be effective in improving student performance in reading and, if so, how such professional development should be structured and provided in order to maximize student outcomes. The Superintendent of Public Instruction may appoint superintendents, principals, reading instructors, representatives from research institutions, and other individuals as determined by the Superintendent to the Commission. Of the funds appropriated to the Department of Public Instruction for the 2017-2018 fiscal year, the Superintendent of Public Instruction may use up to two hundred thousand dollars ($200,000) in nonrecurring funds for the 2017-2018 fiscal year for the work of the Reading Improvement Commission. The Superintendent may also use these funds to contract with an independent research organization to assist in the study. The Superintendent of Public Instruction shall report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the State Board of Education on the study, including any findings and recommendations, no later than January 15, 2019. The State Board of Education may use the findings and recommendations to inform the State Board's policies and may submit additional comments on the report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives no later than February 15, 2019."

SECTION 3.(g) The Superintendent of Public Instruction shall develop a program to publicly recognize individuals who have engaged in at least 40 years of licensed teaching in

North Carolina. Beginning with the 2017-2018 school year and annually thereafter, the program shall include public recognition of any qualifying teachers.

PART IV. BACKGROUND CHECKS AND EMPLOYEE DISMISSAL PROCEDURES

SECTION 4.(a) G.S. 115C-218.90(b)(1) reads as rewritten:

"(1) If the local board of education of the local school administrative unit in which a charter school is located has adopted a policy requiring criminal history checks under G.S. 115C-332, then the board of directors of each charter school located in that local school administrative unit shall adopt a policy mirroring the local board of education policy that requires an applicant for employment to be checked for a criminal history, as defined in G.S. 115C-332. Each charter school board of directors shall apply its policy uniformly in requiring applicants for employment to be checked for a criminal history before the applicant is given an unconditional job offer. A charter school board of directors may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check. If the local board of education adopts a policy providing for periodic checks of criminal history of employees, then the board of directors of each charter school located in that local school administrative unit shall adopt a policy mirroring that local board of education policy. A board of directors shall indicate, upon inquiry by any other local board of education, charter school, or regional school in the State as to the reason for an employee's resignation or dismissal, if an employee's criminal history was relevant to the employee's resignation or dismissal."

SECTION 4.(b) G.S. 115C-238.73 is amended by adding a new subsection to read:

"(i) The board of directors may adopt a policy providing for uniform periodic checks of criminal history of employees. Boards of directors shall not require employees to pay for the criminal history check authorized under this subsection. A board of directors shall indicate, upon inquiry by any other local board of education, charter school, or regional school in the State as to the reason for an employee's resignation or dismissal. If a teacher's criminal history is relevant to a teacher's resignation, the board of directors shall report to the State Board of Education the reason for an employee's resignation."

SECTION 4.(c) G.S. 115C-325(f)(1) reads as rewritten:

"(f) (1) Suspension without Pay. – If a superintendent believes that cause exists for dismissing a career employee for any reason specified in G.S. 115C-325(e)(1) and that immediate suspension of the career employee is necessary, the superintendent may suspend the career employee without pay. Before suspending a career employee without pay, the superintendent shall meet with the career employee and give him written notice of the charges against him, an explanation of the bases for the charges, and an opportunity to respond. However, if the teacher is incarcerated or is in the custody of a local, State, private, or federal correctional facility, the superintendent shall not be required to meet with the teacher before suspending that teacher without pay but may instead provide written notice of the charges against the teacher, provide a written explanation of the basis for the charges, and provide an opportunity for the teacher to respond in writing. Within five days after a suspension under this paragraph, the superintendent shall initiate a dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for dismissal, demotion, or disciplinary suspension without pay exist, the career employee shall be reinstated immediately, shall be paid

for the period of suspension, and all records of the suspension shall be removed from the career employee's personnel file."

SECTION 4.(d) G.S. 115C-325(o)(2) reads as rewritten:

"(2) A teacher, career or probationary, who is not recommended for dismissal should not resign without the consent of the superintendent unless he or she has given at least 30 days' notice. If a teacher who is not recommended for dismissal does resign without giving at least 30 days' notice, the board may request that the State Board of Education revoke the teacher's license for the remainder of that school year. A copy of the request shall be placed in the teacher's personnel file. If a teacher's criminal history is relevant to the teacher's resignation, regardless of whether the teacher has given at least 30 days' notice, the board shall report to the State Board of Education the reason for an employee's resignation."

SECTION 4.(e) G.S. 115C-325.5(a) reads as rewritten:

"(a) Immediate Suspension Without Pay. – If a superintendent believes that cause exists for dismissing a teacher for any reason specified in G.S. 115C-325.4 and that immediate suspension of the teacher is necessary, the superintendent may suspend the teacher without pay. Before suspending a teacher without pay, the superintendent shall meet with the teacher and give him or her written notice of the charges against the teacher, an explanation of the basis for the charges, and an opportunity to respond. However, if the teacher is incarcerated or is in the custody of a local, State, private, or federal correctional facility, the superintendent shall not be required to meet with the teacher before suspending that teacher without pay but may instead provide written notice of the charges against the teacher, provide a written explanation of the basis for the charges, and provide an opportunity for the teacher to respond in writing. Within five days after a suspension under this subsection, the superintendent shall initiate a dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for dismissal, demotion, or disciplinary suspension without pay exist, the teacher shall be reinstated immediately, shall be paid for the period of suspension, and all records of the suspension shall be removed from the teacher's personnel file."

SECTION 4.(f) G.S. 115C-325.9(b) reads as rewritten:

"(b) Thirty Days' Notice Resignation Requirement. – A teacher who is not recommended for dismissal should not resign during the term of the contract without the consent of the superintendent unless he or she has given at least 30 days' notice. If a teacher who is not recommended for dismissal does resign during the term of the contract without giving at least 30 days' notice, the board may request that the State Board of Education revoke the teacher's license for the remainder of that school year. A copy of the request shall be placed in the teacher's personnel file. If a teacher's criminal history is relevant to the teacher's resignation, regardless of whether the teacher has given at least 30 days' notice, the board shall report to the State Board of Education the reason for an employee's resignation."

SECTION 4.(g) G.S. 115C-332 is amended by adding a new subsection to read:

"(i) The local board of education may adopt a policy providing for periodic checks of criminal history of employees. Local boards of education shall not require employees to pay for the criminal history check authorized under this subsection. A local board of education shall indicate, upon inquiry by any other local board of education, charter school, or regional school in the State as to the reason for an employee's resignation or dismissal, if an employee's criminal history was relevant to the employee's resignation or dismissal."

PART V. ENSURE AVAILABILITY OF INFORMATION ON TEACHER VACANCIES

SECTION 5.(a) G.S. 115C-12(22) reads as rewritten:

"(22) Duty to Monitor the State of the Teaching Profession in North Carolina. –

~~a.~~ The State Board of Education shall monitor and compile an annual report on the state of the teaching profession in North Carolina that

includes data on the decisions of teachers to leave the teaching ~~profession. The State Board shall adopt standard procedures for each local board of education to use in requesting the information from teachers who are not continuing to work as teachers in the local school administrative unit and shall require each local board of education to report the information to the State Board in a standard format adopted by the State Board.~~profession and data on teaching positions that local boards of education are unable to fill, as provided in G.S. 115C-299.5.

~~b. The annual teacher transition report shall include data on the following:~~

~~1. The number of teachers who left the profession without remaining in the field of education and the reasons for teachers leaving the profession.~~

~~2. The number of teachers who left their employment to teach in other states.~~

~~3. The number of teachers who left their employment to work in another school in North Carolina, including nonpublic schools and charter schools.~~

~~4. The number of teachers who left a classroom position for another type of educational position.~~

~~5. The number of teachers who left employment in hard-to-staff schools. A hard-to-staff school shall be any school identified as low-performing, as provided in G.S. 115C-105.37.~~

~~6. The number of teachers who left employment in hard-to-staff subject areas. A hard-to-staff subject area is either of the following:~~

~~I. As defined by the United States Department of Education.~~

~~II. A subject area that has resulted in a long-term vacancy of 16 months or more at a particular school in a local school administrative unit.~~

~~c. The annual teacher transition report by the State Board of Education shall disaggregate the data included in sub-subdivision b. of this subdivision by teacher effectiveness status at a statewide level. The report shall not disaggregate data on teacher effectiveness status at a local school administrative unit level.~~

~~Notwithstanding Article 21A of this Chapter, local school administrative units shall provide to the State Board of Education for the purposes of this report any North Carolina Educator Evaluation System (NCEES) effectiveness status assigned to teachers who left employment.~~

~~The State Board of Education shall not report disaggregated data that reveals confidential information in a teacher's personnel file, as defined by Article 21A of this Chapter, such as making the effectiveness status personally identifiable to an individual teacher.~~"

SECTION 5.(b) Article 20 of Subchapter V of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-299.5. Duty to monitor the state of the teaching profession.**

(a) Definitions. – As used in this section, the following definitions apply:

(1) Hard-to-staff school. – Any school identified as low-performing, as provided in G.S. 115C-105.37.

(2) Hard-to-staff subject area. – A subject area that is either of the following:

a. As defined by the United States Department of Education.

b. A subject area that has resulted in a long-term vacancy of 16 months or more at a particular school in a local school administrative unit.

(b) State of the Teaching Profession Report. – The State Board of Education shall monitor and compile an annual report by December 15 annually on the state of the teaching profession in North Carolina that includes data on the decisions of teachers to leave the teaching profession and vacancies in teaching positions as provided in subsections (c) and (e) of this section. The State Board shall adopt standard procedures for each local board of education to use in requesting information required by this report and shall require each local board of education to report the information to the State Board in a standard format adopted by the State Board.

(c) Teachers Leaving the Profession. – The report shall include the following data on the decisions of teachers to leave the teaching profession in the prior school year:

(1) The number of teachers who left the profession without remaining in the field of education and the reasons for teachers leaving the profession.

(2) The number of teachers who left their employment to teach in other states.

(3) The number of teachers who left their employment to work in another school in North Carolina, including nonpublic schools and charter schools.

(4) The number of teachers who left a classroom position for another type of educational position.

(5) The number of teachers who left employment in hard-to-staff schools.

(6) The number of teachers who left employment in hard-to-staff subject areas.

(d) The annual teacher transition report by the State Board of Education shall disaggregate the data included in subsection (c) of this section by teacher effectiveness status at a statewide level. The report shall not disaggregate data on teacher effectiveness status at a local school administrative unit level. Notwithstanding Article 21A of this Chapter, local school administrative units shall provide to the State Board of Education, for the purposes of this report, any North Carolina Educator Evaluation System (NCEES) effectiveness status assigned to teachers who left employment. The State Board of Education shall not report disaggregated data that reveals confidential information in a teacher's personnel file, as defined by Article 21A of this Chapter, such as making the effectiveness status personally identifiable to an individual teacher.

(e) Teacher Vacancies. – The report shall include data on teaching positions that local boards of education are unable to fill with a teacher licensed in that subject area by the fortieth school instructional day of the local school administrative unit's calendar. The report shall aggregate all data to provide both statewide information and information specific to each local school administrative units, including the following:

(1) The number of teacher vacancies by subject area.

(2) The number of teacher vacancies by school with identification of hard-to-staff schools."

SECTION 5.(c) The State Board of Education shall complete the first annual report on the state of the teaching profession, including information on vacancies in the teaching profession, no later than December 15, 2017.

PART VI. CONFORMING CHANGES

SECTION 6.(a) G.S. 93B-15.1(i) reads as rewritten:

"(i) For the purposes of this section, the State Board of Education shall be considered an occupational licensing board when issuing teacher licenses under ~~G.S. 115C-296.~~Article 17E of Subchapter V of Chapter 115C of the General Statutes."

SECTION 6.(b) G.S. 115C-296.7(g) reads as rewritten:

"(g) NC Teaching Corps members shall be granted ~~lateral entry teaching~~ residency licenses pursuant to ~~G.S. 115C-296.12(a).~~Article 17E of this Chapter."

SECTION 6.(c) G.S. 115C-325.1(6)a. reads as rewritten:

"a. Who holds ~~at least one of the following licenses issued by the State Board of Education:~~

~~1.~~ ~~A~~a current ~~standard~~ professional educator's license.

~~2. A current lateral entry teaching license.~~

~~3. A regular, not expired, vocational license.~~"

SECTION 6.(d) G.S. 115C-325.4(a)(11) reads as rewritten:

"(11) Any cause which constitutes grounds for the revocation of the ~~teacher's teaching license or the school administrator's administrator~~professional educator's license."

SECTION 6.(e) G.S. 115C-333(d) reads as rewritten:

"(d) State Board Notification. – If a local board dismisses an employee of a low-performing school who is a teacher with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses an employee who is a teacher on contract for cause or elects to not renew an employee's contract as a result of a superintendent's recommendation under subsection (b) or (c) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those individuals. If a local board hires one of these individuals, within 60 days the superintendent or the superintendent's designee shall observe the employee, develop a mandatory improvement plan to assist the employee, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the employee receives a rating on any standard that was identified as an area of concern on the mandatory improvement plan that is again below proficient or otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board and the State Board shall initiate a proceeding to revoke the employee's license under ~~G.S. 115C-296(d).~~G.S. 115C-270.35. If on this next evaluation the employee receives at least a proficient rating on all of the performance standards that were identified as areas of concern on the mandatory improvement plan, the local board shall notify the State Board that the employee is in good standing and the State Board shall not continue to provide the individual's name to local boards under this subsection unless the employee is a teacher with career status and is subsequently dismissed under G.S. 115C-325 except for a reduction in force, or the employee is a teacher on contract subsequently dismissed under G.S. 115C-325.4."

SECTION 6.(f) G.S. 115C-333.1(f) reads as rewritten:

"(f) State Board Notification. – If a local board dismisses a teacher with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses a teacher on contract for cause or elects to not renew a teacher's contract as a result of a superintendent's recommendation under subsection (d) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those teachers. If a local board hires one of these teachers, within 60 days the superintendent or the superintendent's designee shall observe the teacher, develop a mandatory improvement plan to assist the teacher, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the teacher receives a rating on any standard that was an area of concern on the mandatory improvement plan that is again below proficient or a rating that otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under ~~G.S. 115C-296(d).~~G.S. 115C-270.35. If on the next evaluation the teacher receives at least a proficient rating on all of the overall performance standards that were areas of concern on the mandatory improvement plan, the local board shall notify the State Board that the teacher is in good standing, and the State Board shall not continue to provide the teacher's name to local boards under this subsection unless the teacher has career status and is subsequently dismissed under G.S. 115C-325 except for a reduction in force or is a teacher on contract who is subsequently dismissed under G.S. 115C-325.4. If, however, on this next

evaluation the teacher receives a developing rating on any standards that were areas of concern on the mandatory improvement plan, the teacher shall have one more year to bring the rating to proficient if the local board elects to renew the teacher's contract. If by the end of this second year the teacher is not proficient in all standards that were areas of concern on the mandatory improvement plan, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under ~~G.S. 115C-296(d).~~G.S. 115C-270.35."

SECTION 6.(g) G.S. 115D-5(p) reads as rewritten:

"(p) The North Carolina Community College System may offer courses, in accordance with ~~the lateral entry program of study established under G.S. 115C-296.12,~~ Article 17D of Subchapter V of Chapter 115C of the General Statutes, to individuals who choose to enter the teaching profession ~~by lateral entry.~~through residency licensure."

SECTION 6.(h) G.S. 116-239.5(a) reads as rewritten:

"(a) The Board of Governors, in consultation with the constituent institutions of The University of North Carolina with educator preparation programs, shall designate eight constituent institutions to establish laboratory schools to serve public school students in accordance with the provisions of this Article. The Board of Governors shall select eight constituent institutions with quality educator preparation programs as demonstrated by the annual performance measures reported by the constituent institutions in accordance with ~~G.S. 115C-296.13.~~G.S. 115C-269.35."

SECTION 6.(i) G.S. 116-239.13(5) reads as rewritten:

"(5) Information on the student outcomes for students who are enrolled in each educator preparation program who obtained clinical experience in school leadership and teaching in the lab schools, including the performance elements reported under ~~G.S. 115C-296.13(b).~~G.S. 115C-269.35."

SECTION 6.(j) If House Bill 155, 2017 Regular Session, becomes law, G.S. 115C-325(f)(1), as amended by Section 4(c) of this act, reads as rewritten:

"(f) (1) Suspension without Pay. – If a superintendent believes that cause exists for dismissing a career employee for any reason specified in G.S. 115C-325(e)(1) and that immediate suspension of the career employee is necessary, the superintendent may suspend the career employee without pay. Before suspending a career employee without pay, the superintendent shall meet with the career employee and give him written notice of the charges against him, an explanation of the bases for the charges, and an opportunity to respond. However, if the ~~teacher~~ career employee is incarcerated or is in the custody of a local, State, private, or federal correctional facility, the superintendent shall not be required to meet with the ~~teacher~~ career employee before suspending that ~~teacher~~ employee without pay but may instead provide written notice of the charges against the ~~teacher,~~employee, provide a written explanation of the basis for the charges, and provide an opportunity for the ~~teacher~~ employee to respond in writing. Within five days after a suspension under this paragraph, the superintendent shall initiate a dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for dismissal, demotion, or disciplinary suspension without pay exist, the career employee shall be reinstated immediately, shall be paid for the period of suspension, and all records of the suspension shall be removed from the career employee's personnel file."

SECTION 6.(k) If House Bill 155, 2017 Regular Session, becomes law, G.S. 115C-325(o)(2), as amended by Section 4(d) of this act, reads as rewritten:

"(2) A ~~teacher, career or probationary,~~career employee who is not recommended for dismissal should not resign without the consent of the superintendent unless he or she has given at least 30 days' notice. If a ~~teacher~~ career

employee who is not recommended for dismissal does resign without giving at least 30 days' notice, the board may request that the State Board of Education revoke the ~~teacher's~~ career employee's license for the remainder of that school year. A copy of the request shall be placed in the ~~teacher's~~ career employee's personnel file. If a ~~teacher's~~ career employee's criminal history is relevant to the ~~teacher's~~ employee's resignation, regardless of whether the ~~teacher~~ employee has given at least 30 days' notice, the board shall report to the State Board of Education the reason for an employee's resignation."

SECTION 6.(*l*) If House Bill 155, 2017 Regular Session, becomes law, Section 2(f) of that act is repealed.

SECTION 6.(m) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 8.29(a) of S.L. 2016-94, as amended by Section 7.20(a) of Senate Bill 257, 2017 Regular Session, reads as rewritten:

"**SECTION 8.29.(a)** Purpose. – The purpose of this section is to establish a pilot program for, beginning with the 2016-2017 fiscal year, the local boards of education of the Anson County, Franklin County, Moore County, Richmond County, and Scotland County school administrative units and, beginning with the 2017-2018 fiscal year, the local boards of education of the Alamance-Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools to provide tuition assistance awards to part-time or full-time teacher assistants working in those local school administrative units to pursue a college degree that will result in teacher licensure. Tuition assistance awards under the program may be provided for part-time or full-time coursework. A local board of education may grant a teacher assistant academic leave to pursue coursework that may only be taken during working hours. A teacher assistant receiving an award under the program shall fulfill the student teaching requirements of an educator preparation program by working in the teacher assistant's employing local school administrative unit. A teacher assistant shall continue to receive salary and benefits while student teaching in the local school administrative unit in accordance with ~~G.S. 115C-310(b).~~G.S. 115C-269.30(c)."

SECTION 6.(n) If Senate Bill 257, 2017 Regular Session, becomes law, G.S. 115C-269.30, as enacted by Section 2(i) of this act, reads as rewritten:

"**§ 115C-269.30. Teacher assistants engaged in internships.**

(a) Program for Teacher Assistants. – The State Board shall adopt a program to facilitate the process by which teacher assistants may become teachers. Teacher assistants who participate in this ~~program:~~program shall meet the following requirements:

(1) ~~Shall be~~Be enrolled in a recognized EPP.

(2) ~~Shall be~~Be employed in a North Carolina public school.

(b) Internship Assignments. – Local school administrative units are encouraged to assign teacher assistants to a different classroom during an internship than the classroom they are assigned to as a teacher assistant. To the extent possible, they may be assigned to another school within the same local school administrative unit.

(c) Salary and Benefits. – ~~At the discretion of the local school administrative unit, teacher~~Teacher assistants ~~may~~ shall continue to receive their salary and benefits while interning in the same local school administrative unit where they are employed as a teacher assistant.

(d) Consultation With Institutions of Higher Education. – The State Board shall consult with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities in the development of the program."

SECTION 6.(o) If Senate Bill 257, 2017 Regular Session, becomes law, G.S. 115C-300.1(c), as enacted by Section 3(b) of this act, reads as rewritten:

"(c) Mentor Teacher Training. – The State Board shall develop and coordinate a mentor teacher training program. The State Board shall develop criteria for selecting excellent, experienced, and qualified teachers to be participants in the mentor teacher training program as follows:

(1) Mentor teachers shall be either of the following:
   a. Teachers rated, through formal evaluations, at least at the "proficient" level as part of the North Carolina Teacher Evaluation ~~System and have met expectations for student growth.~~System.
   b. Retired teachers.

(2) The principal shall determine which mentor teacher best meets the needs of each new teacher and shall assign the most appropriate mentor teacher to that new teacher, with priority consideration for those mentor teachers rated as "distinguished" and "accomplished."

(3) If a principal determines that a teacher rated as "proficient" or a retired teacher is the most appropriate mentor for a new teacher, the principal shall maintain records of the reasons for that determination.

(4) A teacher may be a mentor at a different school building from which the mentor is assigned if the following criteria are met:
   a. The principals of each school and the mentor teacher approve of the assignment.
   b. The mentor teacher is rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation ~~System and has met expectations for student growth.~~System.
   c. The new teacher's principal maintains a record of the reasons for selecting the mentor from a different school building."

SECTION 6.(p) If Senate Bill 257, 2017 Regular Session, becomes law, G.S. 115C-269.25(e), as enacted by Section 2(i) of this act, reads as rewritten:

"(e) Clinical Educator Requirements. – The EPP shall ensure clinical educators who supervise students in internships meet the following requirements:

(1) Be professionally licensed in the field of licensure sought by the student.

(2) Have a minimum of three years of experience in a teaching role.

(3) Have been rated, through the educator's most recent formal evaluations, at least at the "proficient" level as part of the North Carolina Teacher Evaluation System, or the equivalent on an evaluation system utilized by another state or partner school, as applicable, ~~and have met expectations as part of a student growth assessment system used by a school~~ in the field of licensure sought by the student. The principal shall determine which clinical educator best meets the needs of each intern and shall assign the most appropriate clinical educator to that intern, with priority consideration for those clinical educators rated as "distinguished" and "accomplished." If a principal determines that a teacher rated as "proficient" is the most appropriate clinical educator for an intern, the principal shall maintain records of the reasons for that determination."

SECTION 6.(q) If Senate Bill 257, 2017 Regular Session, becomes law, G.S. 115C-270.10, as enacted by Section 3(c) of this act, is amended by inserting a new subsection to read:

"(a1) Notwithstanding subsection (a) of this section, the State Board of Education shall reimburse the initial application fee for any new graduate from any recognized EPP the first time an applicant submits an application for teacher licensure, if the applicant has successfully earned an initial professional license in North Carolina. The State Board shall issue the reimbursement to the application fee within 30 days of the date the applicant successfully earns an initial professional license in North Carolina.".

PART VII. EFFECTIVE DATE

SECTION 7.(a) This act is effective when it becomes law and applies beginning with the 2017-2018 school year.

SECTION 7.(b) Any rules required by this act shall be adopted by February 1, 2018.

SECTION 7.(c) The State Board shall accept applications from EPPs for initial approval no later than March 1, 2018, for EPPs applying to accept students in the 2018-2019 school year.

SECTION 7.(d) An EPP approved by the State Board prior to July 1, 2017, shall be considered initially authorized until the earlier of June 30, 2020, or the date of its five-year renewal.

SECTION 7.(e) All EPPs operating in the State on June 30, 2018, or thereafter shall submit annual performance reports beginning with the 2018-2019 school year. The State Board shall monitor the data quality of the annual performance reports, including checking for statistical anomalies, data availability, and any other issues the State Board deems relevant. The State Board shall report on its monitoring and recommend any legislative changes to the Joint Legislative Education Oversight Committee by December 15, 2020.

SECTION 7.(f) The State Board shall not assign an accountability status to any EPP during the 2018-2019, 2019-2020, or 2020-2021 school years but may require technical assistance to an EPP at the EPP's expense based on reported performance measures. The State Board shall only assign the accountability statuses of "warned" and "probation" during the 2021-2022 and 2022-2023 school years. The State Board may assign the accountability status of "revoked" beginning with the 2023-2024 school year.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-190 **S.B. 410**

AN ACT TO ESTABLISH A PROGRAM FOR THE LEASING OF PUBLIC BOTTOM AND SUPERJACENT WATER COLUMN FOR MARINE AQUACULTURE, TO REQUIRE THE DIVISION OF MARINE FISHERIES OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO REQUEST THE ISSUANCE OF FEDERAL RULES TO ALLOW MARINE AQUACULTURE IN FEDERAL WATERS OFF THE COAST OF THE STATE, AND TO ESTABLISH ADDITIONAL TRANSPARENCY REQUIREMENTS FOR MEMBERS OF THE MARINE FISHERIES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 113 of the General Statutes is amended by adding a new Article to read:

"Article 16A.
"Marine Aquaculture.

"**§ 113-215. Definitions.**

In addition to the definitions in G.S. 113-128 and G.S. 113-129, the following definitions shall apply in this Article,

(1) Marine aquaculture. – The propagation and rearing of marine aquatic species in controlled or selected environments, including, but not limited to, ocean ranching, marine hatcheries, and other deep water fish farming operations in the coastal fishing waters of the State and, to the extent not inconsistent with federal law, to the limits of the United States exclusive economic zone, as that term is defined in the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. § 1801, et seq.

(2) Marine aquaculture lease. – A lease of the public bottom and superjacent water column granted by the Secretary for marine aquaculture.

(3) Marine aquatic species. – Any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant, and including, but not limited to, "fish" and "fishes," as defined in G.S. 113-129(7), found exclusively or for part of its life cycle in coastal fishing waters.

"**§ 113-216. Legislative findings and declaration of policy.**

The General Assembly finds that development of a marine aquaculture industry in the State provides increased seafood production and long-term economic and employment opportunities. The General Assembly declares that it is the policy of the State to encourage the development of private, commercial marine aquaculture in ways that are compatible with other public uses of marine and estuarine resources such as navigation, fishing, and recreation.

"**§ 113-217. New leases for marine aquaculture.**

(a) To increase the use of suitable areas underlying coastal fishing waters for establishment of marine aquaculture, the Secretary may grant marine aquaculture leases under the terms of this section when the Secretary determines, in accordance with the Secretary's duty to conserve the marine and estuarine resources of the State, that the public interest will benefit from issuance of the lease. Suitable areas for marine aquaculture shall meet the following minimum standards:

(1) The area leased must not contain a natural commercially significant shellfish bed.

(2) The marine aquaculture operation in the leased area will not unreasonably interfere with lawful utilization by the public of other marine and estuarine resources. Other public uses which may be considered include, but are not limited to, navigation, fishing, and recreation.

(3) The operation of a marine aquaculture operation in the leased area will not unreasonably interfere upon the rights of riparian owners.

(4) The area leased must not include an area designated for inclusion in the Department's Shellfish Management Program.

(5) The area leased must not include an area that the State Health Director has recommended be closed to shellfish harvest by reason of pollution.

(6) The marine aquaculture operation would not unreasonably interfere with public access and use of waters of the State, taking into account the potential economic impact of the operation.

(7) Aquaculture use of the leased area must not significantly impair navigation.

(8) The leased area must not be within a navigation channel marked or maintained by a State or federal agency.

(9) The leased area must not be within an area traditionally used and available for significant levels of fishing or hunting activities incompatible with the activities proposed by the leaseholder, such as trawling or seining.

(10) Aquaculture use of the leased area must not significantly interfere with the exercise of riparian rights by adjacent property owners, including access to navigation channels from piers or other means of access.

(b) The Secretary may delete any part of an area proposed for lease or may condition a lease to protect the public interest with respect to the factors enumerated in subsection (a) of this section. The Secretary shall enter into memoranda of agreement with the United States Army Corps of Engineers or any other appropriate State or federal regulatory agencies to provide for appropriate standards and markings for marine aquaculture structures to avoid impairment of navigation.

(c) No person, including a corporate entity or single family unit, may acquire and hold by lease, lease renewal, or purchase more than 1,500 acres under marine aquaculture leases. No individual lease may exceed 100 acres. For purposes of this subsection, the number of acres of leases held by a person includes acres held by a corporation in which the person holds an interest.

(d) Any person desiring to apply for a lease must make written application to the Secretary on forms prepared by the Department containing such information as deemed necessary to determine the desirability of granting or not granting the lease requested. Except in the case of renewal leases, the application must be accompanied by a map or diagram made at the expense of the applicant, showing the area proposed to be leased.

(e) The map or diagram must conform to standards prescribed by the Secretary concerning accuracy of map or diagram and the amount of detail that must be shown. If, on the basis of the application information and map or diagram, the Secretary deems that granting the lease would benefit the marine aquaculture industry of North Carolina, the Secretary must order an investigation of the area proposed to be leased. The investigation is to be made by the Secretary or the Secretary's authorized agent to determine whether the area proposed to be leased is consistent with the standards in subsection (a) of this section. In the event the Secretary finds the application inconsistent with the applicable standards, the Secretary shall deny the application or propose that a conditional lease be issued that is consistent with the applicable standards. In the event the Secretary authorizes amendment of the application, the applicant must furnish a new map or diagram meeting requisite standards showing the area proposed to be leased under the amended application. At the time of making an application for an initial lease, the applicant must pay a filing fee of two hundred dollars ($200.00).

(f) The area proposed to be leased must be as compact as possible, taking into consideration the shape of the body of water, the consistency of the bottom, and the desirability of separating the boundaries of a leasehold by a sufficient distance from any other marine aquaculture operations or shellfish leases.

(g) Within 60 days after receipt of an application that complies with subsection (e) of this section, the Secretary shall notify the applicant of the intended action on the lease application. If the intended action is approval of the application as submitted, or approval with a modification to which the applicant agrees, the Secretary shall conduct a public hearing in the county where the proposed leasehold lies. The Secretary must publish at least two notices of the intention to lease in a newspaper of general circulation in the county in which the proposed leasehold lies. The first publication must precede the public hearing by more than 20 days; the second publication must follow the first by seven to 11 days. The notice of intention to lease must contain a description of the area of the proposed leasehold sufficient to establish its boundaries with reasonable ease and certainty and must also contain the date, hour, and place of the hearing.

(h) After consideration of the public comment received and any additional investigations the Secretary orders to evaluate the comments, the Secretary shall notify the applicant in person or by certified or registered mail of the decision on the lease application. The Secretary shall also notify persons who submitted comments at the public hearing and requested notice of the lease decision. An applicant who is dissatisfied with the Secretary's decision or another person aggrieved by the decision may commence a contested case by filing a petition under G.S. 150B-23 within 20 days after receiving notice of the Secretary's decision. In the event the Secretary's decision is a modification to which the applicant agrees, the lease applicant must furnish an amended map or diagram before the lease can be issued by the Secretary.

(i) After a lease application is approved by the Secretary, the applicant shall submit to the Secretary information sufficient to define the bounds of the area approved for leasing with markers in accordance with the rules of the Commission. The information shall conform to standards prescribed by the Secretary concerning accuracy of survey and the amount of detail to be shown. When information is submitted, the boundaries are marked and all fees and rents due in advance are paid, the Secretary shall execute the lease on forms approved by the Attorney General. The Secretary is authorized, with the approval of the lessee, to amend an existing lease by reducing the area under lease or by combining contiguous leases without increasing the total area leased.

(j) Initial leases begin upon the issuance of the lease by the Secretary and expire at noon on the first day of July following the twentieth anniversary of the granting of the lease. Renewal leases are issued for a period of 20 years from the time of expiration of the previous lease. At the time of making application for renewal of a lease, the applicant must pay a filing fee of one hundred dollars ($100.00). The rental for initial leases and renewed leases is two hundred ten dollars ($210.00) per acre, per year. Rental must be paid annually in advance prior to the first day of April each year. Upon initial granting of a lease, the pro rata amount for the portion of the year left until the first day of July must be paid in advance at the rate of two hundred ten dollars ($210.00) per acre, per year; then, on or before the first day of April next, the lessee must pay the rental for the next full year.

(k) Except as otherwise restricted by this Article, leaseholds granted under this section are to be treated as if they were real property and are subject to all laws relating to taxation, sale, devise, inheritance, gift, seizure and sale under execution or other legal process, and the like. Leases properly acknowledged and probated are eligible for recordation in the same manner as instruments conveying an estate in real property. Within 30 days after transfer of beneficial ownership of all or any portion of or interest in a leasehold to another, the new owner must notify the Secretary of such fact. Such transfer is not valid until notice is furnished to the Secretary.

(*l*) Upon receipt of notice by the Secretary of any of the following occurrences, the Secretary must commence action to terminate the leasehold:

(1) Failure to pay the annual rent in advance.

(2) Failure to file information required by the Secretary upon annual remittance of rental or filing false information on the form required to accompany the annual remittance of rental.

(3) Failure by new owner to report a transfer of beneficial ownership of all, or any portion of, or interest in the leasehold.

(4) Failure to mark the boundaries in the leasehold and to keep them marked as required in the rules of the Marine Fisheries Commission.

(5) Failure to utilize the leasehold on a continuing basis for marine aquaculture purposes, except if marine aquaculture activities under the lease are suspended as a part of a disease or biosecurity plan.

(m) In the event the leaseholder takes steps within 30 days to remedy the situation upon which the notice of intention to terminate was based, and the Secretary is satisfied that continuation of the lease is in the best interests of the shellfish culture of the State, the Secretary may discontinue termination procedures. Where there is no discontinuance of termination procedures, the leaseholder may initiate a contested case by filing a petition under G.S. 150B-23 within 30 days of receipt of notice of intention to terminate. Where the leaseholder does not initiate a contested case, or the final decision upholds termination, the Secretary must send a final letter of termination to the leaseholder. The final letter of termination may not be mailed sooner than 30 days after receipt by the leaseholder of the Secretary's notice of intention to terminate, or of the final agency decision, as appropriate. The lease is terminated effective at midnight on the day the final notice of termination is served on the leaseholder. The final notice of termination may not be issued pending hearing of a contested case initiated by the leaseholder.

Service of any notice required in this subsection may be accomplished by certified mail, return receipt requested; personal service by any law enforcement officer; or upon the failure of these two methods, publication. Service by publication shall be accomplished by publishing such notices in a newspaper of general circulation within the county where the lease is located for at least once a week for three successive weeks and by posting the notices on the Commission's Web site. The format for notice by publication shall be approved by the Attorney General.

(n) Upon final termination of any leasehold, the leased area in question is thrown open to the public for use in accordance with laws and rules governing use of public grounds

generally. Within 30 days of final termination of the leasehold, the former leaseholder shall remove all abandoned markers denominating the area of the leasehold. The State may, after 10 days' notice to the owner of the abandoned markers thereof, remove the abandoned structure and have the area cleaned up. The cost of such removal and cleanup shall be payable by the owner of the abandoned markers and the State may bring suit to recover the costs thereof.

(o) Every year between January 1 and February 15, the Secretary must mail to all leaseholders a notice of the annual rental due and include forms designed by the Secretary for determining the amount of harvest gathered. Such forms may contain other pertinent questions relating to the utilization of the leasehold in the best interests of the aquaculture industry of the State and must be executed and returned by the leaseholder with the payment of the leaseholder's rental. Any leaseholder or the leaseholder's agent executing such forms for the leaseholder who knowingly makes a false statement on such forms is guilty of a Class 1 misdemeanor.

"**§ 113-218. Protection of private marine aquaculture rights.**

It is unlawful for any person, other than the holder of a lease issued under this Article, to take or attempt to take marine species being produced under the license and associated lease from any privately leased, franchised, or deeded marine aquaculture operation without written authorization of the holder and with actual knowledge it is a marine aquaculture leased area. Actual knowledge will be presumed when the marine species are taken or attempted to be taken under the following circumstances:

(1) From within the confines of posted boundaries of the area as identified by signs, whether the whole or any part of the area is posted; or

(2) When the area has been regularly posted and identified and the person knew the area to be the subject of private marine aquaculture rights.

A violation of this subsection shall constitute a Class A1 misdemeanor, which may include a fine of not more than five thousand dollars ($5,000). The written authorization shall include the lease number or deed reference, name and address of authorized person, date of issuance, and date of expiration, and it must be signed by the holder of the marine aquaculture rights. Identification signs shall include the lease number or deed reference and the name of the holder."

SECTION 2. The Division of Marine Fisheries of the Department of Environmental Quality shall do the following:

(1) Request that the Mid-Atlantic and South Atlantic Fishery Management Councils develop a Fishery Management Plan for regulating offshore aquaculture in federal waters offshore from the North Carolina coast.

(2) Petition the National Oceanic and Atmospheric Administration to initiate rule-making proceedings to implement a comprehensive regulatory program for managing the development of an environmentally sound and economically sustainable aquaculture fishery in federal waters offshore from the North Carolina coast.

The Division shall provide an interim report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than February 1, 2018, regarding their progress in implementing this section and a final report on or before May 1, 2018, that includes the request and petition required by this section.

SECTION 3. G.S. 143B-289.54 is amended by adding a new subsection to read:

"(m) Transparency. – The Commission shall establish official e-mail accounts for all Commission members. These e-mail accounts shall be used for all electronic communications related to the work of the Commission and those communications shall be considered public records under Chapter 132 of the General Statutes. Other than routine communication sent from Division staff to all Commission members, electronic communications among a majority of the Commission shall be an "official meeting" as defined in Article 33C of Chapter 143 of the General Statutes. Failure to comply with this subsection shall be subject to investigation by the State Ethics Commission as unethical conduct and removal under subsection (h) of this section

as misfeasance. Nothing in this subsection is intended to limit or eliminate any privilege existing at common law or under statute."

SECTION 3.1.(a) Definitions. – "Importation of Marine and Estuarine Organisms Rule" means 15A NCAC 03I .0104 (Introduce, Transfer or Hold Imported Marine and Estuarine Organisms) for purposes of this section and its implementation.

SECTION 3.1.(b) Importation of Marine and Estuarine Organisms Rule. – Until the effective date of the revised permanent rule that the Marine Fisheries Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Division of Marine Fisheries of the Department of Environmental Quality shall implement the Importation of Marine and Estuarine Organisms Rule, as provided in subsection (c) of this section.

SECTION 3.1.(c) Implementation. – Use of American eels imported from Virginia or South Carolina in an aquaculture operation is exempt from the permitting requirements of the Importation of Marine and Estuarine Organisms Rule.

SECTION 3.1.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Importation of Marine and Estuarine Organisms Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 3.1.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

STATE PARTICIPATION IN SITING OF ATLANTIC INTRACOASTAL WATERWAY DREDGED MATERIAL DISPOSAL EASEMENTS

SECTION 3.2.(a) The Division of Water Resources of the Department of Environmental Quality and the State Property Office are authorized to negotiate with appropriate agencies of the federal government an agreement for the State to assume responsibility for acquiring dredged material easement sites appropriate for maintenance dredging of the Atlantic Intracoastal Waterway between the border with the state of South Carolina and the border with the Commonwealth of Virginia in exchange for the reduction in size and possible change in location of dredged material disposal easement sites currently held by the federal government. The agreement shall provide for the federal government to relinquish certain dredged material disposal easements that are excess to maintenance project needs in exchange for the acquisition and furnishing to the federal government other easements that are sited and permitted by the Division of Coastal Management and acquired by the State Property Office under its powers of condemnation or otherwise using such funds as may be appropriated by the General Assembly from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund established under Part 8B of Article 21 of Chapter 143 of the General Statutes for that purpose.

SECTION 3.2.(b) G.S. 143-215.73F(b) is amended by adding a new subdivision to read:

"(4) To provide funding for siting and acquisition of dredged disposal easement sites associated with the maintenance of the Atlantic Intracoastal Waterway between the border with the state of South Carolina and the border with the Commonwealth of Virginia, under a Memorandum of Agreement between the State and the federal government."

SECTION 4. Section 1 of this act becomes effective October 1, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-191 **H.B. 84**

AN ACT TO DIRECT THE DIVISION OF MOTOR VEHICLES TO DEVELOP A DESIGNATION FOR DRIVERS LICENSES THAT MAY BE GRANTED UPON REQUEST TO A PERSON WHO IS DEAF OR HARD OF HEARING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-7 is amended by adding a new subsection to read:

"(q2) Deaf or Hard of Hearing Designation. – The Division shall develop, in consultation with the Department of Public Safety, the State Highway Patrol, the Division of Services for the Deaf and Hard of Hearing, and pursuant to this subsection, a drivers license designation that may, upon request, be granted to a person who is deaf or hard of hearing. The Division shall comply with the following requirements applicable to the designation:

(1) At the request of a person who is deaf or hard of hearing, the Division shall place a unique symbol on the front of the person's license. The unique symbol placed on the license shall not include any further descriptor. The Division shall record the designation in the electronic record associated with the person's drivers license.

(2) At the request of a person who is deaf or hard of hearing, the Division shall enter the drivers license symbol and a descriptor into the electronic record of any motor vehicle registered in the same name of the deaf or hard of hearing person.

(3) For the purposes of this subsection, a person shall be considered to be deaf or hard of hearing if they provide verification or documentation substantiating their hearing loss that is recommended by the Division of Services for the Deaf and the Hard of Hearing as acceptable. The Division of Motor Vehicles shall consult with the Division of Services for the Deaf and the Hard of Hearing to identify acceptable forms of verification that do not result in undue burden to the person requesting the designation of hearing loss. Acceptable documentation shall include any of the following:

a. Documentation of certification or examination by a medical, health, or audiology professional showing evidence of hearing loss.

b. Affidavit executed by the person, their parent, or guardian attesting to the person's hearing loss.

c. Documentation deemed by the Division of Motor Vehicles to qualify as satisfactory proof of the person's hearing loss.

(4) Nothing in this subsection shall be construed as authorizing the issuance of a drivers license to a person ineligible under G.S. 20-9.

(5) Nothing in this subsection shall be construed as prohibiting the issuance of a drivers license to a person otherwise eligible under the law.

(6) Any individual who chooses to register or not to register shall not be deemed to have waived any protections under the law.

(7) Information collected under this subsection shall only be available to law enforcement and only for the purpose of ensuring mutually safe interactions between law enforcement and persons who are deaf or hard of hearing. It shall not be accessed or used for any other purpose.

(8) The right to make the decision for inclusion or removal of the designation from the database is entirely voluntary and shall only be made by the person who holds the drivers license associated with the designation.

(9) The Division, in conjunction with the Department of Health and Human Services, shall develop a process for removal of the designation authorized by this subsection that is available online, by mail, or in person."

SECTION 2. G.S. 17C-6(a) is amended by adding a new subdivision to read:

"(17) Establish minimum educational and training standards for employment and continuing education for criminal justice officers concerning:

a. Recognizing and appropriately interacting with persons who are deaf or hard of hearing.

b. Drivers license and vehicle registration identifiers of persons who are deaf or hard of hearing, as authorized by G.S. 20-7(q2), including that those identifiers are optional."

SECTION 3. G.S. 17E-4(a) is amended by adding a new subdivision to read:

"(13) Establish minimum educational and training standards for employment and continuing education for officers concerning:

a. Recognizing and appropriately interacting with persons who are deaf or hard of hearing.

b. Drivers license and vehicle registration identifiers of persons who are deaf or hard of hearing, as authorized by G.S. 20-7(q2), including that those identifiers are optional."

SECTION 4. This act becomes effective January 1, 2018.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-192 **H.B. 589**

AN ACT TO REFORM NORTH CAROLINA'S APPROACH TO INTEGRATION OF RENEWABLE ELECTRICITY GENERATION THROUGH AMENDMENT OF LAWS RELATED TO ENERGY POLICY AND TO ENACT THE DISTRIBUTED RESOURCES ACCESS ACT.

The General Assembly of North Carolina enacts:

PART I. STANDARD CONTRACTS FOR SMALL POWER PRODUCERS

SECTION 1.(a) G.S. 62-3(27a) reads as rewritten:

"(27a) "Small power producer" means a person or corporation owning or operating an electrical power production facility ~~with a power production capacity which, together with any other facilities located at the same site, does not exceed 80 megawatts of electricity and which depends upon renewable resources for its primary source of energy. For the purposes of this section, renewable resources shall mean: hydroelectric power. A small power producer shall not include persons primarily engaged in the generation or sale of electricity from other than small power production facilities.~~that qualifies as a "small power production facility" under 16 U.S.C. § 796, as amended."

SECTION 1.(b) G.S. 62-156 reads as rewritten:

"**§ 62-156. Power sales by small power producers to public utilities.**

(a) In the event that a small power producer and an electric public utility are unable to mutually agree to a contract for the sale of electricity or to a price for the electricity purchased by the electric public utility, the ~~commission~~ Commission shall require the electric public utility to purchase the power, under rates and terms established as provided in ~~subsection (b) of this section.~~subsection (b) or (c) of this section.

(b) ~~No later than March 1, 1981, and at~~At least every two ~~years thereafter,~~years, the ~~commission~~ Commission shall determine the standard contract avoided cost rates to be included within the tariffs of each electric public utility and paid by electric public utilities for power purchased from small power producers, according to the following standards:

(1) ~~Term of Contract. –~~ Standard Contract for Small Power Producers up to 1,000 kilowatts (kW). – The Commission shall approve a standard offer power purchase agreement to be used by the electric public utility in purchasing energy and capacity from small power producers subject to this

subsection. Long-term contracts up to 10 years for the purchase of electricity by the electric public utility from small power producers with a design capacity up to and including 1,000 kilowatts (kW) shall be encouraged in order to enhance the economic feasibility of these small power production ~~facilities.~~facilities; provided, however, that when an electric public utility, pursuant to this subsection, has entered into power purchase agreements with small power producers from facilities (i) in the aggregate capacity of 100 megawatts (MW) or more and (ii) which established a legally enforceable obligation after November 15, 2016, the eligibility threshold for that utility's standard offer shall be reduced to 100 kilowatts (kW).

(2) Avoided Cost of Energy to the Utility. – The rates paid by ~~a~~ an electric public utility to a small power producer for energy shall not exceed, over the term of the purchase power contract, the incremental cost to the electric public utility of the electric energy which, but for the purchase from a small power producer, the utility would generate or purchase from another source. A determination of the avoided energy costs to the utility shall include a consideration of the following factors over the term of the power contracts: the expected costs of the additional or existing generating capacity which could be displaced, the expected cost of fuel and other operating expenses of electric energy production which a utility would otherwise incur in generating or purchasing power from another source, and the expected security of the supply of fuel for the utilities' alternative power sources.

(3) Availability and Reliability of Power. – The rates to be paid by electric public utilities for ~~power~~ capacity purchased from a small power producer shall be established with consideration of the reliability and availability of the power. A future capacity need shall only be avoided in a year where the utility's most recent biennial integrated resource plan filed with the Commission pursuant to G.S. 62-110.1(c) has identified a projected capacity need to serve system load and the identified need can be met by the type of small power producer resource based upon its availability and reliability of power, other than swine or poultry waste for which a need is established consistent with G.S. 62-133.8(e) and (f).

(c) Rates to be paid by electric public utilities to small power producers not eligible for the utility's standard contract pursuant to subsection (b) of this section shall be established through good-faith negotiations between the utility and small power producer, subject to the Commission's oversight as required by law. In establishing rates for purchases from such small power producers, the utility shall design rates consistent with the most recent Commission-approved avoided cost methodology for a fixed five-year term. Rates for such purchases shall take into account factors related to the individual characteristics of the small power producer, as well as the factors identified in subdivisions (2) and (3) of subsection (b) of this section. Notwithstanding this subsection, small power producers that produce electric energy primarily by the use of any of the following renewable energy resources may negotiate for a fixed-term contract that exceeds five years: (i) swine or poultry waste; (ii) hydropower, if the hydroelectric power facility total capacity is equal to or less than five megawatts (MW); or (iii) landfill gas, manure digester gas, agricultural waste digester gas, sewage digester gas, or sewer sludge digester gas.

(d) Notwithstanding any other provision of this section, an electric public utility shall not be required to enter into a contract with or purchase power from a small power producer if the electric public utility's obligation to purchase from such small power producers has been terminated pursuant to 18 C.F.R. § 292.309."

SECTION 1.(c) A small power production facility which would otherwise be eligible for the standard offer rate schedules and power purchase agreement terms and conditions approved by the Commission in Docket No. E-100, Sub 140, but which fails to

commence delivering power to the utility on or before September 10, 2018, shall, notwithstanding such failure, remain eligible for such rate schedules and terms and conditions, unless the nameplate capacity of the generation facility when taken together with the nameplate capacity of other generation facilities connected to the same substation transformer exceeds the nameplate capacity of the substation transformer. The term of a power purchase agreement eligible for such rate schedules and terms and conditions pursuant to this section shall commence on September 10, 2018, and shall end on the date that is 15 years after the commencement date. An electric public utility shall have the option in its discretion of electing not to interconnect to its distribution system a solar photovoltaic facility with a nameplate capacity of 10 megawatts (MW) or greater that had not executed an interconnection agreement prior to July 1, 2017, and instead requiring such facility to interconnect to the utility's transmission system.

SECTION 1.(d) This section is effective when it becomes law. Subsection (b) of this section applies to any standard contract rates and terms approved by the Commission or nonstandard negotiated agreements entered into between a small power producer and the electric public utility on or after that date. Subsection (c) of this section applies to small power production facilities that established a legally enforceable obligation in accordance with the Commission's then applicable requirements on or before November 15, 2016.

PART II. COMPETITIVE PROCUREMENT OF RENEWABLE ENERGY

SECTION 2.(a) Article 6 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-110.8. Competitive procurement of renewable energy.**

(a) Each electric public utility shall file for Commission approval a program for the competitive procurement of energy and capacity from renewable energy facilities with the purpose of adding renewable energy to the State's generation portfolio in a manner that allows the State's electric public utilities to continue to reliably and cost-effectively serve customers' future energy needs. Renewable energy facilities eligible to participate in the competitive procurement shall include those facilities that use renewable energy resources identified in G.S. 62-133.8(a)(8) but shall be limited to facilities with a nameplate capacity rating of 80 megawatts (MW) or less that are placed in service after the date of the electric public utility's initial competitive procurement. Subject to the limitations set forth in subsections (b) and (c) of this section, the electric public utilities shall issue requests for proposals to procure and shall procure, energy and capacity from renewable energy facilities in the aggregate amount of 2,660 megawatts (MW), and the total amount shall be reasonably allocated over a term of 45 months beginning when the Commission approves the program. The Commission shall require the additional competitive procurement of renewable energy capacity by the electric public utilities in an amount that includes all of the following: (i) any unawarded portion of the initial competitive procurement required by this subsection; (ii) any deficit in renewable energy capacity identified pursuant to subdivision (1) of subsection (b) of this section; and (iii) any capacity reallocated pursuant to G.S. 62-159.2. In addition, at the termination of the initial competitive procurement period of 45 months, the offering of a new renewable energy resources competitive procurement and the amount to be procured shall be determined by the Commission, based on a showing of need evidenced by the electric public utility's most recent biennial integrated resource plan or annual update approved by the Commission pursuant to G.S. 62-110.1(c).

(b) Electric public utilities may jointly or individually implement the aggregate competitive procurement requirements set forth in subsection (a) of this section and may satisfy such requirements for the procurement of renewable energy capacity to be supplied by renewable energy facilities through any of the following: (i) renewable energy facilities to be acquired from third parties and subsequently owned and operated by the soliciting public utility or utilities; (ii) renewable energy facilities to be constructed, owned, and operated by the soliciting public utility or utilities subject to the limitations of subdivision (4) of this

subsection; or (iii) the purchase of renewable energy, capacity, and environmental and renewable attributes from renewable energy facilities owned and operated by third parties that commit to allow the procuring public utility rights to dispatch, operate, and control the solicited renewable energy facilities in the same manner as the utility's own generating resources. Procured renewable energy capacity, as provided for in this section, shall be subject to the following limitations:

(1) If prior to the end of the initial 45-month competitive procurement period the public utilities subject to this section have executed power purchase agreements and interconnection agreements for renewable energy capacity within their balancing authority areas that are not subject to economic dispatch or curtailment and were not procured pursuant to G.S. 62-159.2 having an aggregate capacity in excess of 3,500 megawatts (MW), the Commission shall reduce the competitive procurement aggregate amount by the amount of such exceedance. If the aggregate capacity of such renewable energy facilities is less than 3,500 megawatts (MW) at the end of the initial 45-month competitive procurement period, the Commission shall require the electric public utilities to conduct an additional competitive procurement in the amount of such deficit.

(2) To ensure the cost-effectiveness of procured new renewable energy resources, each public utility's procurement obligation shall be capped by the public utility's current forecast of its avoided cost calculated over the term of the power purchase agreement. The public utility's current forecast of its avoided cost shall be consistent with the Commission-approved avoided cost methodology.

(3) Each public utility shall submit to the Commission for approval and make publicly available at 30 days prior to each competitive procurement solicitation a pro forma contract to be utilized for the purpose of informing market participants of terms and conditions of the competitive procurement. Each pro forma contract shall define limits and compensation for resource dispatch and curtailments. The pro forma contract shall be for a term of 20 years; provided, however, the Commission may approve a contract term of a different duration if the Commission determines that it is in the public interest to do so.

(4) No more than thirty percent (30%) of an electric public utility's competitive procurement requirement may be satisfied through the utility's own development of renewable energy facilities offered by the electric public utility or any subsidiary of the electric public utility that is located within the electric public utility's service territory. This limitation shall not apply to any renewable energy facilities acquired by an electric public utility that are selected through the competitive procurement and are located within the electric public utility's service territory.

(c) Subject to the aggregate competitive procurement requirements established by this section, the electric public utilities shall have the authority to determine the location and allocated amount of the competitive procurement within their respective balancing authority areas, whether located inside or outside the geographic boundaries of the State, taking into consideration (i) the State's desire to foster diversification of siting of renewable energy resources throughout the State; (ii) the efficiency and reliability impacts of siting of additional renewable energy facilities in each public utility's service territory; and (iii) the potential for increased delivered cost to a public utility's customers as a result of siting additional renewable energy facilities in a public utility's service territory, including additional costs of ancillary services that may be imposed due to the operational or locational characteristics of a specific renewable energy resource technology, such as nondispatchability, unreliability of availability, and creation or exacerbation of system congestion that may increase redispatch costs.

(d) The competitive procurement of renewable energy capacity established pursuant to this section shall be independently administered by a third-party entity to be approved by the Commission. The third-party entity shall develop and publish the methodology used to evaluate responses received pursuant to a competitive procurement solicitation and to ensure that all responses are treated equitably. All reasonable and prudent administrative and related expenses incurred to implement this subsection shall be recovered from market participants through administrative fees levied upon those that participate in the competitive bidding process, as approved by the Commission.

(e) An electric public utility may participate in any competitive procurement process, but shall only participate within its own assigned service territory. If the public utility uses nonpublicly available information concerning its own distribution or transmission system in preparing a proposal to a competitive procurement, the public utility shall make such information available to third parties that have notified the public utility of their intention to submit a proposal to the same request for proposals.

(f) For purposes of this section, the term "balancing authority" means the entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real time, and the term "balancing authority area" means the collection of generation, transmission, and loads within the metered boundaries of the balancing authority, and the balancing authority maintains load-resource balance within this area.

(g) An electric public utility shall be authorized to recover the costs of all purchases of energy, capacity, and environmental and renewable attributes from third-party renewable energy facilities and to recover the authorized revenue of any utility-owned assets that are procured pursuant to this section through an annual rider approved by the Commission and reviewed annually. Provided it is in the public interest, the authorized revenue for any renewable energy facilities owned by an electric public utility may be calculated on a market basis in lieu of cost-of-service based recovery, using data from the applicable competitive procurement to determine the market price in accordance with the methodology established by the Commission pursuant to subsection (h) of this section. The annual increase in the aggregate amount of these costs that are recoverable by an electric public utility pursuant to this subsection shall not exceed one percent (1%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year.

(h) The Commission shall adopt rules to implement the requirements of this section, as follows:

(1) Oversight of the competitive procurement program.

(2) To provide for a waiver of regulatory conditions or code of conduct requirements that would unreasonably restrict a public utility or its affiliates from participating in the competitive procurement process, unless the Commission finds that such a waiver would not hold the public utility's customers harmless.

(3) Establishment of a procedure for expedited review and approval of certificates of public convenience and necessity, or the transfer thereof, for renewable energy facilities owned by the public utility and procured pursuant to this section. The Commission shall issue an order not later than 30 days after a petition for a certificate is filed by the public utility.

(4) Establishment of a methodology to allow an electric public utility to recover its costs pursuant to subsection (g) of this section.

(5) Establishment of a procedure for the Commission to modify or delay implementation of the provisions of this section in whole or in part if the Commission determines that it is in the public interest to do so.

(i) The requirements of this section shall not apply to an electric public utility serving fewer than 150,000 North Carolina retail jurisdictional customers as of January 1, 2017."

SECTION 2.(b) G.S. 62-153(b) reads as rewritten:

"(b) No public utility shall pay any fees, commissions or compensation of any description whatsoever to any affiliated or subsidiary holding, managing, operating, constructing, engineering, financing or purchasing company or agency for services rendered or to be rendered without first filing copies of all proposed agreements and contracts with the Commission and obtaining its approval. Provided, however, that this subsection shall not apply to (i) motor carriers of ~~passengers.~~passengers or (ii) power purchase agreements entered into pursuant to the competitive renewable energy procurement process established pursuant to G.S. 62-110.8."

SECTION 2.(c) This section is effective when it becomes law. The program required to be filed with the Utilities Commission pursuant to G.S. 62-110.8(a), as enacted by subsection (a) of this section, shall be filed by the electric public utility no later than 120 days after the effective date of this section, and the Commission shall issue an order to approve, modify, or deny the program no later than 90 days after the submission of the program by the electric public utility.

PART III. RENEWABLE ENERGY PROCUREMENT FOR MAJOR MILITARY INSTALLATIONS, PUBLIC UNIVERSITIES, AND OTHER LARGE CUSTOMERS

S**ECTION 3.(a)** Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-159.2. Direct renewable energy procurement for major military installations, public universities, and large customers.**

(a) Each electric public utility providing retail electric service to more than 150,000 North Carolina retail jurisdictional customers as of January 1, 2017, shall file with the Commission an application requesting approval of a new program applicable to major military installations, as that term is defined in G.S. 143-215.115(1), The University of North Carolina, as established in Article 1 of Chapter 116 of the General Statutes, and other new and existing nonresidential customers with either a contract demand (i) equal to or greater than one megawatt (MW) or (ii) at multiple service locations that, in aggregate, is equal to or greater than five megawatts (MW).

(b) Each public utility's program application required by this section shall provide standard contract terms and conditions for participating customers and for renewable energy suppliers from which the electric public utility procures energy and capacity on behalf of the participating customer. The application shall allow eligible customers to select the new renewable energy facility from which the electric public utility shall procure energy and capacity. The standard terms and conditions available to renewable energy suppliers shall provide a range of terms, between two years and 20 years, from which the participating customer may elect. Eligible customers shall be allowed to negotiate with renewable energy suppliers regarding price terms.

(c) Each contracted amount of capacity shall be limited to no more than one hundred twenty-five percent (125%) of the maximum annual peak demand of the eligible customer premises. Each public utility shall establish reasonable credit requirements for financial assurance for eligible customers that are consistent with the Uniform Commercial Code of North Carolina. Major military installations and The University of North Carolina are exempt from the financial assurance requirements of this section.

(d) The program shall be offered by the electric public utilities subject to this section for a period of five years or until December 31, 2022, whichever is later, and shall not exceed a combined 600 megawatts (MW) of total capacity. For the public utilities subject to this section, where a major military installation is located within its Commission-assigned service territory, at least 100 megawatts (MW) of new renewable energy facility capacity offered under the program shall be reserved for participation by major military installations. At least 250 megawatts (MW) of new renewable energy facility capacity offered under the programs shall also be reserved for participation by The University of North Carolina. Major military installations and The University of North Carolina must fully subscribe to all their allocations

prior to December 31, 2020, or a period of no more than three years after approval of the program, whichever is later. If any portion of total capacity set aside to major military installations or The University of North Carolina is not used, it shall be reallocated for use by any eligible program participant. If any portion of the 600 megawatts (MW) of renewable energy capacity provided for in this section is not awarded prior to the expiration of the program, it shall be reallocated to and included in a competitive procurement in accordance with G.S. 62-110.8(a).

(e) In addition to the participating customer's normal retail bill, the total cost of any renewable energy and capacity procured by or provided by the electric public utility for the benefit of the program customer shall be paid by that customer. The electric public utility shall pay the owner of the renewable energy facility which provided the electricity. The program customer shall receive a bill credit for the energy as determined by the Commission; provided, however, that the bill credit shall not exceed utility's avoided cost. The Commission shall ensure that all other customers are held neutral, neither advantaged nor disadvantaged, from the impact of the renewable electricity procured on behalf of the program customer."

SECTION 3.(b) This section is effective when it becomes law. The application required to be filed with the Utilities Commission pursuant to G.S. 62-159.2, as enacted by subsection (a) of this section, shall be filed by the electric public utility no later than 180 days after the effective date of this section.

PART IV. COST-RECOVERY FOR CERTAIN SMALL POWER PRODUCER PURCHASES

SECTION 4.(a) G.S. 62-133.2 reads as rewritten:

"**§ 62-133.2. Fuel and fuel-related charge adjustments for electric utilities.**

(a) The Commission shall permit an electric public utility that generates electric power by fossil fuel or nuclear fuel to charge an increment or decrement as a rider to its rates for changes in the cost of fuel and fuel-related costs used in providing its North Carolina customers with electricity from the cost of fuel and fuel-related costs established in the electric public utility's previous general rate case on the basis of cost per kilowatt hour.

(a1) As used in this section, "cost of fuel and fuel-related costs" means all of the following:

(1) The cost of fuel burned.
(2) The cost of fuel transportation.
(3) The cost of ammonia, lime, limestone, urea, dibasic acid, sorbents, and catalysts consumed in reducing or treating emissions.
(4) The total delivered noncapacity related costs, including all related transmission charges, of all purchases of electric power by the electric public utility, that are subject to economic dispatch or economic curtailment.
(5) The capacity costs associated with all purchases of electric power from qualifying cogeneration facilities and qualifying small power production facilities, as defined in 16 U.S.C. § 796, that are subject to economic dispatch by the electric public utility.
(6) Except for those costs recovered pursuant to G.S. 62-133.8(h), the total delivered costs of all purchases of power from renewable energy facilities and new renewable energy facilities pursuant to G.S. 62-133.8 or to comply with any federal mandate that is similar to the requirements of subsections (b), (c), (d), (e), and (f) of G.S. 62-133.8.
(7) The fuel cost component of other purchased power.
(8) Cost of fuel and fuel-related costs shall be adjusted for any net gains or losses resulting from any sales by the electric public utility of fuel and other fuel-related costs components.
(9) Cost of fuel and fuel-related costs shall be adjusted for any net gains or losses resulting from any sales by the electric public utility of by-products

produced in the generation process to the extent the costs of the inputs leading to that by-product are costs of fuel or fuel-related costs.

(10) The total delivered costs, including capacity and noncapacity costs, associated with all purchases of electric power from qualifying cogeneration facilities and qualifying small power production facilities, as defined in 16 U.S.C. § 796, that are not subject to economic dispatch or economic curtailment by the electric public utility and not otherwise recovered under subdivision (6) of this subsection.

(11) All nonadministrative costs related to the renewable energy procurement pursuant to G.S. 62-159.2 not recovered from the program participants.

(a2) For those costs identified in subdivisions (4), (5), ~~and (6)~~(6), (10), and (11) of subsection (a1) of this section, the annual increase in the aggregate amount of these costs that are recoverable by an electric public utility pursuant to this section shall not exceed ~~two percent (2%)~~ two and one-half percent (2.5%) of the electric public utility's total North Carolina retail jurisdictional gross revenues for the preceding calendar year. The costs described in subdivisions (4), (5), ~~and (6)~~(6), (10), and (11) of subsection (a1) of this section shall be recoverable from each class of customers as a separate component of the rider as follows:

(1) For the noncapacity costs described in ~~subdivision (4)~~subdivisions (4), (10), and (11) of subsection (a1) of this section, the specific component for each class of customers shall be determined by allocating these costs among customer classes based on the ~~electric public utility's North Carolina energy usage for the prior year,~~method used in the electric public utility's most recently filed fuel proceeding commenced on or before January 1, 2017, as determined by the Commission, until the Commission determines how these costs shall be allocated in a general rate case for the electric public utility commenced on or after January 1, ~~2008.~~2017.

(2) For the capacity costs described in subdivisions ~~(5) and (6)~~ (5), (6), (10), and (11) of subsection (a1) of this section, the specific component for each class of customers shall be determined by allocating these costs among customer classes based on the ~~electric public utility's North Carolina peak demand for the prior year,~~method used in the electric public utility's most recently filed fuel proceeding commenced on or before January 1, 2017, as determined by the Commission, until the Commission determines how these costs shall be allocated in a general rate case for the electric public utility commenced on or after January 1, ~~2008.~~2017.

…."

SECTION 4.(b) This section is effective when it becomes law.

PART V. AMEND COST CAPS FOR REPS COMPLIANCE

SECTION 5.1.(a) G.S. 62-133.8(h)(4) reads as rewritten:

"(4) An electric power supplier shall be allowed to recover the incremental costs incurred to comply with the requirements of subsections (b), (c), (d), (e), and (f) of this section and fund research as provided in subdivision (1) of this subsection through an annual rider not to exceed the following per-account annual charges:

Customer Class	**2008-2011**	**2012-2014**	**2015 and thereafter**
Residential per account	$10.00	$12.00	~~$34.00~~$27.00
Commercial per account	$50.00	$150.00	$150.00
Industrial per account	$500.00	$1,000.00	$1,000.00"

SECTION 5.1.(b) This section becomes effective July 1, 2017, and applies to cost-recovery proceedings initiated on or after that date.

COST-RECOVERY HOLD HARMLESS

SECTION 5.2. All reasonable and prudent incremental costs incurred by an electric power supplier prior to July 1, 2017, to comply with any requirement repealed or amended by this act may be recovered as provided in G.S. 62-133.8(h), as amended by this act. For the purposes of cost-recovery under this act, reasonable and prudent incremental costs shall include all of the following:

(1) Costs under purchase contracts for renewable energy entered into prior to July 1, 2017, for the purpose of complying with the renewable energy portfolio standards requirements amended by this act.

(2) The costs of renewable energy facilities built or acquired by a public utility for which a certificate of public convenience and necessity has been issued by the Commission prior to July 1, 2017.

PART VI. DISTRIBUTED RESOURCES ACCESS ACT

SECTION 6.(a) Chapter 62 of the General Statutes is amended by adding a new Article to read:

"Article 6B.

"Distributed Resources Access Act.

"**§ 62-126.1. Title.**

This Article may be cited as the "Distributed Resources Access Act."

"**§ 62-126.2. Declaration of policy.**

The General Assembly of North Carolina finds that as a matter of public policy it is in the interest of the State to encourage the leasing of solar energy facilities for retail customers and subscription to shared community solar energy facilities. The General Assembly further finds and declares that in encouraging the leasing of and subscription to solar energy facilities pursuant to this act, cross-subsidization should be avoided by holding harmless electric public utilities' customers that do not participate in such arrangements.

"**§ 62-126.3. Definitions.**

For purposes of this Article, the following definitions apply:

(1) Affiliate. – Any entity directly or indirectly controlling or controlled by or under direct or indirect common control with an electric power supplier.

(2) Commission. – The North Carolina Utilities Commission.

(3) Community solar energy facility. – A solar energy facility whose output is shared through subscriptions.

(4) Customer generator lessee. – A lessee of a solar energy facility.

(5) Electric generator lessor. – The owner of solar energy facility that leases the facility to a customer generator lessee, including any agents who act on behalf of the electric generator lessor. For purposes of this Article, an electric generator lessor shall not be considered a public utility under G.S. 62-3(23).

(6) Electric power supplier. – A public utility, an electric membership corporation, or a municipality that sells electric power to retail electric customers in the State.

(7) Electric public utility. – A public utility as defined by G.S. 62-3(23) that sells electric power to retail electric customers in the State.

(8) Maximum annual peak demand. – The maximum single hour of electric demand actually occurring or estimated to occur at a premises.

(9) Net metering. – To use electrical metering equipment to measure the difference between the electrical energy supplied to a retail electric customer by an electric power supplier and the electrical energy supplied by the retail electric customer to the electric power supplier over the applicable billing period.

(10) Offering utility. – Any electric public utility as defined in G.S. 62-3(23) serving at least 150,000 North Carolina retail jurisdictional customers as of January 1, 2017. The term shall not include any other electric public utility, electric membership corporation, or municipal electric supplier authorized to provide retail electric service within the State. An offering utility's participation in this Article as an electric generator lessor shall not otherwise alter its status as a public utility with respect to any other provision of this Chapter. An offering utility's participation in this Article shall be regulated pursuant to the provisions of this Article.

(11) Person. – The same meaning as provided by G.S. 62-3(21).

(12) Premises. – The building, structure, farm, or facility to which electricity is being or is to be furnished. Two or more buildings, structures, farms, or facilities that are located on one tract or contiguous tracts of land and that are utilized by one electric customer for commercial, industrial, institutional, or governmental purposes shall constitute one "premises," unless the electric service to the building, structures, farms, or facilities are separately metered and charged.

(13) Property. – The tract of land on which the premises is located, together with all the adjacent contiguous tracts of land utilized by the same retail electric customer.

(14) Solar energy facility. – A electric generating facility leased to a customer generator lessee that meets the following requirements:

a. Generates electricity from a solar photovoltaic system and related equipment that uses solar energy to generate electricity.

b. Is limited to a capacity of (i) not more than the lesser of 1,000 kilowatts (kW) or one hundred percent (100%) of contract demand if a nonresidential customer or (ii) not more than 20 kilowatts (kW) or one hundred percent (100%) of estimated electrical demand if a residential customer.

c. Is located on a premises owned, operated, leased, or otherwise controlled by the customer generator lessee that is also the premises served by the solar energy facility.

d. Is interconnected and operates in parallel phase and synchronization with an offering utility authorized by the Commission to provide retail electric service to the premises and has been approved for interconnection and parallel operation by that public utility.

e. Is intended only to offset no more than one hundred percent (100%) of the customer generator lessee's own retail electrical energy consumption at the premises.

f. Meets all applicable safety, performance, interconnection, and reliability standards established by the Commission, the public utility, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities.

(15) Subscription. – A contract between a subscriber and the owner of a community solar energy facility that allows a subscriber to receive a bill credit for the electricity generated by a community solar energy facility in proportion to the electricity generated.

"**§ 62-126.4. Commission to establish net metering rates.**

(a) Each electric public utility shall file for Commission approval revised net metering rates for electric customers that (i) own a renewable energy facility for that person's own primary use or (ii) are customer generator lessees.

(b) The rates shall be nondiscriminatory and established only after an investigation of the costs and benefits of customer-sited generation. The Commission shall establish net metering rates under all tariff designs that ensure that the net metering retail customer pays its full fixed cost of service. Such rates may include fixed monthly energy and demand charges.

(c) Until the rates have been approved by the Commission as required by this section, the rate shall be the applicable net metering rate in place at the time the facility interconnects. Retail customers that own and install an on-site renewable energy facility and interconnect to the grid prior to the date the Commission approves new metering rates may elect to continue net metering under the net metering rate in effect at the time of interconnection until January 1, 2027.

"**§ 62-126.5. Scope of leasing program in offering utilities' service areas.**

(a) An offering utility and its affiliates may be deemed to be electric generator lessors and may offer leases to solar energy facilities only within the offering utility's own assigned service area or, in the case of an affiliate, the service area assigned to an affiliated offering utility. The costs an offering public utility incurs in marketing, installing, owning, or maintaining leases through its own leasing programs as a lessor shall not be recovered from other nonparticipating utility customers through rates, and the Commission shall not have any jurisdiction over the financial terms of such leases. An offering utility, and the customer generator lessees that lease facilities from it, may participate on an equal basis with other lessors and lessees and in any approved incentive program offered by the utility to its customers.

(b) An electric generator lessor that owns a solar energy facility within the assigned service area of an offering utility and that is located on a premises owned or leased by a customer generator lessee shall be permitted to lease such facility exclusively to a customer generator lessee under a lease, provided that the electric generator lessor complies with the terms, conditions, and restrictions set forth within this section and holds a valid certificate issued by the Commission pursuant to G.S. 62-126.7. An electric generator lessor shall not be considered a "public utility" under G.S. 62-3(23) if the solar energy facility is only made available to a customer generator lessee under a lease that conforms to the requirements of G.S. 62-126.6 for the customer generator lessee's use on its premises where the solar energy facility is located to serve the electric energy requirements of that particular premises, including to enable the customer generator lessee to obtain a credit for the electricity generated under an applicable net metering tariff or to engage in the sale of excess energy from the solar energy facility to an offering utility.

(c) Any lease of a solar energy facility not entered into pursuant to this section is prohibited and any electric generator lessor that enters into a lease outside of an offering utility's program implemented pursuant to this section or otherwise enters into a contract or agreement where payments are based upon the electric output of a solar energy facility shall be considered a "public utility" under G.S. 62-3(23) and be in violation of the franchised service rights of the offering utility or any other electric power supplier authorized to provide retail electric service in the State. This section does not authorize the sale of electricity from solar energy facilities directly to any customer of an offering utility or other electric power supplier by the owner of a solar energy facility. The electrical output from any solar energy facility leased pursuant to this program shall be the sole and exclusive property of the customer generator lessee.

(d) The total installed capacity of all solar energy facilities on an offering utility's system that are leased pursuant to this section shall not exceed one percent (1%) of the previous five-year average of the North Carolina retail contribution to the offering utility's coincident retail peak demand. The offering utility may refuse to interconnect customers that would result in this limitation being exceeded. Each offering utility shall establish a program for new installations of leased equipment to permit the reservation of capacity by customer generator lessees, whether participating in a public utility or nonutility lessor's leasing program, on its system, including provisions to prevent or discourage abuse of such programs. Such programs

must provide that only prospective individual customer generator lessees may apply for, receive, and hold reservations to participate in the offering utility's leasing program. Each reservation shall be for a single customer premises only and may not be sold, exchanged, traded, or assigned except as part of the sale of the underlying premises.

(e) To comply with the terms of this section, each customer generator lessor's solar energy facility shall serve only one premises and shall not serve multiple customer generator lessees or multiple premises. The customer generator lessee must enroll in the applicable rate schedule made available by the interconnecting offering utility, subject to the participation limitations set forth in subsection (a) of this section.

"**§ 62-126.6. Electric customer generator leasing requirements; disclosures; records.**

(a) A lease agreement offered by an electric generator lessor must meet the following requirements:

(1) Be signed and dated by the retail electric customer. Any agreement that contains blank spaces when signed by the retail electric customer is voidable at the option of the retail electric customer until the solar energy facility is installed.

(2) Be in at least 12-point type.

(3) Include a provision granting the retail electric customer the right to rescind the agreement for a period of not less than three business days after the agreement is signed by the retail electric customer.

(4) Provide a description of the solar energy facility, including the make and model of the solar energy facility's major components, and a guarantee concerning energy production output that the solar energy facility will provide over the expected life of the agreement.

(5) Separately set forth the following items, as applicable:

a. The total cost to the retail electric customer under the lease agreement for the solar energy facility over the life of the agreement.

b. Any interest, installation fees, document preparation fees, service fees, or other costs to be paid by the retail electric customer.

c. The total number of payments, including the interest, the payment frequency, the estimated amount of the payment expressed in dollars, and the payment due date over the leased term.

(6) Identify any State or federal tax incentives that are included in the calculation of lease payments.

(7) Disclose whether the warranty or maintenance obligations related to the solar energy facility may be sold or transferred to a third party.

(8) Include a disclosure, the receipt of which shall be separately acknowledged by the retail electric customer, if a transfer of the lease agreement is subject to any restrictions pursuant to the agreement on the retail electric customer's ability to modify or transfer ownership of a solar energy facility, including whether any modification or transfer is subject to review or approval by a third party. If the modification or transfer of the solar energy facility is subject to review or approval by a third party, the agreement must identify the name, address, and telephone number of, and provide for updating any change in, the entity responsible for approving the modification or transfer.

(9) Include a disclosure, the receipt of which shall be separately acknowledged by the retail electric customer, if a modification or transfer of ownership of the real property to which the solar energy facility is or will be affixed is subject to any restrictions pursuant to the agreement on the retail electric customer's ability to modify or transfer ownership of the real property to which the solar energy facility is installed or affixed, including whether any modification or transfer is subject to review or approval by a third party. If the modification or transfer of the real property to which the solar energy

facility is affixed or installed is subject to review or approval by a third party, the agreement must identify the name, address, and telephone number of, and provide for updating any change in, the entity responsible for approving the modification or transfer.

(10) Provide a full and accurate summary of the total costs under the agreement for maintaining and operating the solar energy facility over the life of the solar energy facility, including financing, maintenance, and construction costs related to the solar energy facility.

(11) If the agreement contains an estimate of the retail electric customer's future utility charges based on projected utility rates after the installation of a solar energy facility, provide an estimate of the retail electric customer's estimated utility charges during the same period as impacted by potential utility rate changes ranging from at least a five percent (5%) annual decrease to at least a five percent (5%) annual increase from current utility costs. The comparative estimates must be calculated based on the same utility rates.

(12) Include a disclosure, the receipt of which shall be separately acknowledged by the retail electric customer that states: "Utility rates and utility rate structures are subject to change. These changes cannot be accurately predicted and projected savings from your solar energy facility are therefore subject to change. Tax incentives are subject to change or termination by executive, legislative, or regulatory action."

(b) Before the maintenance or warranty obligations of a solar energy facility under an existing lease agreement are transferred, the person who is currently obligated to maintain or warrant the solar energy facility must disclose the name, address, and telephone number of the person who will be assuming the maintenance or warranty of the solar energy facility.

(c) If the electric generator lessor's marketing materials contain an estimate of the retail electric customer's future utility charges based on projected utility rates after the installation of a solar energy facility, the marketing materials must contain an estimate of the retail electric customer's estimated utility charges during the same period as impacted by potential utility rate changes ranging from at least a five percent (5%) annual decrease to at least a five percent (5%) annual increase from current utility costs.

"**§ 62-126.7. Commission authority over electric generator lessors.**

(a) No person shall engage in the leasing of a solar energy facility without having applied for and obtained a certificate authorizing those operations from the Commission. The application for a certificate of authority to engage in business as an electric generator lessor shall be made in a form prescribed by the Commission and accompanied by the fee required pursuant to G.S. 62-300(a)(16).

(b) In acting upon the application for a certificate of authority to engage in business as an electric generator lessor, the Commission shall take into account the State's interest in encouraging the leasing of solar electric generation facilities and avoidance of cross-subsidization as declared by the policy objectives of this Article as provided in G.S. 62-126.2, as well as the policy of the State, as provided in G.S. 62-2(a). The Commission shall issue a certificate of authority to engage in business as an electric generator lessor if the Commission finds that the applicant is fit, willing, and able to conduct that business in accordance with the provisions of this Article. The certificate shall be effective from the date issued unless otherwise specified therein and shall remain in effect until terminated under the terms thereof, or until suspended or revoked as herein provided.

(c) As a condition for issuance and continuation of a certificate of authority for an electric generator lessor, the applicant shall certify to the Commission all of the following:

(1) The applicant will register with the Commission each solar energy facility that the applicant leases to a customer generator lessee.

(2) That each lease of a solar energy facility that the applicant offers or accepts will comply with the provisions of this Article.

(3) The applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with an offering utility or a customer generator lessee that is located in the State.

(4) That the applicant will conduct its business in substantial compliance with all federal and State laws, regulations, and rules for the protection of the environment and conservation of natural resources, the provision of electric service, and the protection of consumers.

(d) Upon the request of an electric public utility, an electric membership corporation, the Public Staff, a customer generator lessee, or person having an interest in the electric generator lessor's conduct of its business, the Commission may review the certificate to determine whether the electric generator lessor is conducting business in compliance with this Article. After notice to the electric generator lessor, the Commission may suspend the certificate and enter upon a hearing to determine whether the certificate should be revoked. After the hearing, and for good cause shown, the Commission may, in its discretion, reinstate a suspended certificate, continue a suspension of a certificate, or revoke a certificate.

(e) It shall be a violation of law punishable by a civil penalty of not more than ten thousand dollars ($10,000) per occurrence for any person to either directly or indirectly do any of the following:

(1) Solicit business as a lessor of solar energy facilities without a valid certificate issued under this section or otherwise in violation of the terms of this Article.

(2) Engage in any unfair or deceptive practice in the leasing of solar energy facilities or otherwise violate the requirements of G.S. 62-126.6.

(3) Operate in violation of the terms of the certificate issued by this Article.

"**§ 62-126.8. Community solar energy facilities.**

(a) Each offering utility shall file a plan with the Commission to offer a community solar energy facility program for participation by its retail customers. The community solar energy facility program shall be designed so that each community solar energy facility offsets the energy use of not less than five subscribers and no single subscriber has more than a forty percent (40%) interest. The offering utility shall make its community solar energy facility program available on a first-come, first-served basis until the total nameplate generating capacity of those facilities equals 20 megawatts (MW).

(b) A community solar energy facility shall have a nameplate capacity of no more than five megawatts (MW). Each subscription shall be sized to represent at least 200 watts (W) of the community solar energy facility's generating capacity and to supply no more than one hundred percent (100%) of the maximum annual peak demand of electricity of each subscriber at the subscriber's premises.

(c) A community solar energy facility must be located in the service territory of the offering utility filing the plan. Subscribers shall be located in the State of North Carolina and the same county or a county contiguous to where the facility is located. The electric public utility may file a request for Commission approval for an exemption from the location requirement of this subsection and the Commission may approve the request for a facility located up to 75 miles from the county of the subscribers, if the Commission deems the exemption to be in the public interest.

(d) The offering utility shall credit the subscribers to its community solar energy facility for all subscribed shares of energy generated by the facility at the avoided cost rate.

(e) The Commission may approve, disapprove, or modify a community solar energy facility program. The program shall meet all of the following requirements:

(1) Establish uniform standards and processes for the community solar energy facilities that allow the electric public utility to recover reasonable interconnection costs, administrative costs, fixed costs, and variable costs associated with each community solar energy facility, including purchase

expenses if a power purchase agreement is elected as the method of energy procurement by the offering utility.

(2) Be consistent with the public interest.

(3) Identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions.

(4) Include a program implementation schedule.

(5) Identify all proposed rules and charges.

(6) Describe how the program will be promoted.

(7) Hold harmless customers of the electric public utility who do not subscribe to a community solar energy facility.

(8) Allow subscribers to have the option to own the renewable energy certificates produced by the community solar energy facility.

"**§ 62-126.9. Scope of leasing program by municipalities.**

(a) A municipality that sells electric power to retail customers in the State may elect, by action of its governing council or commission, to be deemed to be an electric generator lessor and may offer leases to solar energy facilities located within the municipality's service territory. The costs a municipality incurs in marketing, installing, owning, or maintaining leases through its own leasing programs as a lessor shall not be recovered from other nonparticipating municipality retail customers through rates.

(b) Provided the municipality has elected to offer a leasing program, an electric generator lessor that owns a solar energy facility within a municipality's service territory and that is located on a premises owned or leased by a customer generator lessee shall be permitted to lease such facility exclusively to a customer generator lessee pursuant to a lease under terms and conditions approved by the municipality and holds a valid certificate issued by the Commission pursuant to G.S. 62-126.7. Notwithstanding this subsection, a municipality acting as an electric generator lessor shall not be required to comply with G.S. 62-126.7.

(c) An electric generator lessor, including a municipality acting as an electric generator lessor, shall not be considered a "public utility" under G.S. 62-3(23) if the solar energy facilities are only made available to a customer generator lessee under a lease that conforms to the requirements of G.S. 62-126.6 for the customer generator lessee's use of the customer generator lessee's premises where the solar energy facility is located to serve the electric energy requirements of that particular premises, including to enable the customer generator lessee to obtain a credit under an applicable net metering tariff or to engage in the sale of excess energy from the solar energy facility to the municipality; provided, however, that the provisions of G.S. 62-126.4 shall not apply to a municipality or other electric generator lessor that offers leases to solar energy facilities located within the municipality's service territory pursuant to this section. Any net metering tariffs adopted by such municipality shall be adopted by its governing council or commission in accordance with the rate-setting procedures set forth in Article 16 of Chapter 160A of the General Statutes.

(d) Any lease of a solar energy facility in a municipal electric service area not entered into pursuant to this section is prohibited. This section does not authorize the sale of electricity from solar energy facilities directly to any customer of a municipality by the owner of a solar energy facility. The electrical output from any eligible renewable electric generation facility leased pursuant to this section shall be the sole and exclusive property of the customer generator lessee.

(e) Each eligible solar energy facility shall serve only one premises and shall not serve multiple customer generator lessees or multiple premises. The customer generator lessee must enroll in the applicable rate schedule made available by the municipality, subject to the participation limitations set forth in subsection (a) of this section.

"**§ 62-126.10. Rules.**

The Commission shall adopt rules to implement the provisions of this Article."

SECTION 6.(b) G.S. 62-3(23) reads as rewritten:

"**§ 62-3. Definitions.**

As used in this Chapter, unless the context otherwise requires, the term:

…

(23) a. "Public utility" means a person, whether organized under the laws of this State or under the laws of any other state or country, now or hereafter owning or operating in this State equipment or facilities for:

1. Producing, generating, transmitting, delivering or furnishing electricity, piped gas, steam or any other like agency for the production of light, heat or power to or for the public for compensation; provided, however, that the term "public utility" shall not include persons who construct or operate an electric generating facility, the primary purpose of which facility is ~~for such~~ either for (i) a person's own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for ~~compensation;~~compensation or (ii) a person who constructs or operates an eligible solar energy facility on the site of a customer's property and leases such facility to that customer, as provided by and subject to the limitations of Article 6B of this Chapter;

…."

SECTION 6.(c) G.S. 62-110.1(g) reads as rewritten:

"(g) The certification requirements of this section shall not apply to (i) a nonutility-owned generating facility fueled by renewable energy resources under two megawatts in ~~capacity or~~capacity; (ii) to persons who construct an electric generating facility primarily for that person's own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation; ~~provided, however, that such persons shall, nevertheless, be required to report to the Utilities Commission the proposed construction of such a facility before beginning construction thereof.~~or (iii) a solar energy facility or a community solar energy facility, as provided by and subject to the limitations of Article 6B of this Chapter. However, such persons shall be required to report the proposed construction of the facility and the completion of the facility to the Commission and the interconnecting public utility. Such reports shall be for informational purposes only and shall not require action by the Commission or the Public Staff."

SECTION 6.(d) This section is effective when it becomes law. The plan required to be filed with the Utilities Commission pursuant to G.S. 62-126.8(a), as enacted by subsection (a) of this section, shall be filed by the electric public utility no later than 180 days after the effective date of this section.

PART VII. EXPEDITED REVIEW OF INTERCONNECTION OF SWINE AND POULTRY WASTE

SECTION 7. G.S. 62-133.8(i)(4) reads as rewritten:

"(4) Establish standards for interconnection of renewable energy facilities and other nonutility-owned generation with a generation capacity of 10 megawatts or less to an electric public utility's distribution system; provided, however, that the Commission shall adopt, if appropriate, federal interconnection standards. The standards adopted pursuant to this subdivision shall include an expedited review process for swine and poultry waste to energy projects of two megawatts (MW) or less and other measures necessary and appropriate to achieve the objectives of subsections (e) and (f) of this section."

PART VIII. SOLAR REBATE PROGRAM

SECTION 8.(a) G.S. 62-155 is amended by adding a new subsection to read:

"(f) Each electric public utility serving more than 150,000 North Carolina retail jurisdictional customers as of January 1, 2017, shall file with the Commission an application requesting approval of a program offering reasonable incentives to residential and nonresidential customers for the installation of small customer owned or leased solar energy facilities participating in a public utility's net metering tariff, where the incentive shall be limited to 10 kilowatts alternating current (kW AC) for residential solar installations and 100 kilowatts alternating current (kW AC) for nonresidential solar installations. Each public utility required to offer the incentive program pursuant to this subsection shall be authorized to recover all reasonable and prudent costs of incentives provided to customers and program administrative costs by amortizing the total program incentives distributed during a calendar year and administrative costs over a 20-year period, including a return component adjusted for income taxes at the utility's overall weighted average cost of capital established in its most recent general rate case, which shall be included in the costs recoverable by the public utility pursuant to G.S. 62-133.8(h). Nothing in this section shall prevent the reasonable and prudent costs of a utility's programs to incentivize customer investment in or leasing of solar energy facilities, including an approved incentive, from being reflected in a utility's rates to be recovered through the annual rider established pursuant to G.S. 62-133.8(h). The program incentive established by each public utility subject to this section shall meet all of the following requirements:

(1) Shall be limited to 10,000 kilowatts (kW) of installed capacity annually starting in January 1, 2018, and continuing until December 31, 2022, and shall provide incentives to participating customers based upon the installed alternating current nameplate capacity of the generators.

(2) Nonresidential installations will also be limited to 5,000 kilowatts (kW) in aggregate for each of the years of the program.

(3) Two thousand five hundred kilowatts (kW) of the capacity for nonresidential installations shall be set aside for use by nonprofit organizations; 50 kilowatts (kW) of the set aside shall be allocated to the NC Greenpower Solar Schools Pilot or a similar program. Any set-aside rebates that are not used by December 31, 2022, shall be reallocated for use by any customer who otherwise qualifies. For purposes of this section, "nonprofit organization" means an organization or association recognized by the Department of Revenue as tax exempt pursuant to G.S. 105-130.11(a), or any bona fide branch, chapter, or affiliate of that organization.

(4) If in any year a portion of the incentives goes unsubscribed, the utility may roll excess incentives over into a subsequent year's allocation."

SECTION 8.(b) G.S. 62-133.8(h)(1) is amended by adding a new sub-subdivision to read:

"d. Provide incentives to customers, including program costs, incurred pursuant to G.S. 62-155(f)."

SECTION 8.(c) This section is effective when it becomes law. The application required to be filed with the Utilities Commission pursuant to G.S. 62-155(f), as enacted by subsection (a) of this section, shall be filed by the electric public utility no later than 180 days after the effective date of this section.

PART IX. DEMAND-SIDE MANAGEMENT FOR STATE-OWNED FACILITIES PILOT PROJECT

SECTION 9. Article 17 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-351. Demand-side management policy; pilot project.**

(a) Declaration of Policy. – It is the policy of the State for government-owned facilities that have backup or emergency generators that meet the criteria of utility demand-side management programs or rates to enroll in such programs or rates to the extent those programs

or rates are available without diminishing the purpose or use of the facility having the backup or emergency generator.

(b) Department of Public Safety Pilot Program. – By no later than January 1, 2018, the Department of Public Safety shall designate a backup or emergency generator to enroll in the demand-side management program or rate available that would allow electricity load to be shifted to its generator in response to utility-administered programs.

(c) Report. – The Department of Public Safety shall report to the Joint Legislative Commission on Energy Policy by January 31 of each year on the status of the designated backup or emergency generator and whether it is enrolled in the utility demand-side response program or rate.

(d) Sunset. – The pilot program and report required by subsections (b) and (c) of this section shall expire on January 1, 2020."

PART X. UPDATE UTILITIES COMMISSION CHARGES AND FEES

SECTION 10.(a) G.S. 62-133.8 is amended by adding a new subsection to read:

"(*l*) The owner, including an electric power supplier, of each renewable energy facility or new renewable energy facility, whether or not required to obtain a certificate of public convenience and necessity pursuant to G.S. 62-110.1, that intends for renewable energy certificates it earns to be eligible for use by an electric power supplier to comply with G.S. 62-133.8 shall register the facility with the Commission. Such an owner shall file a registration statement in the form prescribed by the Commission and remit to the Commission the fee required pursuant to G.S. 62-300(a)(16)."

SECTION 10.(b) G.S. 62-300(a) is amended by adding two new subdivisions to read:

"(16) Two hundred fifty dollars ($250.00) with each application for a certificate of authority to engage in business as an electric generator lessor filed pursuant to G.S. 62-126.7 or each registration statement for a renewable energy facility or new renewable energy facility filed pursuant to G.S. 62-133.8(*l*).

(17) Fifty dollars ($50.00) for each report of proposed construction filed by the owner of an electric generating facility that is exempt from the certification requirements of G.S. 62-110.1(a)."

PART XI. UTILITIES COMMISSION/PUBLIC STAFF POSITIONS

SECTION 11. If House Bill 589 of the 2017 Regular Session becomes law, then the North Carolina Utilities Commission and the Public Staff of the Utilities Commission are each authorized to create two positions funded from receipts of the Commission in order to meet requirements imposed by that act.

PART XII. ENERGY STORAGE STUDY

SECTION 12. The North Carolina Policy Collaboratory (Collaboratory) at the University of North Carolina at Chapel Hill shall conduct a study on energy storage technology. The study shall address how energy storage technologies may or may not provide value to North Carolina consumers based on factors that may include capital investment, value to the electric grid, net utility savings, net job creation, impact on consumer rates and service quality, or any other factors related to deploying one or more of these technologies. The study shall also address the feasibility of energy storage in North Carolina, including services energy storage can provide that are not being performed currently, the economic potential or impact of energy storage deployment in North Carolina, and the identification of existing policies and recommended policy changes that may be considered to address a statewide coordinated energy storage policy. The Collaboratory shall provide the results of this study no later than December 1, 2018, to the Energy Policy Council and the Joint Legislative Commission on Energy Policy.

PART XIII. MORATORIUM ON ISSUANCE OF PERMITS FOR WIND ENERGY FACILITIES

SECTION 13.(a) Definitions. – The definitions set forth in Article 21C of Chapter 143 of the General Statutes apply throughout this act.

SECTION 13.(b) Moratorium Established. – There is hereby established a moratorium on the issuance of permits for wind energy facilities and wind energy facility expansions in this State. The purpose of this moratorium is to allow the General Assembly ample time to study the extent and scope of military operations in the State as directed in subsection (d) of this section and to consider the impact of future wind energy facilities and energy infrastructure on military operations, training, and readiness. Neither the Department of Environmental Quality nor the Coastal Resources Commission shall issue a permit for a wind energy facility or wind energy facility expansion for the period beginning January 1, 2017, and ending on December 31, 2018.

SECTION 13.(c) Exception. – The moratorium established by subsection (b) of this section shall not prohibit the consideration of an application or the issuance of a permit for a wind energy facility or wind energy facility expansion for either of the following:

(1) Those facilities or facility expansions that received a written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration on or before May 17, 2013.

(2) If the applicant can show that a completed application, prepared in accordance with the requirements set out in G.S. 143-215.119(a), was submitted to the Department or the Commission on or before January 1, 2017.

SECTION 13.(d) Study. – The General Assembly shall study the extent and scope of military operations in the State in order to create a suite of maps and other relevant data and documentation that shall be employed to communicate the temporal and spatial use of land-, air-, and water-based military operations. Upon completion, the suite of maps and other relevant data and documentation may be utilized to identify areas of the State, both onshore and offshore, where energy infrastructure and development poses a threat to, encroaches upon, or otherwise reduces operations, training capabilities, or readiness. The Legislative Services Officer shall issue a request for proposals for (i) the collection of geospatial and other relevant data for land-, air-, and water-based military operations in the State and (ii) the creation of a suite of maps and other relevant data and documentation that can be used to communicate the temporal and spatial use of land-, air-, and water-based military operations in the State. In the conduct of the study, the selected contractor shall consult with the base commander, or the base commander's designee, of each major military installation in the State, United States Department of Defense officials, retired military personnel with relevant and applicable knowledge of training and operations in this State, the Military Affairs Commission, and any other person, agency, or organization that may be able to define the footprint of military operations in this State and identify, communicate, and relate the data necessary to prepare a comprehensive suite of maps and other relevant data and documentation that illustrate temporal and spatial use of land-, air-, and water-based military operations in the State.

SECTION 13.(e) Time Line. – The study directed by subsection (d) of this section shall adhere to the following time line:

(1) The request for proposals (RFP) shall be issued on or before September 1, 2017.

(2) A contract to award the RFP shall be executed on or before November 1, 2017.

(3) The study, including the preparation of the suite of maps and other relevant data and documentation that illustrate temporal and spatial use of land-, air-, and water-based military operations in the State, findings, and recommendations, if any, shall be completed and submitted to the Legislative Services Officer on or before May 31, 2018, in order to inform

the development of policies pertaining to the protection and preservation of major military installations during the 2018 Regular Session.

SECTION 13.(f) Notwithstanding any provision of law in S.L. 2017-57 or in the Committee Report accompanying that act to the contrary, the sum of one hundred fifty thousand dollars ($150,000) reserved from the appropriation for pending legislation to support the requirements of House Bill 589, 2017 Regular Session, shall instead be used to support the study required by subsection (d) of this section.

PART XIV. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 14.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 14.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-193 **H.B. 161**

AN ACT TO REQUIRE STATE DIVESTMENT FROM, AND PROHIBIT STATE AGENCIES FROM CONTRACTING WITH, COMPANIES THAT BOYCOTT ISRAEL AND TO AMEND THE EXISTING SUDAN AND IRAN DIVESTMENT STATUTES.

Whereas, boycotts and related tactics have become a tool of economic warfare that threaten the sovereignty and security of key allies and trade partners of the United States; and

Whereas, the State of Israel is the most prominent target of such boycott activity, which began with, but has not been limited to, the Arab League Boycott adopted in 1945, even before Israel's declaration of independence as the reestablished national state of the Jewish people; and

Whereas, companies that refuse to deal with United States trade partners such as Israel, or entities that do business with or in such countries, make discriminatory decisions on the basis of national origin that impair those companies' commercial soundness; and

Whereas, it is the public policy of the United States, as enshrined in several federal acts, to oppose boycotts against Israel, and Congress has concluded as a matter of national trade policy that cooperation with Israel materially benefits United States companies and improves American competitiveness; and

Whereas, Israel in particular is known for its dynamic and innovative approach in many business sectors, and, therefore, a company's decision to discriminate against Israel, Israeli entities, or entities that do business with or in Israel is an unsound business practice making such a company an unduly risky contracting partner or vehicle for investment; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. DIVESTMENT FROM COMPANIES BOYCOTTING ISRAEL

SECTION 1.1. Chapter 147 of the General Statutes is amended by adding a new Article to read:

"Article 6G.

"Divestment From Companies Boycotting Israel.

"**§ 147-86.80. Definitions.**

The following definitions apply in this Article:

(1) Boycott Israel or boycott of Israel. – Engaging in refusals to deal, terminating business activities, or taking actions that are intended to penalize, inflict economic harm, or otherwise limit commercial relations specifically with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories. This term does not apply to decisions made for

ordinary business purposes or for actions with an economic impact of less than twenty million dollars ($20,000,000) in a 12-month period.

(2) Company. – Any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations.

(3) Investment. – This term has the same meaning as G.S. 147-86.57(3).

(4) Restricted company. – A company that appears on the list of companies that are engaged in a boycott of Israel developed by the State Treasurer under G.S. 147-86.81(a)(1).

(5) State agency. – Any board, commission, department, executive department, officer, institution, and any political subdivision of the State.

"**§ 147-86.81. Prohibitions on State investment.**

(a) No more than 30 days after October 1, 2017, the State Treasurer shall adopt a policy prohibiting the North Carolina Retirement Systems or the Department of State Treasurer from investing in any company engaged in a boycott of Israel. At a minimum, the policy shall provide for the following:

(1) List of restricted companies. – Within 120 days of adoption of the policy, the State Treasurer shall develop and make publicly available a list of companies it determines to be engaged in a boycott of Israel. In the development of this list, the State Treasurer shall use any other state lists of restricted companies pursuant to similar laws and any federal information or guidance on companies that boycott Israel and any other credible information provided by nonprofit organizations, research firms, and governmental entities, and generally publicly available information. The State Treasurer shall make every effort to avoid erroneously including a company on the list. Before finalizing an initial or updated list, the State Treasurer must do all of the following before a company is included on the list:

a. Provide 90 days' written notice of the State Treasurer's intent to include the company on the list. The notice shall inform the company that inclusion on the list would make the company ineligible for State investment, may result in the company becoming subject to divestment by the North Carolina Retirement Systems, and may affect the company's ability to conduct business with the State and its subdivisions. The notice shall specify that the company may be removed from the list if the company ceases its engagement in a boycott of Israel.

b. The State Treasurer shall provide a company with an opportunity to comment in writing that the company is not engaged in a boycott of Israel or has ceased its boycott of Israel. If the company demonstrates to the State Treasurer that the company has not been engaged in a boycott of Israel, the company shall not be placed on the list. If a company had been engaged in a boycott of Israel but has ceased the boycott, it must submit a written certification to the State Treasurer that the company will not reengage in a boycott of Israel for the duration of any business with the State. The State Treasurer shall keep all written certifications from restricted and previously restricted companies.

(2) Identification of investments. – Upon completion of the initial list of restricted companies created pursuant to subdivision (1) of this subsection,

the State Treasurer shall identify any restricted companies in which the North Carolina Retirement Systems has investments.

(3) Review of restricted companies list. – The State Treasurer shall review the list of restricted companies created pursuant to subdivision (1) of this subsection on an annual basis. This updated list shall be made publicly available and any updates shall be distributed to the North Carolina Retirement Systems.

(4) Investments prohibited. – Neither the North Carolina Retirement Systems nor the State Treasurer may invest funds with a company that is identified on a list created pursuant to subdivision (1) of this section as a company engaging in restricted investment activities.

(5) Existing investments. – Any existing investment with a company that is identified on a list created pursuant to subdivision (1) of this section as a company engaging in restricted activities must be divested within 180 days of the adoption of the list.

(b) Nothing in the policy or in this Article shall require the North Carolina Retirement Systems or the State Treasurer to take action unless it is determined by the State Treasurer, in good faith, that the action is consistent with the fiduciary responsibilities of the Retirement Systems and the State Treasurer.

"**§ 147-86.82. Restrictions on contracts with the State or subdivisions of the State.**

(a) A company that is identified as a restricted company is ineligible to contract with the State or any political subdivision of the State.

(b) Any contract entered into with a company that is identified as a restricted company at the time of contract is void ab initio.

(c) Upon receiving information that a company that was not identified as a restricted company at the time of contract has later been identified as a restricted company, the State agency shall review the information and offer the company an opportunity to respond. If the company fails to demonstrate that the company should not have been identified as a restricted company within 90 days after notification by the State agency, then the State agency shall take action as may be appropriate and provided for by law, rule, or contract.

(d) Contracts in existence on October 1, 2017, with restricted companies shall be allowed to expire in accordance with the terms of the contract.

"**§ 147-86.83. Exceptions.**

G.S. 147-86.82 shall not apply to contracts valued at one thousand dollars ($1,000) or less.

"**§ 147-86.84. Reporting.**

The State Treasurer shall report to the Joint Legislative Commission on Governmental Operations annually by October 1 on information regarding investments sold, redeemed, divested, or withdrawn in compliance with this Article."

SECTION 1.2.(a) Pursuant to G.S. 147-69.3(g), the State Treasurer is authorized to retain the services of consultants, professional individuals, analysts, data collection firms, or other persons possessing specialized skills or knowledge necessary for the proper implementation and administration of the requirements of this act.

SECTION 1.2.(b) This section is effective when this act becomes law.

PART II. AMEND SUDAN (DARFUR) DIVESTMENT ACT

SECTION 2.1. G.S. 147-86.42 reads as rewritten:

"**§ 147-86.42. Definitions.**

As used in this article, the following definitions apply:

~~(1) "Active Business Operations" means all Business Operations that are not Inactive Business Operations.~~

(2) "Business ~~Operations"~~ operations" means engaging in commerce in any form in Sudan, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel,

products, services, personal property, real property, or any other apparatus of business or commerce.

(3) "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

(4) "Complicit" means taking actions during any preceding 20-month period which have directly supported or promoted the genocidal campaign in Darfur, including, but not limited to, preventing Darfur's victimized population from communicating with each other, encouraging Sudanese citizens to speak out against an internationally approved security force for Darfur, actively working to deny, cover up, or alter the record on human rights abuses in Darfur, or other similar actions.

~~(5) "Direct Holdings" in a Company means all securities of that Company held directly by the Public Fund or in an account or fund in which the Public Fund owns all shares or interests.~~

(5a) "Investment" means a commitment or contribution of funds or property, whatever the source, or a loan or other extension of credit. It does not include indirect beneficial ownership through index funds, commingled funds, limited partnerships, derivative instruments, or the like.

(6) "Government of Sudan" means the government in Khartoum, Sudan, which is led by the National Congress Party (formerly known as the National Islamic Front) or any successor government formed on or after October 13, 2006 (including the coalition National Unity Government agreed upon in the Comprehensive Peace Agreement for Sudan), and does not include the regional government of southern Sudan.

~~(7) "Inactive Business Operations" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.~~

~~(8) "Indirect Holdings" in a Company means all securities of that Company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the Public Fund, in which the Public Fund owns shares or interests together with other investors not subject to the provisions of this Article and securities held through index funds, commingled funds, limited partnerships, derivative instruments, or any other similar investment instrument.~~

(9) "Marginalized ~~Populations~~ populations of Sudan" include, but are not limited to, the portion of the population in the Darfur region that has been genocidally victimized; the portion of the population of southern Sudan victimized by Sudan's North-South civil war; the Beja, Rashidiya, and other similarly underserved groups of eastern Sudan; the Nubian and other similarly underserved groups in Sudan's Abyei, Southern Blue Nile, and Nuba Mountain regions; and the Amri, Hamadab, Manasir, and other similarly underserved groups of northern Sudan.

(10) "Military ~~Equipment"~~equipment" means weapons, arms, military supplies, and equipment that readily may be used for military purposes, including, but not limited to, radar systems or military-grade transport vehicles; or supplies or services sold or provided directly or indirectly to any force actively participating in armed conflict in Sudan.

(11) "Mineral ~~Extraction Activities"~~extraction activities" include exploring, extracting, processing, transporting, or wholesale selling or trading of

elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including by providing supplies or services in support of such activities.

(12) ~~"Oil-Related Activities"~~"Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including by providing supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered Oil-Related Activities.

(13) "Power ~~Production Activities"~~production activities" means any ~~Business Operation~~business operation that involves a project commissioned by the National Electricity Corporation (NEC) of Sudan or other similar Government of Sudan entity whose purpose is to facilitate power generation and delivery, including, but not limited to, establishing power-generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including by providing supplies or services in support of such activities.

(14) "Public ~~Fund"~~fund" means any funds held by the State Treasurer to the credit of:

a. The Teachers' and State Employees' Retirement System.
b. The Consolidated Judicial Retirement System.
c. The Firemen's and Rescue Workers' Pension Fund.
d. The Local Governmental Employees' Retirement System.
e. The Legislative Retirement System.
f. The Legislative Retirement Fund.
g. The North Carolina National Guard Pension Fund.

(14a) ~~"Scrutinized Business Operations"~~"Restricted business operations" means ~~Business Operations~~business operations that have resulted in a ~~Company~~ company becoming a ~~Scrutinized Company.~~restricted company.

(15) ~~"Scrutinized Company"~~"Restricted company" means any ~~Company~~ company that meets the criteria in sub-subdivisions a., b., or c. below:

a. The ~~Company~~ company has ~~Business Operations~~business operations that involve contracts with and/or provision of supplies or services to the Government of Sudan, to companies in which the Government of Sudan has any direct or indirect equity share, Government of Sudan-commissioned consortiums or projects, or to ~~Companies~~ companies involved in Government of Sudan-commissioned consortiums or projects and at least one of the following conditions is satisfied:

1. More than ten percent (10%) of the ~~Company's~~ company's revenues or assets linked to Sudan involve ~~Oil-Related Activities or Mineral Extraction Activities;~~oil-related activities or mineral extraction activities less than seventy-five percent (75%) of the ~~Company's~~ company's revenues or assets linked to Sudan involve contracts with and/or provision of ~~Oil-Related or Mineral Extracting~~oil-related or mineral extracting products or services to the regional government of southern Sudan or a project or consortium created exclusively by that regional

government; and the ~~Company~~ company has failed to take ~~Substantial Action.~~substantial action.

2. More than ten percent (10%) of the ~~Company's~~ company's revenues or assets linked to Sudan involve ~~Power Production Activities;~~ power production activities; less than seventy-five percent (75%) of the ~~Company's Power Production Activities~~company's power production activities include projects whose intent is to provide power or electricity to the ~~Marginalized Populations~~marginalized populations of Sudan; and the ~~Company~~ company has failed to take ~~Substantial Action.~~substantial action.

b. The ~~Company~~ company is ~~Complicit~~ complicit in the Darfur genocide.

c. The ~~Company~~ company supplies ~~Military Equipment~~military equipment within Sudan, unless it clearly shows that the ~~Military Equipment~~military equipment cannot be used to facilitate offensive military actions in Sudan or the ~~Company~~ company implements rigorous and verifiable safeguards to prevent use of that equipment by forces actively participating in armed conflict, for example, through post-sale tracking of such equipment by the ~~Company,~~company, certification from a reputable and objective third party that such equipment is not being used by a party participating in armed conflict in Sudan, or sale of such equipment solely to the regional government of southern Sudan or any internationally recognized peacekeeping force or humanitarian organization.

Notwithstanding anything herein to the contrary, a ~~Social Development Company~~ social development company which is not ~~Complicit~~ complicit in the Darfur genocide shall not be considered a ~~Scrutinized Company.~~restricted company.

(16) "Social ~~Development Company"~~development company" means a ~~Company~~ company whose primary purpose in Sudan is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food, clothing, or general consumer goods that are unrelated to ~~Oil-Related Activities, Mineral Extraction Activities, or Power Production Activities.~~oil-related activities, mineral extraction activities, or power production activities.

(17) "Substantial ~~Action"~~action" means adopting, publicizing, and implementing a ~~formal~~ detailed plan to cease ~~Scrutinized Business Operations~~restricted business operations within one year and to refrain from any such new ~~Business Operations;~~business operations; undertaking significant humanitarian efforts on behalf of one or more ~~Marginalized Populations~~marginalized populations of Sudan; or through engagement with the Government of Sudan, materially improving conditions for the genocidally victimized population in Darfur."

SECTION 2.2. G.S. 147-86.43 reads as rewritten:

"**§ 147-86.43. Identification of companies.**

(a) Within 90 days of August 30, 2007, the ~~Public Fund shall make its best efforts to identify all Scrutinized Companies in which the Public Fund has Direct or Indirect Holdings or could possibly have such holdings in the future. Such efforts shall include, as appropriate:~~public fund shall develop and make publicly available a list of companies it determines to be engaged in restricted business activities. In the development of this list, the

public fund shall use any other state lists of restricted companies pursuant to similar laws and any federal information or guidance on companies engaged in restricted business activities, and any other credible information provided by nonprofit organizations, research firms, and governmental entities. The public fund shall make every effort to avoid erroneously, including a company on the list. Before finalizing an initial or update list, the public fund must do all of the following before a company is included on the list:

(1) ~~Reviewing and relying, as appropriate in the Public Fund's judgment, on publicly available information regarding Companies with Business Operations in Sudan, including information provided by nonprofit organizations, research firms, international organizations, and government entities;~~Provide 90 days written notice of the public fund's intent to include the company on the list. The notices shall inform the company that inclusion on the list would make the company ineligible for State investment, may result in the company becoming subject to divestment by the North Carolina Retirement Systems, and may affect the company's ability to conduct business with the State and its subdivisions. The notice shall specify that the company may be removed from the list if the company ceases engagement in the restricted business activities.

(2) ~~Contacting asset managers contracted by the Public Fund that invest in Companies with Business Operations in Sudan; or~~The public fund shall provide a company with an opportunity to comment in writing that it is not engaged in restricted activities in Sudan. If the company demonstrates to the public fund that the company is not engaged in restricted activities, the company shall not be included on the list.

~~(3) Contacting other institutional investors that have divested from and/or engaged with Companies that have Business Operations in Sudan.~~

~~(b) By the first meeting of the Public Fund following the 90-day period described in subsection (a), the Public Fund shall assemble all Scrutinized Companies identified into a "Scrutinized Companies List."~~

(c) The ~~Public Fund~~public fund shall update the ~~Scrutinized Companies List~~list on ~~a quarterly~~an annual basis based on evolving information from, among other sources, those listed in subsection (a) of this section."

SECTION 2.3. G.S. 147-86.44 reads as rewritten:

"**§ 147-86.44. Required actions.**

~~(a) General. – The Public Fund shall adhere to the procedure for Companies on the Scrutinized Companies List as provided in this section:~~

~~(b) Engagement. –~~

~~(1) The Public Fund shall immediately determine the Companies on the Scrutinized Companies List in which the Public Fund owns Direct or Indirect Holdings.~~

~~(2) For each Company identified in subdivision (1) of this section with only Inactive Business Operations, the Public Fund shall send a written notice informing the Company of this article and encouraging it to continue to refrain from initiating Active Business Operations in Sudan until it is able to avoid Scrutinized Business Operations. The Public Fund shall continue such correspondence on a semiannual basis.~~

~~(3) For each Company newly identified in subdivision (1) of this section with Active Business Operations, the Public Fund shall send a written notice informing the Company of its Scrutinized Company status and that it may become subject to divestment by the Public Fund. The notice shall offer the Company the opportunity to clarify its Sudan-related activities and shall encourage the Company, within 90 days, to either cease its Scrutinized~~

~~Business Operations or convert such operations to Inactive Business Operations in order to avoid qualifying for divestment by the Public Fund.~~

~~(4) If, within 90 days following the Public Fund's first engagement with a Company pursuant to subdivision (3) of this section that Company ceases Scrutinized Business Operations, the Company shall be removed from the Scrutinized Companies List and the provisions of this Section shall cease to apply to it unless it resumes Scrutinized Business Operations. If, within 90 days following the Public Fund's first engagement, the Company converts its Scrutinized Active Business Operations to Inactive Business Operations, the Company shall be subject to all provisions relating thereto.~~

~~(c) Divestment. –~~

~~(1) If, after 90 days following the Public Fund's first engagement with a Company pursuant to subdivision (b)(3) of this section, the Company continues to have Scrutinized Active Business Operations, and only while such Company continues to have Scrutinized Active Business Operations, the Public Fund shall sell, redeem, divest, or withdraw all publicly traded securities of the Company within 15 months after the Company's most recent appearance on the Scrutinized Companies List.~~

~~(2) If a Company that ceased Scrutinized Active Business Operations following engagement pursuant to subdivision (b)(3) of this section resumes such operations, subdivision (1) of this subsection shall immediately apply, and the Public Fund shall send a written notice to the Company. The Company shall also be immediately reintroduced onto the Scrutinized Companies List.~~

(d) ~~Prohibition.~~Investments Prohibited. – At no time shall the ~~Public Fund acquire securities of Companies on the Scrutinized Companies List that have Active Business Operations, except as provided below.~~public fund invest with companies on the list created pursuant to G.S. 147-86.43.

(d1) Existing Investments. – Any existing investment with a company that is identified on a list created pursuant to G.S. 147-86.43 as a company engaging in restricted business activities must be divested within 180 days of the adoption of the list.

(e) Exemption. – No ~~Company~~ company which the United States Government affirmatively declares to be excluded from its present or any future federal sanctions regime relating to Sudan shall be subject to divestment or investment prohibition pursuant to subsections (c) and (d) of this section.

(e1) Nothing in this Article shall require the North Carolina Retirement Systems or the State Treasurer to take action unless it is determined by the State Treasurer, in good faith, that the action is consistent with the fiduciary responsibilities of the Retirement Systems and the State Treasurer.

~~(f) Excluded Securities. – Notwithstanding anything herein to the contrary, subsections (c) and (d) of this section shall not apply to Indirect Holdings. The Public Fund shall, however, submit letters to the managers of such investment funds containing Companies with Scrutinized Active Business Operations requesting that they consider removing such Companies from the fund or create a similar actively managed fund with Indirect Holdings devoid of such Companies. If the manager creates a similar fund, the Public Fund shall replace all applicable investments with investments in the similar fund in an expedited time frame consistent with prudent investing standards. For the purposes of this section, "private equity" funds shall be deemed to be actively managed investment funds.~~"

SECTION 2.4. G.S. 147-86.45 reads as rewritten:

"**§ 147-86.45. Reporting.**

~~(a)~~ The ~~Public Fund shall file a publicly available report to the General Assembly that includes the Scrutinized Companies List annually.~~public fund shall report to the Joint Legislative Commission on Governmental Operations annually on October 1 on information regarding investments sold, redeemed, divested, or withdrawn in compliance with this Article.

~~(b) Annually thereafter, the Public Fund shall file a publicly available report to the General Assembly and send a copy of that report to the United States Presidential Special Envoy to Sudan (or an appropriate designee or successor) that includes:~~

~~(1) A summary of correspondence with Companies engaged by the Public Fund under G.S. 147-86.44(b)(2) and (b)(3).~~

~~(2) All investments sold, redeemed, divested, or withdrawn in compliance with G.S. 147-86.44(c).~~

~~(3) All prohibited investments under G.S. 147-86.44(d); and~~

~~(4) Any progress made under G.S. 147-86.44(f).~~"

SECTION 2.5. G.S. 147-86.47 and G.S. 147-86.48 are repealed.

PART III. AMEND IRAN DIVESTMENT ACT

SECTION 3.1. G.S. 147-86.56 reads as rewritten:

"**§ 147-86.56. Findings.**

The General Assembly finds that:

…

(7) In order to effectively address the need for this State to respond to the policies of Iran in a uniform fashion, prohibiting contracts with ~~persons~~ companies engaged in investment activities in the energy sector of Iran must be accomplished on a statewide basis.

…."

SECTION 3.2. G.S. 147-86.57 reads as rewritten:

"**§ 147-86.57. Definitions.**

As used in this Article:

(1) "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations.

(1a) "Energy sector of Iran" means activities to develop petroleum or natural gas resources or nuclear power in Iran.

(2) "Financial institution" means the term as used in Section 14 of the Iran Sanctions Act of 1996, as amended (Public Law 104-172; 50 U.S.C. 1701 § note).

(3) "Investment" means a commitment or contribution of funds or property, whatever the source, a loan or other extension of credit, and the entry into or renewal of a contract for goods or services. It does not include indirect beneficial ownership through index funds, commingled funds, limited partnerships, derivative instruments, or the like.

(4) "Investment activities in Iran" means a ~~person~~ company engages in investment activities in Iran if:

a. The ~~person~~ company provides goods or services of twenty million dollars ($20,000,000) or more within any 12-month period in the energy sector of Iran, including a ~~person~~ company that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or

b. The ~~person~~ company is a financial institution that extends twenty million dollars ($20,000,000) or more in credit to another ~~person,~~company, for 45 days or more, if (i) the financial institution knows, or reasonably should know, that ~~person~~ company will use the credit to provide goods or services in the energy sector in Iran, and

(ii) the ~~person~~ company receiving credit is identified on a list created pursuant to G.S. 147-86.60 as a ~~person~~ company engaging in investment activities in Iran as described in this section.

(5) "Iran" includes the Government of Iran and any agency or instrumentality of Iran.

(6) "Person" means any of the following:

a. A natural person, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group.

b. Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in section 1701(c)(3) of the International Financial Institutions Act (22 U.S.C. § 262r(c)(3)).

c. Any successor, parent entity owning more than 20%, or majority-owned subunit or subsidiary of any entity described in sub-subdivisions (a) and (b) of this subdivision.

(7) "State agency" means any board, commission, department, executive department, officer, institution, and any political subdivision of the State."

SECTION 3.3. G.S. 147-86.58 reads as rewritten:

"**§ 147-86.58. Prohibitions on State investment.**

No more than 30 days after October 1, 2015, the State Treasurer shall adopt a policy prohibiting the North Carolina Retirement Systems or the Department of the State Treasurer from investing funds with a ~~person~~ company engaging in investment activities in Iran. At a minimum, the policy shall provide:

(1) List of ~~persons engaged in investment.~~restricted companies. – Within 120 days of adoption of the policy, the State Treasurer shall develop and make publically available, ~~using federal sanctions lists and any other credible information available to the public,~~ a list of ~~persons~~ companies it determines engage in investment activities in Iran. The State Treasurer shall use any other state lists of restricted companies pursuant to similar laws and any federal information or guidance on companies engaged in investment activities in Iran and any other credible information provided by nonprofit organizations, research firms, governmental entities, and generally public information. The State Treasurer shall make every effort to avoid erroneously including a ~~person~~ company on the list. The State Treasurer shall update the list ~~every 180 days.~~annually. Before finalizing an initial list or an updated list, the State Treasurer must do all of the following before a ~~person~~ company is included on the list:

a. Provide 90 days' written notice of the State Treasurer's intent to include the ~~person~~ company on the list. The notice shall inform the ~~person~~ company that inclusion on the list would make the ~~person~~ company ineligible for State investment and may affect the ~~person's~~ company's ability to conduct other business with the State and its subdivisions. The notice shall specify that the ~~person, if it ceases its engagement in investment activities in Iran,~~ company may be removed from the ~~list.~~list if it ceases its investment activities in Iran.

b. The State Treasurer shall provide a ~~person~~ company with an opportunity to comment in writing that it is not engaged in investment activities in Iran. If the ~~person~~ company demonstrates to the State Treasurer that the ~~person~~ company is not engaged in investment activities in Iran, the ~~person~~ company shall not be included on the list.

(2) Investments prohibited. – Neither the North Carolina Retirement Systems nor the State Treasurer may invest funds with a ~~person~~ company that is identified on a list created pursuant to subdivision (1) of this section as a ~~person~~ company engaging in investment activities in Iran.

(3) Existing investments. – Any existing investment with a ~~person~~ company that is identified on a list created pursuant to subdivision (1) of this section as a ~~person~~ company engaging in investment activities in Iran must be divested within 180 days of ~~the adoption of the policy.~~being placed on the list created pursuant to subdivision (1) of this section.

(4) Fiduciary duties. – Nothing in the policy or in this Article shall require the North Carolina Retirement Systems or the State Treasurer to take action unless it is determined by the State Treasurer, in good faith, that the action is consistent with the fiduciary responsibilities of the Retirement Systems and the State Treasurer.

(5) Exceptions. – Notwithstanding the policy, an investment may be made in a ~~person~~ company engaged in investment activities in Iran if:

a. The ~~person~~ company is eligible to contract with the State under the exception in G.S. 147-86.61.

b. The State Treasurer makes a good-faith determination, on a case-by-case basis, that the investments are necessary to perform its functions."

SECTION 3.4. G.S. 147-86.59 is repealed.

SECTION 3.5. G.S. 147-86.60 reads as rewritten:

"**§ 147-86.60. Restrictions on contracts with the State or subdivisions of the State.**

(a) A ~~person~~ company that is identified on a list created by the State Treasurer pursuant to G.S. 147-86.58 as a ~~person~~ company engaging in investment activities in Iran is ineligible to contract with the State or any political subdivision of the State.

(b) Any contract entered into with a ~~person~~ company that is ineligible to contract with the State or any political subdivision of the State is void ab initio.

(c) Existing contracts with ~~persons~~ companies made ineligible to contract with the State or any political subdivision of the State under this Article shall be allowed to expire in accordance with the terms of the contract."

SECTION 3.6. G.S. 147-86.61 reads as rewritten:

"**§ 147-86.61. Exceptions.**

(a) G.S. 147-86.60 does not apply to contracts valued at one thousand dollars ($1,000) or less.

(b) ~~Persons~~ Companies engaged in substantial positive action. – Notwithstanding any other provision of this Article, a ~~person~~ company engaged in investment activities in Iran may ~~contract with the State or a political subdivision of the State~~not be placed on the list developed pursuant to G.S. 147-86.58(1) if the State Treasurer determines, using U.S. government statements and any other credible information available to the public, that the ~~person's~~ company's investment activities in Iran were made before October 1, 2015, the investment activities in Iran have not been expanded or renewed after October 1, 2015, and the ~~person~~ company has adopted, publicized, and is implementing a detailed plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran. The State Treasurer shall develop and make publically available a "Substantial Positive Action Exception List" of these ~~persons.~~companies. The State Treasurer shall update the list ~~every 180 days.~~annually. Once a person has not engaged in investment activities in Iran within the previous five years, the State Treasurer shall remove that person from the list created pursuant to G.S. 147-86.58.

(c) Necessary commodities or services. – Notwithstanding any other provision of this Article, a ~~person~~ company engaged in investment activities in Iran may contract with the State or a political subdivision of the State, on a case-by-case basis, if the State agency or political

subdivision makes a good-faith determination that the commodities or services are necessary to perform its functions and that, absent such an exemption, the State agency would be unable to obtain the commodities or services for which the contract is offered. The determination shall be entered into the procurement record."

SECTION 3.7. G.S. 147-86.62 reads as rewritten:

"**§ 147-86.62. Report; application.**

~~(a)~~ The State Treasurer shall report to the Joint Legislative Commission on Governmental Operations ~~and the Governor~~ annually by October 1 on ~~the status of the federal "Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010" (Public Law 111-195), the "Iran Divestment Act of 2015," and any rules or regulations adopted thereunder.~~information regarding investments sold, redeemed, divested, or withdrawn in compliance with this Article.

~~(b) The restrictions provided for in this Article apply only until:~~

~~(1) The President or Congress of the United States, by means including, but not limited to, legislation, executive order, or written certification, declares that divestment of the type provided for in this Article interferes with the conduct of United States foreign policy; or with respect to restrictions on any particular investment activities in Iran, those activities have been specifically exempted from U.S. government sanctions by an affirmative declaration authorized by the Congress of the United States; or~~

~~(2) Congress revokes authority to divest in the manner provided for in this Article.~~"

SECTION 3.8. G.S. 147-86.63 reads as rewritten:

"**§ 147-86.63. No private right of action.**

(a) This Article does not create or authorize a private right of action to enforce the provisions of the Article.

(b) A ~~person~~ company may challenge being included on the lists established in this Article using the procedures in Article 3 of Chapter 150B of the General Statutes, except that no ~~person~~ company may file a contested case more than once every 365 days, and no attorneys' fees may be awarded under G.S. 150B-33(b)(11)."

SECTION 4. Except as otherwise provided, this act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-194 **H.B. 138**

AN ACT TO STANDARDIZE CRITERIA FOR CLASSIFICATION OF CRIMINAL GANG MEMBERSHIP, CREATE A SENTENCING ENHANCEMENT FOR CERTAIN CRIMES PERPETRATED BY GANG MEMBERS, AND INCREASE THE PENALTIES FOR CERTAIN GANG-RELATED OFFENSES.

Whereas, the General Assembly finds that it is the right of every person to be secure and protected from fear, intimidation, and physical harm caused by the activities of criminal gangs; and

Whereas, the General Assembly also recognizes the constitutional right of every citizen to harbor and express beliefs on any lawful subject whatsoever and to lawfully associate with others who share similar beliefs; and

Whereas, the General Assembly finds a need for enhanced punishment of criminal gang activity to afford adequate protection of the people of North Carolina from the harms caused by criminal gangs; and

Whereas, it is the intent of the General Assembly to outlaw certain conduct associated with the existence and proliferation of criminal gangs and provide enhanced criminal penalties when crimes are committed in the course of criminal gang activity; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-50.16 is repealed.

SECTION 2. The title for Article 13A of Chapter 14 of the General Statutes reads as rewritten:

"North Carolina ~~Street~~Criminal Gang Suppression Act."

SECTION 3. G.S. 14-50.15 reads as rewritten:

"**§ 14-50.15. Short title.**

This Article shall be known and may be cited as the "North Carolina ~~Street~~ Criminal Gang Suppression Act."

SECTION 4. Article 13A of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-50.16A. Criminal gang activity.**

Definitions. – The following definitions apply in this Article:

(1) Criminal gang. – Any ongoing organization, association, or group of three or more persons, whether formal or informal, that (i) has as one of its primary activities the commission of criminal or delinquent acts and (ii) shares a common name, identification, signs, symbols, tattoos, graffiti, attire, or other distinguishing characteristics, including common activities, customs, or behaviors. The term shall not include three or more persons associated in fact, whether formal or informal, who are not engaged in criminal gang activity.

(2) Criminal gang activity. – The commission of, attempted commission of, or solicitation, coercion, or intimidation of another person to commit (i) any offense under Article 5 of Chapter 90 of the General Statutes or (ii) any offense under Chapter 14 of the General Statutes except Article 9, 22A, 40, 46, or 59 thereof, and further excepting G.S. 14-82, 14-145, 14-183, 14-184, 14-186, 14-190.9, 14-247, 14-248, or 14-313 thereof, and either of the following conditions is met:

a. The offense is committed with the intent to benefit, promote, or further the interests of a criminal gang or for the purposes of increasing a person's own standing or position within a criminal gang.

b. The participants in the offense are identified as criminal gang members acting individually or collectively to further any criminal purpose of a criminal gang.

(3) Criminal gang leader or organizer. – Any criminal gang member who acts in any position of management with regard to the criminal gang and who meets two or more of the following criteria:

a. Exercises decision-making authority over matters regarding a criminal gang.

b. Participates in the direction, planning, organizing, or commission of criminal gang activity.

c. Recruits other gang members.

d. Receives a larger portion of the proceeds of criminal gang activity.

e. Exercises control and authority over other criminal gang members.

(4) Criminal gang member. – Any person who meets three or more of the following criteria:

a. The person admits to being a member of a criminal gang.

b. The person is identified as a criminal gang member by a reliable source, including a parent or a guardian.

c. The person has been previously involved in criminal gang activity.

d. The person has adopted symbols, hand signs, or graffiti associated with a criminal gang.

e. The person has adopted the display of colors or the style of dress associated with a criminal gang.

f. The person is in possession of or linked to a criminal gang by physical evidence, including photographs, ledgers, rosters, written or electronic communications, or membership documents.

g. The person has tattoos or markings associated with a criminal gang.

h. The person has adopted language or terminology associated with a criminal gang.

i. The person appears in any form of social media to promote a criminal gang."

SECTION 5. Article 81B of Chapter 15A of the General Statutes is amended by adding a new section to read:

"**§ 15A-1340.16E. Enhanced sentence for offenses committed by criminal gang members as a part of criminal gang activity.**

(a) Except as otherwise provided in subsection (b) of this section, if a person is convicted of any felony other than a Class A, B1, or B2 felony, and it is found that the offense was committed as part of criminal gang activity as defined in G.S. 14-50.16A(2), then the person shall be sentenced at a felony class level one class higher than the principal felony for which the person was convicted.

(b) If subsection (a) of this section applies and the person is found to be a criminal gang leader or organizer as defined in G.S. 14-50.16A(3), the person shall be sentenced at a felony class level two classes higher than the principal felony for which the person was convicted.

(c) No defendant sentenced pursuant to this section shall be sentenced at a level higher than a Class C felony. Any sentence imposed under this section shall run consecutively with and shall commence at the expiration of any sentence being served by the person sentenced under this section.

(d) An indictment or information for the felony shall allege in that indictment or information the facts that qualify the offense for an enhancement under this section. One pleading is sufficient for all felonies that are tried at a single trial.

(e) The State shall prove the issues set out under subsection (a) or (b) of this section beyond a reasonable doubt. The issues shall be proven and found in the same manner as provided for aggravating factors in G.S. 15A-1340.16(a1), (a2), or (a3) as applicable.

(f) This section shall not apply to any gang offense included under Article 13A of Chapter 14 of the General Statutes."

SECTION 6. G.S. 14-34.9 reads as rewritten:

"**§ 14-34.9. Discharging a firearm from within an enclosure.**

Unless covered under some other provision of law providing greater punishment, any person who willfully or wantonly discharges or attempts to discharge a firearm, as a part of ~~a pattern of criminal street gang activity,~~criminal gang activity, from within any building, structure, motor vehicle, or other conveyance, erection, or enclosure toward a person or persons not within that enclosure shall be punished as a Class E felon."

SECTION 7. G.S. 14-50.17 reads as rewritten:

"**§ 14-50.17. Soliciting; encouraging participation.**

(a) It is unlawful for any person to cause, encourage, solicit, or coerce a person 16 years of age or older to participate in criminal ~~street~~ gang activity.

(b) A violation of this section is a Class H felony."

SECTION 8. G.S. 14-50.18 reads as rewritten:

"**§ 14-50.18. Soliciting; encouraging participation; minor.**

(a) It is unlawful for any person to cause, encourage, solicit, or coerce a person under 16 years of age to participate in criminal ~~street~~ gang activity.

(b) A violation of this section is a Class F felony.

(c) Nothing in this section shall preclude a person who commits a violation of this section from criminal culpability for the underlying offense committed by the minor under any other provision of law."

SECTION 9. G.S. 14-50.19 reads as rewritten:

"**§ 14-50.19. ~~Threats~~ Intimidation to deter from gang withdrawal.**

(a) It is unlawful for any person to communicate a threat of injury to a person, or to damage the property of another, with the intent to deter a person from assisting another to withdraw from membership in a criminal ~~street~~ gang.

(a1) It is unlawful for any person to injure a person with the intent to deter a person from assisting another to withdraw from membership in a criminal gang.

(b) A violation of subsection (a) of this section is a Class ~~H felony.~~G felony. A violation of subsection (a1) of this section is a Class F felony."

SECTION 10. G.S. 14-50.20 reads as rewritten:

"**§ 14-50.20. ~~Threats of punishment or retaliation.~~Punishment or retaliation for gang withdrawal.**

(a) It is unlawful for any person to communicate a threat of injury to a person, or to damage the property of another, as punishment or retaliation against a person for having withdrawn from a criminal ~~street~~ gang.

(a1) It is unlawful for any person to injure a person as punishment or retaliation against a person for having withdrawn from a criminal gang.

(b) A violation of subsection (a) of this section is a Class ~~H felony.~~G felony. A violation of subsection (a1) of this section is a Class F felony."

SECTION 11. G.S. 14-50.22 reads as rewritten:

"**§ 14-50.22. Enhanced offense for misdemeanor criminal gang activity.**

A person age 15 or older who is convicted of a misdemeanor offense that is committed for the benefit of, at the direction of, or in association with, any criminal ~~street~~ gang is guilty of an offense that is one class higher than the offense committed. A Class A1 misdemeanor shall be enhanced to a Class I felony under this section."

SECTION 12. G.S. 14-50.23 reads as rewritten:

"**§ 14-50.23. Contraband, seizure, and forfeiture.**

(a) All property of every kind used or intended for use in the course of, derived from, or realized through criminal ~~street~~ gang activity ~~or a pattern of criminal street gang activity~~ is subject to the seizure and forfeiture provisions of G.S. 14-2.3.

(b) In any action under this section, the court may enter a restraining order in connection with any interest that is subject to forfeiture.

(c) Innocent Activities. – The provisions of this section shall not apply to property used for criminal ~~street~~ gang activity where the owner or person who has legal possession of the property does not have actual knowledge that the property is being used for criminal ~~street~~ gang activity."

SECTION 13. G.S. 14-50.25 reads as rewritten:

"**§ 14-50.25. Reports of disposition; criminal ~~street~~ gang activity.**

When a defendant is found guilty of a criminal offense, other than an offense under G.S. 14-50.16 through G.S. 14-50.20, the presiding judge shall determine whether the offense involved criminal ~~street~~ gang activity. If the judge so determines, then the judge shall indicate on the form reflecting the judgment that the offense involved criminal ~~street~~ gang activity. The clerk of court shall ensure that the official record of the defendant's conviction includes a notation of the court's determination."

SECTION 14. The title for Article 13B of Chapter 14 of the General Statutes reads as rewritten:

"North Carolina ~~Street~~Criminal Gang Nuisance Abatement Act."

rewriting those lines to read:

SECTION 15. G.S. 14-50.42 reads as rewritten:

"**§ 14-50.42. Real property used by criminal ~~street~~ gangs declared a public nuisance: abatement.**

(a) Public Nuisance. – Any real property that is erected, established, maintained, owned, leased, or used by any criminal ~~street~~ gang for the purpose of conducting criminal ~~street~~ gang activity, as defined in ~~G.S. 14-50.16(c),~~G.S. 14-50.16A(2), shall constitute a public nuisance and may be abated as provided by and subject to the provisions of Article 1 of Chapter 19 of the General Statutes.

Proof that criminal gang activity by a criminal gang member is regularly committed at any real property or proof that the real property is regularly used for engaging in criminal gang activity by a criminal gang member is prima facie evidence that the owner or person who has legal possession of the real property knowingly permitted the act unless the owner or person who has legal possession of the real property is making or has made a good-faith attempt to terminate the criminal gang activity or remove criminal gang members from the property through legal means, including trespass or summary ejectment. For purposes of this section, the term "regularly" means at least five times in a period of not more than 12 months.

(b) Innocent Activities. – The provisions of this section shall not apply to real property used for criminal ~~street~~ gang activity where any of the following conditions are met:

(1) ~~the~~The owner or person who has legal possession of the real property does not have actual knowledge that the real property is being used for criminal ~~street~~ gang ~~activity or the~~ activity.

(2) The owner or person who has legal possession of the real property is being coerced into allowing the property to be used for criminal ~~street~~ gang activity.

(3) The owner or person who has legal possession of the real property is making or has made a good-faith attempt to terminate the criminal gang activity or remove criminal gang members from the property through legal means, including trespass or summary ejectment.

For purposes of this subsection, evidence that the defendant knew, or by the exercise of due diligence should have known, of the criminal gang activity constitutes proof of actual knowledge."

SECTION 16. G.S. 14-50.43 reads as rewritten:

"**§ 14-50.43. ~~Street gangs~~Criminal gangs declared a public nuisance.**

(a) A ~~street~~criminal gang, as defined in ~~G.S. 14-50.16(b),~~G.S. 14-50.16A(a), that regularly engages in criminal ~~street~~ gang ~~activities,~~ activity, as defined in ~~G.S. 14-50.16(c),~~G.S. 14-50.16A(2), constitutes a public nuisance. For the purposes of this section, the term "regularly" means at least five times in a period of not more than 12 months.

(b) Any person who regularly associates with others to engage in criminal ~~street~~ gang activity, as defined in ~~G.S. 14-50.16(c),~~G.S. 14-50.16A(2), may be made a defendant in a suit, brought pursuant to Chapter 19 of the General Statutes, to abate any public nuisance resulting from criminal ~~street~~ gang activity.

(c) If the court finds that a public nuisance exists under this section, the court may enter an order enjoining the defendant in the suit from engaging in criminal ~~street~~ gang activities and impose other reasonable requirements to prevent the defendant or a gang from engaging in future criminal ~~street~~ gang activities.

(d) An order entered under this section shall expire ~~one year~~three years after entry unless extended by the court for good cause established by the plaintiff after a hearing. The order may be modified, rescinded, or vacated at any time prior to its expiration date upon the motion of any party if it appears to the court that one or more of the defendants is no longer engaging in criminal ~~street~~ gang activities."

SECTION 17. G.S. 15A-1340.16(d) reads as rewritten:

"**§ 15A-1340.16. Aggravated and mitigated sentences.**

…

(d) Aggravating Factors. – The following are aggravating factors:

…

(2a) The offense was committed for the benefit of, or at the direction of, any criminal ~~street gang~~gang as defined by G.S. 14-50.16A(1), with the specific intent to promote, further, or assist in any criminal conduct by gang members, and the defendant was not charged with committing a conspiracy. ~~A "criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of felony or violent misdemeanor offenses, or delinquent acts that would be felonies or violent misdemeanors if committed by an adult, and having a common name or common identifying sign, colors, or symbols.~~

…."

SECTION 18. G.S. 15A-1343(b1) reads as rewritten:

"**§ 15A-1343. Conditions of probation.**

…

(b1) Special Conditions. – In addition to the regular conditions of probation specified in subsection (b), the court may, as a condition of probation, require that during the probation the defendant comply with one or more of the following special conditions:

…

(9b) Any or all of the following conditions relating to ~~street~~criminal gangs as defined in ~~G.S. 14-50.16(b):~~G.S. 14-50.16A(1):

a. Not knowingly associate with any known ~~street~~criminal gang members and not knowingly be present at or frequent any place or location where ~~street~~criminal gangs gather or where ~~street~~criminal gang activity is known to occur.

b. Not wear clothes, jewelry, signs, symbols, or any paraphernalia readily identifiable as associated with or used by a ~~street~~criminal gang.

c. Not initiate or participate in any contact with any individual who was or may be a witness against or victim of the defendant or the defendant's ~~street~~criminal gang.

…."

SECTION 19. G.S. 15A-533(e) reads as rewritten:

"**§ 15A-533. Right to pretrial release in capital and noncapital cases.**

…

(e) There shall be a rebuttable presumption that no condition of release will reasonably assure the appearance of the person as required and the safety of the community, if a judicial official finds all of the following:

(1) There is reasonable cause to believe that the person committed an offense for the benefit of, at the direction of, or in association with, any criminal ~~street~~ gang, as defined in ~~G.S. 14-50.16;~~G.S. 14-50.16A(1).

(2) The offense described in subdivision (1) of this subsection was committed while the person was on pretrial release for another ~~offense; and~~offense.

(3) The person (i) has been previously convicted of an offense described in ~~G.S. 14-50.16 through G.S. 14-50.20,~~G.S. 14-50.16 through G.S. 14-50.20 or (ii) has been convicted of a criminal offense and received an enhanced sentence for that offense pursuant to G.S. 15A-1340.16E, and not more than five years has elapsed since the date of conviction or the person's release for the offense, whichever is later."

SECTION 20. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-195 **S.B. 445**

AN ACT TO STANDARDIZE THE FILING PROCEDURES FOR EXPUNGEMENTS, TO AUTHORIZE PROSECUTORS ACCESS TO CERTAIN RECORDS OF EXPUNGEMENT, TO ALLOW CERTAIN EXPUNGED CRIMINAL ACTS TO BE CONSIDERED IN CALCULATING PRIOR RECORD LEVELS DURING SENTENCING FOR SUBSEQUENT OFFENSES, AND TO MAKE OTHER MODIFICATIONS TO THE EXPUNGEMENT PROCESS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 5 of Chapter 15A of the General Statutes reads as rewritten:

"Article 5.

"Expunction of Records.

"**§ 15A-145. Expunction of records for first offenders under the age of 18 at the time of conviction of misdemeanor; expunction of certain other misdemeanors.**

(a) Whenever any person who has not previously been convicted of any felony, or misdemeanor other than a traffic violation, under the laws of the United States, the laws of this State or any other state, (i) pleads guilty to or is guilty of a misdemeanor other than a traffic violation, and the offense was committed before the person attained the age of 18 years, or (ii) pleads guilty to or is guilty of a misdemeanor possession of alcohol pursuant to G.S. 18B-302(b)(1), and the offense was committed before the person attained the age of 21 years, he may file a petition in the court <u>of the county</u> where he was convicted for expunction of the misdemeanor from his criminal record. The petition cannot be filed earlier than: (i) two years after the date of the conviction, or (ii) the completion of any period of probation, whichever occurs later, and the petition shall contain, but not be limited to, the following:

(1) An affidavit by the petitioner that he has been of good behavior for the two-year period since the date of conviction of the misdemeanor in question and has not been convicted of any felony, or misdemeanor other than a traffic violation, under the laws of the United States or the laws of this State or any other state.

(2) Verified affidavits of two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which he lives and that his character and reputation are good.

(3) A statement that the petition is a motion in the cause in the case wherein the petitioner was convicted.

(4) Repealed by Session Laws 2010-174, s. 2, effective October 1, 2010, and applicable to petitions for expunctions filed on or after that date.

(4a) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ <u>filed with the clerk of superior court. The clerk of superior court shall forward the application</u> to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

(5) An affidavit by the petitioner that no restitution orders or civil judgments representing amounts ordered for restitution entered against him are outstanding.

The petition shall be served upon the district attorney of the court wherein the case was tried resulting in conviction. The district attorney shall have 10 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing of the petition.

The judge to whom the petition is presented is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct during the two-year period that he deems desirable.

(a1) Nothing in this section shall be interpreted to allow the expunction of any offense involving impaired driving as defined in G.S. 20-4.01(24a).

(b) If the court, after hearing, finds that the petitioner had remained of good behavior and been free of conviction of any felony or misdemeanor, other than a traffic violation, for two years from the date of conviction of the misdemeanor in question, the petitioner has no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against him, and (i) petitioner was not 18 years old at the time of the offense in question, or (ii) petitioner was not 21 years old at the time of the offense of possession of alcohol pursuant to G.S. 18B-302(b)(1), it shall order that such person be restored, in the contemplation of the law, to the status he occupied before such arrest or indictment or information.

(b1) No person as to whom such order has been entered shall be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of his failure to recite or acknowledge such arrest, or indictment, information, or trial, or response to any inquiry made of him for any purpose. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(c) The court shall also order that the misdemeanor conviction, or a civil revocation of a drivers license as the result of a criminal charge, be expunged from the records of the court. The court shall direct all law-enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the petitioner's conviction or a civil revocation of a drivers license as the result of a criminal charge. This subsection does not apply to civil or criminal charges based upon the civil revocation, or to civil revocations under G.S. 20-16.2. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The clerk shall forward a certified copy of the order to the Division of Motor Vehicles for the expunction of a civil revocation provided the underlying criminal charge is also expunged. The civil revocation of a drivers license shall not be expunged prior to a final disposition of any pending civil or criminal charge based upon the civil revocation.

(d) The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(d1) Repealed by Session Laws 2012-191, s. 3, effective December 1, 2012.

(e) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.1. Expunction of records for first offenders under the age of 18 at the time of conviction of certain gang offenses.**

(a) Whenever any person who has not previously been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state pleads guilty to or is guilty of (i) a Class H felony under Article 13A of Chapter 14 of the General Statutes or (ii) an enhanced offense under G.S. 14-50.22, or has been discharged and had the proceedings against the person dismissed pursuant to G.S. 14-50.29, and the offense was committed before the person attained the age of 18 years, the person may file a petition in the court of the county where the person was convicted for expunction of the offense from the person's criminal record. Except as provided in G.S. 14-50.29 upon discharge and dismissal, the petition cannot be filed earlier than (i) two years after the date of the conviction or (ii) the completion of any period of probation, whichever occurs later. The petition shall contain, but not be limited to, the following:

(1) An affidavit by the petitioner that the petitioner has been of good behavior (i) during the period of probation since the decision to defer further proceedings on the offense in question pursuant to G.S. 14-50.29 or (ii) during the two-year period since the date of conviction of the offense in question, whichever applies, and has not been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state.

(2) Verified affidavits of two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which the petitioner lives, and that the petitioner's character and reputation are good.

(3) If the petition is filed subsequent to conviction of the offense in question, a statement that the petition is a motion in the cause in the case wherein the petitioner was convicted.

(4) Repealed by Session Laws 2010-174, s. 4, effective October 1, 2010, and applicable to petitions for expunctions filed on or after that date.

(4a) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

(5) An affidavit by the petitioner that no restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner are outstanding.

The petition shall be served upon the district attorney of the court wherein the case was tried resulting in conviction. The district attorney shall have 10 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing of the petition.

The judge to whom the petition is presented is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct during the probationary period or during the two-year period after conviction.

(b) If the court, after hearing, finds that (i) the petitioner was dismissed and the proceedings against the petitioner discharged pursuant to G.S. 14-50.29 and that the person had not yet attained 18 years of age at the time of the offense or (ii) the petitioner has remained of good behavior and been free of conviction of any felony or misdemeanor other than a traffic violation for two years from the date of conviction of the offense in question, the petitioner has

no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner, and the petitioner had not attained the age of 18 years at the time of the offense in question, it shall order that such person be restored, in the contemplation of the law, to the status occupied by the petitioner before such arrest or indictment or information, and that the record be expunged from the records of the court.

(b1) No person as to whom such order has been entered shall be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such arrest, or indictment or information, or trial, or response to any inquiry made of the person for any purpose. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(b2) The court shall also direct all law enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the petitioner's criminal charge and any conviction resulting from the charge. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(c) This section is supplemental and in addition to existing law and shall not be construed so as to repeal any existing provision contained in the General Statutes of North Carolina.

(d) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.2. Expunction of records for first offenders not over 21 years of age at the time of the offense of certain drug offenses.**

(a) Whenever a person is discharged, and the proceedings against the person dismissed, pursuant to G.S. 90-96(a) or (a1), and the person was not over 21 years of age at the time of the offense, the person may apply to the court of the county where charged for an order to expunge from all official records, other than the confidential files retained under G.S. 15A-151, all recordation relating to the person's arrest, indictment or information, trial, finding of guilty, and dismissal and discharge pursuant to this section. The applicant shall attach to the ~~application~~ petition the following:

(1) An affidavit by the petitioner that he or she has been of good behavior during the period of probation since the decision to defer further proceedings on the offense in question and has not been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state;

(2) Verified affidavits by two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which he or she lives, and that the petitioner's character and reputation are good;

(3) Repealed by Session Laws 2010-174, s. 5, effective October 1, 2010, and applicable to petitions for expunctions filed on or after that date.

(3a) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal record check by the Department of Public Safety using any information

required by the Administrative Office of the Courts to identify the individual and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

The judge to whom the petition is presented is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct during the probationary period deemed desirable.

If the court determines, after hearing, that such person was discharged and the proceedings against him or her dismissed and that the person was not over 21 years of age at the time of the offense, it shall enter such order. The effect of such order shall be to restore such person in the contemplation of the law to the status the person occupied before such arrest or indictment or information.

(a1) No person as to whom such order was entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or trial in response to any inquiry made of him or her for any purpose. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(a2) The court shall also order that all records of the proceeding be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction, the Division of Motor Vehicles, and any other State and local government agencies identified by the petitioner as bearing records of the same to expunge their records of the proceeding. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(b) Whenever any person is charged with a misdemeanor under Article 5 of Chapter 90 of the General Statutes by possessing a controlled substance included within Schedules I through VI of Article 5 of Chapter 90 of the General Statutes or a felony under G.S. 90-95(a)(3), upon dismissal by the State of the charges against the person, upon entry of a nolle prosequi, or upon a finding of not guilty or other adjudication of innocence, such person may apply to the court for an order to expunge from all official records all recordation relating to his or her arrest, indictment or information, or trial. If the court determines, after hearing, that such person was not over 21 years of age at the time the offense for which the person was charged occurred, it shall enter such order. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. No person as to whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or trial in response to any inquiry made of him or her for any purpose.

(c) Whenever any person who has not previously been convicted of (i) any felony offense under any state or federal laws; (ii) any offense under Chapter 90 of the General Statutes; or (iii) an offense under any statute of the United States or any state relating to controlled substances included in any schedule of Chapter 90 of the General Statutes or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes, pleads guilty to or has been found guilty of a misdemeanor under Article 5 of Chapter 90 of the General Statutes by possessing a controlled substance included within Schedules I through VI of Chapter 90, or by possessing drug paraphernalia as prohibited by G.S. 90-113.22 or pleads guilty to or has been found guilty of a felony under G.S. 90-95(a)(3), the court may, upon application of the person not sooner than 12 months after conviction, order cancellation of the judgment of conviction and expunction of the records of the person's arrest, indictment or information, trial, and conviction. A conviction in which the judgment of conviction has been canceled and the records expunged pursuant to this subsection shall not be thereafter deemed a conviction for purposes of this subsection or for purposes of disqualifications or liabilities imposed by law

upon conviction of a crime, ~~including the additional penalties imposed for second or subsequent convictions of Article 5 of Chapter 90 of the General Statutes.~~except as provided in G.S. 15A-151.5. Cancellation and expunction under this subsection may occur only once with respect to any person. Disposition of a case under this subsection at the district court division of the General Court of Justice shall be final for the purpose of appeal.

The granting of an application filed under this subsection shall cause the issue of an order to expunge from all official records, other than the confidential files retained under G.S. 15A-151, all recordation relating to the petitioner's arrest, indictment or information, trial, finding of guilty, judgment of conviction, cancellation of the judgment, and expunction of records pursuant to this subsection.

The judge to whom the petition is presented is authorized to call upon a probation officer for additional investigation or verification of the petitioner's conduct since conviction. If the court determines that the petitioner was convicted of (i) a misdemeanor under Article 5 of Chapter 90 of the General Statutes for possessing a controlled substance included within Schedules I through VI of Article 5 of Chapter 90 of the General Statutes or for possessing drug paraphernalia as prohibited in G.S. 90-113.22 or (ii) a felony under G.S. 90-95(a)(3), that the petitioner has no disqualifying previous convictions as set forth in this subsection, that the petitioner was not over 21 years of age at the time of the offense, that the petitioner has been of good behavior since his or her conviction, that the petitioner has successfully completed a drug education program approved for this purpose by the Department of Health and Human Services, and that the petitioner has not been convicted of a felony or misdemeanor other than a traffic violation under the laws of this State at any time prior to or since the conviction for the offense in question, it shall enter an order of expunction of the petitioner's court record. The effect of such order shall be to restore the petitioner in the contemplation of the law to the status the petitioner occupied before arrest or indictment or information or conviction. No person as to whom such order was entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or conviction, or trial in response to any inquiry made of him or her for any purpose. The judge may waive the condition that the petitioner attend the drug education school if the judge makes a specific finding that there was no drug education school within a reasonable distance of the defendant's residence or that there were specific extenuating circumstances which made it likely that the petitioner would not benefit from the program of instruction.

The court shall also order all law enforcement agencies, the Department of ~~Correction,~~ Public Safety, the Division of Motor Vehicles, and any other State or local agencies identified by the petitioner as bearing records of the conviction and records relating thereto to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(d) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.3. Expunction of records for first offenders not over 21 years of age at the time of the offense of certain toxic vapors offenses.**

(a) Whenever a person is discharged and the proceedings against the person dismissed under G.S. 90-113.14(a) or (a1), such person, if he or she was not over 21 years of age at the time of the offense, may apply to the court of the county where charged for an order to expunge

from all official records, other than the confidential files retained under G.S. 15A-151, all recordation relating to the person's arrest, indictment or information, trial, finding of guilty, and dismissal and discharge pursuant to this section. The applicant shall attach to the ~~application~~ petition the following:

(1) An affidavit by the petitioner that the petitioner has been of good behavior during the period of probation since the decision to defer further proceedings on the misdemeanor in question and has not been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state;

(2) Verified affidavits by two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which the petitioner lives, and that his or her character and reputation are good;

(3) Repealed by Session Laws 2010-174, s. 6, effective October 1, 2010, and applicable to petitions for expunctions filed on or after that date.

(3a) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

The judge to whom the petition is presented is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct during the probationary period deemed desirable.

If the court determines, after hearing, that such person was discharged and the proceedings against the person dismissed and that he or she was not over 21 years of age at the time of the offense, it shall enter such order. The effect of such order shall be to restore such person in the contemplation of the law to the status the person occupied before such arrest or indictment or information. No person as to whom such order was entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or trial in response to any inquiry made of him or her for any purpose.

The court shall also order that all records of the proceeding be expunged from the records of the court and direct all law enforcement agencies bearing records of the same to expunge their records of the proceeding. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(b) Whenever any person is charged with a misdemeanor under Article 5A of Chapter 90 of the General Statutes or possessing drug paraphernalia as prohibited by G.S. 90-113.22, upon dismissal by the State of the charges against the person or upon entry of a nolle prosequi or upon a finding of not guilty or other adjudication of innocence, such person may apply to the court for an order to expunge from all official records all recordation relating to the person's arrest, indictment or information, and trial. If the court determines, after hearing that such person was not over 21 years of age at the time the offense for which the person was charged occurred, it shall enter such order. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(b1) No person as to whom such order has been entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or trial in response to any inquiry made of him or her for any purpose. This subsection shall not

apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(c) Whenever any person who has not previously been convicted of an offense under Article 5 or 5A of Chapter 90 of the General Statutes or under any statute of the United States or any state relating to controlled substances included in any schedule of Article 5 of Chapter 90 of the General Statutes or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes pleads guilty to or has been found guilty of a misdemeanor under Article 5A of Chapter 90 of the General Statutes, the court may, upon application of the person not sooner than 12 months after conviction, order cancellation of the judgment of conviction and expunction of the records of the person's arrest, indictment or information, trial, and conviction. A conviction in which the judgment of conviction has been cancelled and the records expunged pursuant to this subsection shall not be thereafter deemed a conviction for purposes of this subsection or for purposes of disqualifications or liabilities imposed by law upon conviction of a crime, ~~including the additional penalties imposed for second or subsequent convictions of violation of Article 5A of Chapter 90 of the General Statutes.~~ except as provided in G.S. 15A-151.5. Cancellation and expunction under this subsection may occur only once with respect to any person. Disposition of a case under this subsection at the district court division of the General Court of Justice shall be final for the purpose of appeal.

The granting of an application filed under this subsection shall cause the issue of an order to expunge from all official records, other than the confidential files retained under G.S. 15A-151, all recordation relating to the person's arrest, indictment or information, trial, finding of guilty, judgment of conviction, cancellation of the judgment, and expunction of records pursuant to this subsection.

The judge to whom the petition is presented is authorized to call upon a probation officer for additional investigation or verification of the petitioner's conduct since conviction. If the court determines that the petitioner was convicted of a misdemeanor under Article 5A of Chapter 90 of the General Statutes, or for possessing drug paraphernalia as prohibited by G.S. 90-113.22, that the petitioner was not over 21 years of age at the time of the offense, that the petitioner has been of good behavior since his or her conviction, that the petitioner has successfully completed a drug education program approved for this purpose by the Department of Health and Human Services, and that the petitioner has not been convicted of a felony or misdemeanor other than a traffic violation under the laws of this State at any time prior to or since the conviction for the misdemeanor in question, it shall enter an order of expunction of the petitioner's court record. The effect of such order shall be to restore the petitioner in the contemplation of the law to the status he occupied before such arrest or indictment or information or conviction. No person as to whom such order was entered shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of the person's failures to recite or acknowledge such arrest, or indictment or information, or conviction, or trial in response to any inquiry made of him or her for any purpose. The judge may waive the condition that the petitioner attend the drug education school if the judge makes a specific finding that there was no drug education school within a reasonable distance of the defendant's residence or that there were specific extenuating circumstances which made it likely that the petitioner would not benefit from the program of instruction.

The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(d) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each

fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.4. Expunction of records for first offenders who are under 18 years of age at the time of the commission of a nonviolent felony.**

(a) For purposes of this section, the term "nonviolent felony" means any felony except the following:

(1) A Class A through G felony.

(2) A felony that includes assault as an essential element of the offense.

(3) A felony that is an offense requiring registration pursuant to Article 27A of Chapter 14 of the General Statutes, whether or not the person is currently required to register.

(4) Repealed by Session Laws 2012-191, s. 2, effective December 1, 2012.

(5) Any felony offense under the following sex-related or stalking offenses: G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1.

(6) Any felony offense in Chapter 90 of the General Statutes where the offense involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine; except that if a prayer for judgment continued has been entered for an offense classified as either a Class G, H, or I felony, the prayer for judgment continued shall be subject to expunction under the procedures in this section.

(7) A felony offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any felony offense for which punishment was determined pursuant to G.S. 14-3(c).

(8) A felony offense under G.S. 14-401.16.

(9) Any felony offense in which a commercial motor vehicle was used in the commission of the offense.

(10) Any felony offense involving impaired driving as defined in G.S. 20-4.01(24a).

(b) Notwithstanding any other provision of law, if the person is convicted of more than one nonviolent felony in the same session of court and none of the nonviolent felonies are alleged to have occurred after the person had already been served with criminal process for the commission of a nonviolent felony, then the multiple nonviolent felony convictions shall be treated as one nonviolent felony conviction under this section, and the expunction order issued under this section shall provide that the multiple nonviolent felony convictions shall be expunged from the person's record in accordance with this section.

(c) Whenever any person who had not yet attained the age of 18 years at the time of the commission of the offense and has not previously been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state pleads guilty to or is guilty of a nonviolent felony, the person may file a petition in the court <u>of the county</u> where the person was convicted for expunction of the nonviolent felony from the person's criminal record. The petition shall not be filed earlier than four years after the date of the conviction or when any active sentence, period of probation, and post-release supervision has been served, whichever occurs later. The person shall also perform at least 100 hours of community service, preferably related to the conviction, before filing a petition for expunction under this section. The petition shall contain the following:

(1) An affidavit by the petitioner that the petitioner has been of good moral character since the date of conviction of the nonviolent felony in question and has not been convicted of any other felony or any misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state.

(2) Verified affidavits of two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which the petitioner lives and that the petitioner's character and reputation are good.

(3) A statement that the petition is a motion in the cause in the case wherein the petitioner was convicted.

(4) An application on a form approved by the Administrative Office of the Courts requesting and authorizing (i) a State and national criminal history record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual; (ii) a search by the Department of Public Safety for any outstanding warrants or pending criminal cases; and (iii) a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

(5) An affidavit by the petitioner that no restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner are outstanding.

(6) An affidavit by the petitioner that the petitioner has performed at least 100 hours of community service since the conviction for the nonviolent felony. The affidavit shall include a list of the community services performed, a list of the recipients of the services, and a detailed description of those services.

(7) An affidavit by the petitioner that the petitioner possesses a high school diploma, a high school graduation equivalency certificate, or a General Education Development degree.

The petition shall be served upon the district attorney of the court wherein the case was tried resulting in conviction. The district attorney shall have 30 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing of the petition. The district attorney shall make his or her best efforts to contact the victim, if any, to notify the victim of the request for expunction prior to the date of the hearing.

(d) The court in which the petition was filed shall take the following steps and shall consider the following issues in rendering a decision upon a petition for expunction of records of a nonviolent felony under this section:

(1) Call upon a probation officer for additional investigation or verification of the petitioner's conduct during the four-year period since the date of conviction of the nonviolent felony in question.

(2) Review the petitioner's juvenile record, ensuring that the petitioner's juvenile records remain separate from adult records and files and are withheld from public inspection as provided under Article 30 of Chapter 7B of the General Statutes.

(3) Review the amount of restitution made by the petitioner to the victim of the nonviolent felony to be expunged and give consideration to whether or not restitution was paid in full.

(4) Review any other information the court deems relevant, including, but not limited to, affidavits or other testimony provided by law enforcement officers, district attorneys, and victims of nonviolent felonies committed by the petitioner.

(e) The court may order that the person be restored, in the contemplation of the law, to the status the person occupied before the arrest or indictment or information if the court finds all of the following after a hearing:

(1) The petitioner has remained of good moral character and has been free of conviction of any felony or misdemeanor, other than a traffic violation, for four years from the date of conviction of the nonviolent felony in question or any active sentence, period of probation, or post-release supervision has been served, whichever is later.
(2) The petitioner has not previously been convicted of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state.
(3) The petitioner has no outstanding warrants or pending criminal cases.
(4) The petitioner has no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner.
(5) The petitioner was less than 18 years old at the time of the commission of the offense in question.
(6) The petitioner has performed at least 100 hours of community service since the time of the conviction and possesses a high school diploma, a high school graduation equivalency certificate, or a General Education Development degree.
(7) The search of the confidential records of expunctions conducted by the Administrative Office of the Courts shows that the petitioner has not been previously granted an expunction.

(f) No person as to whom an order has been entered pursuant to subsection (e) of this section shall be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of that person's failure to recite or acknowledge the arrest, indictment, information, trial, or conviction. Persons pursuing certification under the provisions of Chapter 17C or 17E of the General Statutes, however, shall disclose any and all felony convictions to the certifying Commission regardless of whether or not the felony convictions were expunged pursuant to the provisions of this section. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(f1) Persons required by State law to obtain a criminal history record check on a prospective employee shall not be deemed to have knowledge of any convictions expunged under this section.

(g) The court shall also order that the nonviolent felony conviction be expunged from the records of the court and direct all law enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(h) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section. The agency shall also vacate any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. A person whose administrative action has been vacated by an occupational licensing board pursuant to an expunction under this section may then reapply for licensure and must satisfy the board's then current education and preliminary licensing requirements in order to obtain licensure. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank.

(i) Any person eligible for expunction of a criminal record under this section shall be notified about the provisions of this section by the probation officer assigned to that person. If no probation officer is assigned, notification of the provisions of this section shall be provided by the court at the time of the conviction of the felony which is to be expunged under this section.

(j) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative

Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.5. Expunction of certain misdemeanors and felonies; no age limitation.**

(a) For purposes of this section, the term "nonviolent misdemeanor" or "nonviolent felony" means any misdemeanor or felony except the following:

(1) A Class A through G felony or a Class A1 misdemeanor.

(2) An offense that includes assault as an essential element of the offense.

(3) An offense requiring registration pursuant to Article 27A of Chapter 14 of the General Statutes, whether or not the person is currently required to register.

(4) Any of the following sex-related or stalking offenses: G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-190.9, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1.

(5) Any felony offense in Chapter 90 of the General Statutes where the offense involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine.

(6) An offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any offense for which punishment was determined pursuant to G.S. 14-3(c).

(7) An offense under G.S. 14-401.16.

(7a) An offense under G.S. 14-54(a), 14-54(a1), or 14-56.

(8) Any felony offense in which a commercial motor vehicle was used in the commission of the offense.

(8a) An offense involving impaired driving as defined in G.S. 20-4.01(24a).

(9) Any offense that is an attempt to commit an offense described in subdivisions (1) through (8a) of this subsection.

(b) Notwithstanding any other provision of law, if the person is convicted of more than one nonviolent felony or nonviolent misdemeanor in the same session of court and none of the nonviolent felonies or nonviolent misdemeanors are alleged to have occurred after the person had already been served with criminal process for the commission of a nonviolent felony or nonviolent misdemeanor, then the multiple nonviolent felony or nonviolent misdemeanor convictions shall be treated as one nonviolent felony or nonviolent misdemeanor conviction under this section, and the expunction order issued under this section shall provide that the multiple nonviolent felony convictions or nonviolent misdemeanor convictions shall be expunged from the person's record in accordance with this section.

(c) A person may file a petition, in the court of the county where the person was convicted, for expunction of a nonviolent misdemeanor or nonviolent felony conviction from the person's criminal record if the person has no other misdemeanor or felony convictions, other than a traffic violation. The petition shall not be filed earlier than ~~15~~ 10 years after the date of the conviction for a nonviolent felony or five years for a nonviolent misdemeanor or when any active sentence, period of probation, and post-release supervision has been served, whichever occurs later. The petition shall contain, but not be limited to, the following:

(1) An affidavit by the petitioner that the petitioner has been of good moral character since the date of conviction for the nonviolent misdemeanor or nonviolent felony and has not been convicted of any other felony or misdemeanor, other than a traffic violation, under the laws of the United States or the laws of this State or any other state.

(2) Verified affidavits of two persons who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation

of the petitioner in the community in which the petitioner lives and that the petitioner's character and reputation are good.

(3) A statement that the petition is a motion in the cause in the case wherein the petitioner was convicted.

(4) An application on a form approved by the Administrative Office of the Courts requesting and authorizing a name-based State and national criminal history record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual, a search by the Department of Public Safety for any outstanding warrants on pending criminal cases, and a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

(5) An affidavit by the petitioner that no restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner are outstanding.

Upon filing of the petition, the petition shall be served upon the district attorney of the court wherein the case was tried resulting in conviction. The district attorney shall have 30 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing of the petition. Upon good cause shown, the court may grant the district attorney an additional 30 days to file objection to the petition. The district attorney shall make his or her best efforts to contact the victim, if any, to notify the victim of the request for expunction prior to the date of the hearing.

The presiding judge is authorized to call upon a probation officer for any additional investigation or verification of the petitioner's conduct since the conviction. The court shall review any other information the court deems relevant, including, but not limited to, affidavits or other testimony provided by law enforcement officers, district attorneys, and victims of crimes committed by the petitioner.

If the court, after hearing, finds that the petitioner has not previously been granted an expunction under this section, G.S. 15A-145, 15A-145.1, 15A-145.2, 15A-145.3, or 15A-145.4; the petitioner has remained of good moral character; the petitioner has no outstanding warrants or pending criminal cases; the petitioner has no other felony or misdemeanor convictions other than a traffic violation; the petitioner has no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner; and the petitioner was convicted of an offense eligible for expunction under this section and was convicted of, and completed any sentence received for, ~~the nonviolent misdemeanor or~~ a nonviolent felony at least ~~15~~ 10 years prior to the filing of the ~~petition,~~ petition or a nonviolent misdemeanor at least five years prior to the filing of the petition, it may order that such person be restored, in the contemplation of the law, to the status the person occupied before such arrest or indictment or ~~information.~~ information, except as provided in G.S. 15A-151.5. If the court denies the petition, the order shall include a finding as to the reason for the denial.

(d) No person as to whom an order has been entered pursuant to subsection (c) of this section shall be held thereafter under any provision of any law to be guilty of perjury or otherwise giving a false statement by reason of that person's failure to recite or acknowledge the arrest, indictment, information, trial, or conviction. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(d1) Persons pursuing certification under the provisions of Chapter 17C or 17E of the General Statutes, however, shall disclose any and all convictions to the certifying Commission,

regardless of whether or not the convictions were expunged pursuant to the provisions of this section.

Persons required by State law to obtain a criminal history record check on a prospective employee shall not be deemed to have knowledge of any convictions expunged under this section.

(e) The court shall also order that the conviction be expunged from the records of the court and direct all law enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order, as provided in G.S. 15A-150.

(f) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section upon receipt from the petitioner of an order entered pursuant to this section. The agency shall also vacate any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. A person whose administrative action has been vacated by an occupational licensing board pursuant to an expunction under this section may then reapply for licensure and must satisfy the board's then current education and preliminary licensing requirements in order to obtain licensure. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank.

(g) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection shall be deposited in the General Fund. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-145.6. Expunctions for certain defendants convicted of prostitution.**

(a) The following definitions apply in this section:

(1) Prostitution offense. – A conviction for (i) violation of G.S. 14-204 or (ii) engaging in prostitution in violation of G.S. 14-204(7) for an offense that occurred prior to October 1, 2013.

(2) Violent felony or violent misdemeanor. – A Class A through G felony or a Class A1 misdemeanor that includes assault as an essential element of the offense.

(b) A person who has been convicted of a prostitution offense may file a petition in the court <u>of the county</u> where the person was convicted for expunction of the prostitution offense from the person's criminal record provided that all the following criteria are met:

(1) The person has not previously been convicted of any violent felony or violent misdemeanor under the laws of the United States or the laws of this State or any other state.

(2) The person satisfies any one of the following criteria:

a. The person's participation in the prostitution offense was a result of having been a trafficking victim under G.S. 14-43.11 (human trafficking) or G.S. 14-43.13 (sexual servitude) or a victim of a severe form of trafficking under the federal Trafficking Victims Protection Act (22 U.S.C. § 7102(13)).

b. The person has no prior convictions for a prostitution offense and at least three years have passed since the date of conviction or the completion of any active sentence, period of probation, and post-release supervision, whichever occurs later.

c. The person received a conditional discharge pursuant to G.S. 14-204(b).

(c) The petition shall contain all of the following:

(1) An affidavit by the petitioner that the petitioner (i) has no prior conviction of a violent felony or violent misdemeanor, (ii) has been of good moral character since the date of conviction of the prostitution offense in question,

and (iii) has not been convicted of any felony or misdemeanor under the laws of the United States or the laws of this State or any other state since the date of the conviction of the prostitution offense in question.

(2) Verified affidavits of two persons, who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which the petitioner lives and that the petitioner's character and reputation are good.

(3) A statement that the petition is a motion in the cause in the case wherein the petitioner was convicted.

(4) An application on a form approved by the Administrative Office of the Courts requesting and authorizing (i) a State and national criminal history record check by the Department of Public Safety using any information required by the Administrative Office of the Courts to identify the individual; (ii) a search by the Department of Public Safety for any outstanding warrants or pending criminal cases; and (iii) a search of the confidential record of expunctions maintained by the Administrative Office of the Courts. The application shall be ~~forwarded~~ filed with the clerk of superior court. The clerk of superior court shall forward the application to the Department of Public Safety and to the Administrative Office of the Courts, which shall conduct the searches and report their findings to the court.

(5) An affidavit by the petitioner that no restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner are outstanding.

(d) The petition shall be served upon the district attorney of the court wherein the case was tried resulting in conviction. The district attorney shall have 30 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing of the petition.

(e) The court in which the petition was filed shall take the following steps and shall consider the following issues in rendering a decision upon a petition for expunction of records of a prostitution offense under this section:

(1) Call upon a probation officer for additional investigation or verification of the petitioner's conduct during the period since the date of conviction of the prostitution offense in question.

(2) Review any other information the court deems relevant, including, but not limited to, affidavits or other testimony provided by law enforcement officers and district attorneys.

(f) The court shall order that the person be restored, in the contemplation of the law, to the status the person occupied before the arrest or indictment or information if the court finds all of the following after a hearing:

(1) The criteria set out in subsection (b) of this section are satisfied.

(2) The petitioner has remained of good moral character and has been free of conviction of any felony or misdemeanor, other than a traffic violation, since the date of conviction of the prostitution offense in question.

(3) The petitioner has no outstanding warrants or pending criminal cases.

(4) The petitioner has no outstanding restitution orders or civil judgments representing amounts ordered for restitution entered against the petitioner.

(5) The search of the confidential records of expunctions conducted by the Administrative Office of the Courts shows that the petitioner has not been previously granted an expunction, other than an expunction for a prostitution offense.

(g) No person as to whom an order has been entered pursuant to subsection (f) of this section shall be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of that person's failure to recite or acknowledge

the arrest, indictment, information, trial, or conviction. This subsection shall not apply to a sentencing hearing when the person has been convicted of a subsequent criminal offense.

(g1) Persons pursuing certification under the provisions of Chapter 17C or 17E of the General Statutes, however, shall disclose any and all prostitution convictions to the certifying Commission regardless of whether or not the prostitution convictions were expunged pursuant to the provisions of this section.

Persons required by State law to obtain a criminal history record check on a prospective employee shall not be deemed to have knowledge of any convictions expunged under this section.

(h) The court shall also order that the conviction of the prostitution offense be expunged from the records of the court and direct all law enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150.

(i) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank.

(j) Any person eligible for expunction of a criminal record under this section shall be notified about the provisions of this section by the probation officer assigned to that person. If no probation officer is assigned, notification of the provisions of this section shall be provided by the court at the time of the conviction of the prostitution offense which is to be expunged under this section.

"**§ 15A-146. Expunction of records when charges are dismissed or there are findings of not guilty.**

(a) If any person is charged with a crime, either a misdemeanor or a felony, or was charged with an infraction under G.S. 18B-302(i) prior to December 1, 1999, and the charge is dismissed, ~~or a finding of not guilty or not responsible is entered,~~ that person may ~~apply to~~ petition the court of the county where the charge was brought for an order to expunge from all official records any entries relating to his apprehension or trial. The court shall hold a hearing on the ~~application~~ petition and, upon finding that the person ~~had not previously received an expungement under this section, G.S. 15A-145, 15A-145.1, 15A-145.2, 15A-145.3, 15A-145.4, or 15A-145.5, and that the person~~ had not previously been convicted of any felony under the laws of the United States, this State, or any other state, the court shall order the expunction. No person as to whom such an order has been entered shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of his failure to recite or acknowledge any expunged entries concerning apprehension or trial.

(a1) Notwithstanding subsection (a) of this section, if a person is charged with multiple offenses and ~~all~~ the charges are dismissed, ~~or findings of not guilty or not responsible are made,~~ then a person may ~~apply~~ petition to have each of ~~those~~ the dismissed charges ~~expunged if the offenses occurred within the same 12-month period of time or if the charges are dismissed or findings are made at the same term of court. Unless circumstances otherwise clearly provide, the phrase "term of court" shall mean one week for superior court and one day for district court. There is no requirement that the multiple offenses arise out of the same transaction or occurrence or that the multiple offenses were consolidated for judgment.~~ expunged. The court shall hold a hearing on the ~~application.~~ petition. If the court finds ~~(i) that the person had not previously received an expungement under this subsection, or that any previous expungement received under this subsection occurred prior to October 1, 2005 and was for an offense that occurred within the same 12-month period of time, or was dismissed or findings made at the same term of court, as the offenses that are the subject of the current application, (ii) that the person had not previously received an expungement under G.S. 15A-145, 15A-145.1,~~

~~15A-145.2, 15A-145.3, 15A-145.4, or 15A-145.5, and (iii)~~ that the person had not previously been convicted of any felony under the laws of the United States, this State, or any other state, the court shall order the expunction.

(a2) If any person is charged with a crime, either a misdemeanor or a felony, or an infraction under G.S. 18B-302(i) prior to December 1, 1999, and a finding of not guilty or not responsible is entered, that person may petition the court of the county where the charge was brought for an order to expunge from all official records any entries relating to apprehension or trial of that crime. The court shall hold a hearing on the petition and upon finding that the person had not previously been convicted of any felony under the laws of the United States, this State, or any other state, the court shall order the expunction. No person as to whom such an order has been entered shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of failure to recite or acknowledge any expunged entries concerning that crime. If a person is charged with multiple offenses and findings of not guilty or not responsible are made on charges, then a person may petition to have each of the charges disposed by a finding of not guilty or not responsible expunged. The court shall hold a hearing on the petition. If the court finds that the person had not previously been convicted of any felony under the laws of the United States, this State, or any other state, the court shall order the expunction.

(a3) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of his failure to recite or acknowledge any expunged entries concerning apprehension or trial.

(b) The court may also order that the said entries, including civil revocations of drivers licenses as a result of the underlying charge, shall be expunged from the records of the court, and direct all law-enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, and any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the entries, including civil revocations of drivers licenses as a result of the underlying charge being expunged. This subsection does not apply to civil or criminal charges based upon the civil revocation, or to civil revocations under G.S. 20-16.2. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The clerk shall forward a certified copy of the order to the Division of Motor Vehicles for the expunction of a civil revocation provided the underlying criminal charge is also expunged. The civil revocation of a drivers license shall not be expunged prior to a final disposition of any pending civil or criminal charge based upon the civil revocation. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

(b1) Any person entitled to expungement under this section may also apply to the court for an order expunging DNA records when the person's case has been dismissed by the trial court and the person's DNA record or profile has been included in the State DNA Database and the person's DNA sample is stored in the State DNA Databank. A copy of the application for expungement of the DNA record or DNA sample shall be served on the district attorney for the judicial district in which the felony charges were brought not less than 20 days prior to the date of the hearing on the application. If the application for expungement is granted, a certified copy of the trial court's order dismissing the charges shall be attached to an order of expungement. The order of expungement shall include the name and address of the defendant and the defendant's attorney and shall direct the North Carolina State Crime Laboratory to send a letter documenting expungement as required by subsection (b2) of this section.

(b2) Upon receiving an order of expungement entered pursuant to subsection (b1) of this section, the North Carolina State Crime Laboratory shall purge the DNA record and all other identifying information from the State DNA Database and the DNA sample stored in the State DNA Databank covered by the order, except that the order shall not apply to other offenses committed by the individual that qualify for inclusion in the State DNA Database and the State

DNA Databank. A letter documenting expungement of the DNA record and destruction of the DNA sample shall be sent by the North Carolina State Crime Laboratory to the defendant and the defendant's attorney at the address specified by the court in the order of expungement.

(c) ~~The~~ Any petition for expungement under this section shall be on a form approved by the Administrative Office of the Courts and be filed with the clerk of superior court. Upon order of expungement, the clerk shall notify State and local agencies of the court's order as provided in ~~G.S. 15A-150.~~G.S. 15A-150 and forward the petition to the Administrative Office of the Courts.

(d) A person charged with a crime that is dismissed pursuant to compliance with a deferred prosecution agreement or the terms of a conditional discharge and who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Public Safety for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent.

"**§ 15A-147. Expunction of records when charges are dismissed or there are findings of not guilty as a result of identity theft or mistaken identity.**

(a) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity and a finding of not guilty is entered, or the conviction is set aside, the named person may ~~apply by~~ petition ~~or written motion to~~ the court where the charge was last pending on a form approved by the Administrative Office of the Courts supplied by the clerk of court for an order to expunge from all official records any entries relating to the person's apprehension, charge, or trial. The court, after notice to the district attorney, shall hold a hearing on the ~~motion or~~ petition and, upon finding that the person's identity was used without permission and the charges were dismissed or the person was found not guilty, the court shall order the expunction.

(a1) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity, and the charge against the named person is dismissed, the prosecutor or other judicial officer who ordered the dismissal shall provide notice to the court of the dismissal, and the court shall order the expunction of all official records containing any entries relating to the person's apprehension, charge, or trial.

(a2) Any petition for expungement under this section shall be on a form approved by the Administrative Office of the Courts and be filed with the clerk of superior court. Upon order of expungement, the clerk shall forward the petition to the Administrative Office of the Courts.

(b) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

(c) The court shall also order that the said entries shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the petitioner, or the person eligible for automatic expungement under subsection (a1) of this section, as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

(d) The Division of Motor Vehicles shall expunge from its records entries made as a result of the charge or conviction ordered expunged under this section. The Division of Motor Vehicles shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged, including the assessment of drivers license points and drivers license suspension or revocation. Notwithstanding any other provision of this Chapter, the Division of Motor Vehicles shall provide to the person whose motor vehicle record is expunged under this section a certified corrected driver history at no cost and shall reinstate at no cost any drivers license suspended or revoked as a result of a charge or conviction expunged under this section.

(e) The Division of Adult Correction of the Department of Public Safety and any other applicable State or local government agency shall expunge its records as provided in G.S. 15A-150. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. Notwithstanding any other provision of law, the normal fee for any reinstatement of a license or privilege resulting under this section shall be waived.

(f) Any insurance company that charged any additional premium based on insurance points assessed against a policyholder as a result of a charge or conviction that was expunged under this section shall refund those additional premiums to the policyholder upon notification of the expungement.

(g) For purposes of this section, the term "mistaken identity" means the erroneous arrest of a person for a crime as a result of misidentification by a witness or law enforcement, confusion on the part of a witness or law enforcement as to the identity of the person who committed the crime, misinformation provided to law enforcement as to the identity of the person who committed the crime, or some other mistake on the part of a witness or law enforcement as to the identity of the person who committed the crime.

"**§ 15A-148. Expunction of DNA records when charges are dismissed on appeal or pardon of innocence is granted.**

(a) Upon a motion by the defendant following the issuance of a final order by an appellate court reversing and dismissing a conviction of an offense for which a DNA analysis was done in accordance with Article 13 of Chapter 15A of the General Statutes, or upon receipt of a pardon of innocence with respect to any such offense, the court shall issue an order of expungement of the DNA record and samples in accordance with subsection (b) of this section. The order of expungement shall include the name and address of the defendant and the defendant's attorney and shall direct the North Carolina State Crime Laboratory to send a letter documenting expungement as required by subsection (b) of this section.

(b) When an order of expungement has been issued pursuant to subsection (a) of this section, the order of expungement, together with a certified copy of the final appellate court order reversing and dismissing the conviction or a certified copy of the instrument granting the pardon of innocence, shall be provided to the North Carolina State Crime Laboratory by the clerk of court. Upon receiving an order of expungement for an individual whose DNA record or profile has been included in the State DNA Database and whose DNA sample is stored in the State DNA Databank, the DNA profile shall be expunged and the DNA sample destroyed by the North Carolina State Crime Laboratory, except that the order shall not apply to other offenses committed by the individual that qualify for inclusion in the State DNA Database and the State DNA Databank. A letter documenting expungement of the DNA record and destruction of the DNA sample shall be sent by the North Carolina State Crime Laboratory to the defendant and the defendant's attorney at the address specified by the court in the order of expungement. The North Carolina State Crime Laboratory shall adopt procedures to comply with this subsection.

(c) Any petition for expungement under this section shall be on a form approved by the Administrative Office of the Courts and be filed with the clerk of superior court. Upon order of expungement, the clerk shall forward the petition to the Administrative Office of the Courts.

"**§ 15A-149. Expunction of records when pardon of innocence is granted.**

(a) If any person is convicted of a crime and receives a pardon of innocence, the person may ~~apply by~~ petition ~~or written motion to~~ the court in which the person was convicted on a form approved by the Administrative Office of the Courts supplied by the clerk of court for an order to expunge from all official records any entries relating to the person's apprehension, charge, or trial. Upon receipt of the ~~petition or written motion,~~ petition, the clerk of court shall verify that an attested copy of the warrant and return granting a pardon of innocence has been filed with the court in accordance with G.S. 147-25. Upon verification by the clerk that the warrant and return have been filed, the court shall issue an order of expunction.

(b) The order of expunction shall include an instruction that any entries relating to the person's apprehension, charge, or trial shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the petitioner as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in ~~G.S. 15A-150.~~ G.S. 15A-150 and shall forward the petition to the Administrative Office of the Courts. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

(c) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

"**§ 15A-150. Notification requirements.**

(a) Notification to AOC. – The clerk of superior court in each county in North Carolina shall, as soon as practicable after each term of court, file with the Administrative Office of the Courts the petitions granted under this Article, any orders of expunction, and the names of the following:

(1) Persons granted an expunction under this Article.

(2), (3) Repealed by Session Laws 2015-40, s. 3, effective December 1, 2015, and applicable to conditional discharges granted on or after that date.

(4) Repealed by Session Laws 2010-174, s. 7, effective October 1, 2010.

(5) Repealed by Session Laws 2015-40, s. 3, effective December 1, 2015, and applicable to conditional discharges granted on or after that date.

(6) Persons granted a dismissal upon completion of a conditional discharge under G.S. 14-50.29, 14-204, 14-313(f), 15A-1341(a4), 90-96, or 90-113.14.

(b) Notification to Other State and Local Agencies. – Unless otherwise instructed by the Administrative Office of the Courts pursuant to an agreement entered into under subsection (e) of this section for the electronic or facsimile transmission of information, the clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this ~~subsection.~~ subsection and the person. An agency receiving an order under this subsection shall ~~expunge~~ purge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.

(2) When applicable, the Division of Motor Vehicles.

(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.

(4) The Department of Public ~~Safety.~~Safety, Combined Records Section.

(5) The State Bureau of Investigation.

(c) Notification to FBI. – The ~~Department of Public Safety~~State Bureau of Investigation shall forward the order received under this section to the Federal Bureau of Investigation.

(d) Notification to Private Entities. – A State agency that receives a certified copy of an order under this section shall notify any private entity with which it has a licensing agreement for bulk extracts of data from the agency criminal record database to delete the record in question. The private entity shall notify any other entity to which it subsequently provides in a bulk extract data from the agency criminal database to delete the record in question from its database.

(e) The Director of the Administrative Office of the Courts may enter into an agreement with any of the State agencies listed in subsection (b) of this section for electronic or facsimile transmission of any information that must be provided under this section.

"**§ 15A-151. Confidential agency files; exceptions to expunction.**

(a) The Administrative Office of the Courts shall maintain a confidential file for expungements containing the petitions granted under this Article and the names of those people for whom it received a notice under G.S. 15A-150. The information contained in the file may be disclosed only as follows:

(1) ~~To~~ Upon request of a judge of the General Court of Justice of North Carolina for the purpose of ascertaining whether a person charged with an offense has been previously granted a discharge or an expunction.

(2) ~~To~~ Upon request of a person requesting confirmation of the person's own discharge or ~~expunction, as provided in G.S. 15A-152.~~expunction.

(3) To the General Court of Justice of North Carolina in response to a subpoena or other court order issued pursuant to a civil action under G.S. 15A-152.

(4) ~~If~~ Upon request of State or local law enforcement, if the criminal record was expunged pursuant to G.S. 15A-145.4, 15A-145.5, or ~~15A-145.6, to State and local law enforcement agencies~~ 15A-145.6 for employment purposes only.

(5) ~~If~~ Upon the request of the North Carolina Criminal Justice Education and Training Standards Commission, if the criminal record was expunged pursuant to G.S. 15A-145.4, 15A-145.5, or ~~[15A-]145.6, to the North Carolina Criminal Justice Education and Training Standards Commission~~ 15A-145.6 for certification purposes only.

(6) ~~If~~ Upon request of the North Carolina Sheriff's Standards Commission, if the criminal record was expunged pursuant to G.S. 15A-145.4, 15A-145.5, or ~~15A-145.6, to the North Carolina Sheriffs' Education and Training Standards Commission~~ 15A-145.6 for certification purposes only.

(7) To the district attorney in accordance with G.S. 15A-151.5.

(b) All agencies required under G.S. 15A-150 to expunge from records all entries made as a result of a charge or conviction ordered expunged who maintain a licensing agreement to provide record information to a private entity shall maintain a confidential file containing information verifying the expunction and subsequent notification to private entities as required by G.S. 15A-150(d). The information contained in the file shall be disclosed only to a person requesting confirmation of expunction of the record of the person's own discharge or expunction, as provided in G.S. 15A-152.

(c) The Division of Motor Vehicles shall not be required to expunge a record if the expunction of the record is expressly prohibited by the federal Commercial Motor Vehicle Safety Act of 1986, the federal Motor Carrier Safety Improvement Act of 1999, or regulations adopted pursuant to either act.

"**§ 15A-151.5. Prosecutor access to expunged files.**

(a) Notwithstanding any other provision of this Article, the Administrative Office of the Courts shall make all confidential files maintained under G.S. 15A-151 electronically available to all prosecutors of this State if the criminal record was expunged on or after July 1, 2018, under any of the following:

(1) G.S. 15A-145. Expunction of records for first offenders under the age of 18 at the time of conviction of misdemeanor; expunction of certain other misdemeanors.
(2) G.S. 15A-145.1. Expunction of records for first offenders under the age of 18 at the time of conviction of certain gang offenses.
(3) G.S. 15A-145.2. Expunction of records for first offenders not over 21 years of age at the time of the offense of certain drug offenses.
(4) G.S. 15A-145.3. Expunction of records for first offenders not over 21 years of age at the time of the offense of certain toxic vapors offenses.
(5) G.S. 15A-145.4. Expunction of records for first offenders who are under 18 years of age at the time of the commission of a nonviolent felony.
(6) G.S. 15A-145.5. Expunction of certain misdemeanors and felonies; no age limitation.
(7) G.S. 15A-145.6. Expunctions for certain defendants convicted of prostitution.
(8) G.S. 15A-146(a). Expunction of records when charges are dismissed.
(9) G.S. 15A-146(a1). Expunction of records when charges are dismissed.

(b) For any expungement granted on or after July 1, 2018, the expunged criminal records under subdivisions (1) through (7) of subsection (a) of this section may be used to calculate prior record level if the named person is convicted of a subsequent criminal offense.

(c) For any expungement granted on or after July 1, 2018, the information maintained by the Administrative Office of the Courts, and made available under subsection (a) of this section, shall be prima facie evidence of the expunged conviction for the purposes of calculating prior record level of the named person and shall be admissible into evidence at a subsequent criminal sentencing hearing.

…."

SECTION 2. This act becomes effective December 1, 2017, and applies to petitions filed on or after that date.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Session Law 2017-196 **H.B. 527**

AN ACT TO RESTORE AND PRESERVE FREE SPEECH ON THE CAMPUSES OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

Whereas, the Constitution of North Carolina recognizes in Article I, Section 14, that "Freedom of speech and of the press are two of the great bulwarks of liberty and therefore shall never be restrained, but every person shall be held responsible for their abuse"; and

Whereas, the constituent institutions of The University of North Carolina have historically embraced a commitment to freedom of expression in policy; and

Whereas, it is appropriate for The University of North Carolina System to restate and confirm their commitment to free expression; and

Whereas, in 1974, the Committee on Free Expression at Yale issued a statement known as the Woodward Report that stands as a classic defense of free expression on campuses; in 2015, the Committee on Freedom of Expression at the University of Chicago issued a similar and widely respected report; and, in 1967, the Kalven Committee Report of the University of Chicago articulated the principle of institutional neutrality regarding political and social issues and the essential role of such neutrality in protecting freedom of thought and expression at universities. The principles affirmed by these three highly regarded reports are inspiring articulations of the critical importance of free expression in higher education; and

Whereas, the General Assembly views freedom of expression as being of critical importance and requires that each constituent institution ensure free, robust, and uninhibited debate and deliberation by students of constituent institutions; and

Whereas, the General Assembly has determined that it is a matter of statewide concern that all constituent institutions of The University of North Carolina officially recognize freedom of speech as a fundamental right; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 116 of the General Statutes is amended by adding a new Article to read:

"Article 36.

"Campus Free Speech.

"**§ 116-300. Policies required.**

The Board of Governors of The University of North Carolina shall develop and adopt a policy on free expression that states, at least, the following:

(1) The primary function of each constituent institution is the discovery, improvement, transmission, and dissemination of knowledge by means of research, teaching, discussion, and debate. To fulfill this function, the constituent institution must strive to ensure the fullest degree of intellectual freedom and free expression.

(2) It is not the proper role of any constituent institution to shield individuals from speech protected by the First Amendment, including, without limitation, ideas and opinions they find unwelcome, disagreeable, or even deeply offensive.

(3) The constituent institution may not take action, as an institution, on the public policy controversies of the day in such a way as to require students, faculty, or administrators to publicly express a given view of social policy.

(4) Students and faculty have the freedom to discuss any problem that presents itself, as the First Amendment permits and within the limits of narrowly tailored viewpoint- and content-neutral restrictions on time, place, and manner of expression that are consistent with this Article and that are necessary to achieve a significant institutional interest, provided that these restrictions are clear, published, and provide ample alternative means of expression. Students and faculty shall be permitted to assemble and engage in spontaneous expressive activity as long as such activity is lawful and does not materially and substantially disrupt the functioning of the constituent institution, subject to the requirements of this section.

(5) Access to campus for purposes of free speech and expression shall be consistent with First Amendment jurisprudence regarding traditional public forums, designated public forums, and nonpublic forums, subject to reasonable time, place, and manner restrictions.

(6) Consistent with First Amendment jurisprudence, including any reasonable time, place, and manner restrictions adopted by a constituent institution, campuses of the constituent institutions are open to any speaker whom students, student groups, or members of the faculty have invited.

(7) The constituent institution shall implement a range of disciplinary sanctions for anyone under the jurisdiction of a constituent institution who substantially disrupts the functioning of the constituent institution or substantially interferes with the protected free expression rights of others, including protests and demonstrations that infringe upon the rights of others to engage in and listen to expressive activity when the expressive activity has been scheduled pursuant to this policy or is located in a nonpublic forum.

(8) In all student disciplinary cases involving expressive speech or conduct, students are entitled to a disciplinary hearing under published procedures, including, at a minimum, (i) the right to receive advance written notice of

the charges, (ii) the right to review the evidence in support of the charges, (iii) the right to confront witnesses against them, (iv) the right to present a defense, (v) the right to call witnesses, (vi) a decision by an impartial arbiter or panel, (vii) the right of appeal, and (viii) the right to active assistance of counsel, consistent with G.S. 116-40.11.

"**§ 116-301. Committee on Free Expression.**

(a) The Board of Governors of The University of North Carolina System shall establish the Committee on Free Expression and appoint 11 individuals from among its membership to the Committee. The members of the Committee on Free Expression shall elect a chair from the members of the Committee. Each member of the Committee on Free Expression shall serve on the Committee at the pleasure of the Board of Governors. Each member's term shall be equal to the remainder of the member's respective term on the Board of Governors. In the event of a vacancy on the Committee, the Board of Governors shall appoint a replacement from among its membership.

(b) All employees of The University of North Carolina System and all State agencies shall cooperate with the Committee on Free Expression by providing information requested by the Committee.

(c) The Committee on Free Expression shall report to the public, the Board of Governors, the Governor, and the General Assembly by September 1 of every year. The report shall include all of the following:

(1) A description of any barriers to or disruptions of free expression within the constituent institutions.

(2) A description of the administrative handling and discipline relating to these disruptions or barriers.

(3) A description of substantial difficulties, controversies, or successes in maintaining a posture of administrative and institutional neutrality with regard to political or social issues.

(4) Any assessments, criticisms, commendations, or recommendations the Committee sees fit to include.

The requirement of reporting to the public may be met by publishing the report on The University of North Carolina System's Web site.

"**§ 116-302. Freshman orientation.**

All constituent institutions of The University of North Carolina shall include in freshman orientation programs a section describing the policies regarding free expression consistent with this Article.

"**§ 116-303. Guidelines and additional policies authorized.**

The Board of Governors, and the constituent institutions of The University of North Carolina subject to approval of the Board of Governors, may adopt additional policies and guidelines to further the purposes of the policies adopted pursuant to this Article. Nothing in this Article shall be construed to prevent institutions from regulating student speech or activity that is prohibited by law. Except as further limited by this Article, constituent institutions shall be allowed to restrict student expression only for expressive activity not protected by the First Amendment, including all of the following:

(1) Violations of State or federal law.

(2) Expression that a court has deemed unprotected defamation.

(3) Unlawful harassment.

(4) True threats, which are defined as statements meant by the speaker to communicate a serious expression of intent to commit an act of unlawful violence to a particular individual or group of individuals.

(5) An unjustifiable invasion of privacy or confidentiality not involving a matter of public concern.

(6) An action that substantially disrupts the function of the constituent institutions.

(7) Reasonable time, place, and manner restrictions on expressive activities, consistent with G.S. 116-300(4).

(8) Speech that interferes with the treatment of patients.

"**§ 116-304. Limitations on liability.**

Nothing in this Article shall be construed to make any chancellor, officer, employee, or member of a board of trustees of a constituent institution or the President, officer, employee, or member of the Board of Governors of The University of North Carolina personally liable for acts taken pursuant to their official duties."

SECTION 2. The Board of Governors shall develop a policy that requires each constituent institution to identify the officer, office, or department with responsibilities for ensuring compliance with this act and for answering any related questions or concerns. This policy shall require that any officer with these responsibilities receive training on ensuring compliance with this act. Such training shall be developed and provided by the University of North Carolina School of Government.

SECTION 3. This act becomes effective June 30, 2017. The initial annual report of the Committee on Free Expression is due by September 1, 2018.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-197 **H.B. 528**

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2017.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SECTION 1.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 2.1 of that act reads as rewritten:

"**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	**FY 2017-2018**	**FY 2018-2019**
EDUCATION		
Community Colleges System Office	$ ~~1,121,815,001~~1,122,341,120	$ 1,141,757,845
…		
Department of Commerce		
Commerce	~~140,649,732~~140,749,732	130,158,878
Commerce State-Aid	~~20,100,810~~20,300,810	16,155,810
…		
Department of Natural and Cultural Resources	~~185,613,349~~185,513,349	174,477,424
…		
Department of Administration	~~63,691,021~~63,941,021	63,396,752
…		
Office of State Budget and Management		
Office of State Budget and Management	8,180,546	8,255,244
OSBM – Reserve for Special Appropriations	~~8,740,000~~12,763,881	2,000,000
…		
TOTAL CURRENT OPERATIONS – GENERAL FUND	**~~$ 22,975,769,893~~$ 22,980,769,893**	**$23,650,253,958**"

SECTION 1.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 5.3 of that act is amended by adding a new subsection to read:

"**SECTION 5.3.(i)** The Joint Legislative Commission on Governmental Operations shall appoint a committee to study the Needs-Based Public School Capital Fund program established in this section. The study committee shall consider at least all of the following:

(1) Obstacles to counties' ability to participate in or achieve maximum benefit from the program.

(2) Potential uses of program funds, such as lease agreements and public-private partnerships, to facilitate participation and school capital construction.

The study committee shall submit a report and any recommendations to the Joint Legislative Commission on Governmental Operations on or before February 1, 2018."

SECTION 1.3. If Senate Bill 266 of the 2017 Regular Session becomes law, then Section 1 of the bill is amended by deleting from the list of parcels used as the property description the parcel described by Tax Office Parcel Identification Number 157780 and adding the parcel described by Tax Office Parcel Identification Number 157870 in the correct numerically ordered place in the table of properties.

PART II. EDUCATION

SECTION 2.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Part VII of that act is amended by adding a new section to read:

"**PROGRAM ENHANCEMENT TEACHER FUNDS**

"**SECTION 7.14.** It is the intent of the General Assembly to use the data collected in accordance with the reporting requirements set forth in Section 2 of S.L. 2017-9 to fund a new allotment for program enhancement teachers for local school administrative units beginning with the 2018-2019 fiscal year."

SECTION 2.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 7.23A(a)(2) of that act reads as rewritten:

"(2) Security advisory and consulting services. – Five regional security consultants working with schools to assess security posture and develop and implement improvement plans. The plans shall include security policy, ~~building security programs,~~ implementing effective security controls, and ongoing support for operating security governance."

SECTION 2.3. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 115C-64.28(b), as enacted by Section 7.23I of that act, reads as rewritten:

"(b) The Associate Superintendent shall be appointed by the Superintendent of Public Instruction at a salary established by the Superintendent of Public Instruction within the funds appropriated for that purpose. The Associate Superintendent may be removed from the position by the Superintendent of Public ~~Instruction in the event of the Associate Superintendent's incapacity to serve.~~ Instruction. The Associate Superintendent shall be exempt from the provisions of Chapter 126 of the General Statutes, except for Articles 6 and 7 of Chapter 126 of the General Statutes.

All other staff shall be appointed, supervised, and directed by the Associate Superintendent and shall be subject to the provisions of Chapter 126 of the General Statutes. Except for the Associate Superintendent, salaries and compensation of all staff personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies."

SECTION 2.4. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 7.23J(b) of that act reads as rewritten:

"**SECTION 7.23J.(b)** ~~This section applies beginning with the use of funds during the 2014-2015 fiscal year.~~The report required by December 1, 2017, pursuant to G.S. 115C-105.25(d), as enacted by this section, shall include information on uses of funds pursuant to G.S. 115C-105.25(c), as amended by this section, for the 2014-2015, 2015-2016, and 2016-2017 fiscal years."

SECTION 2.5. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 115C-83.15, as amended by Section 7.26 of that act, reads as rewritten:

"**§ 115C-83.15. School achievement, growth, performance scores, and grades.**

(a) School Scores and Grades. – The State Board of Education shall award school achievement, growth, and performance scores and an associated performance grade as required by G.S. 115C-12(9)c1., and calculated as provided in this section. ~~The State Board of Education shall enter all necessary data into the Education Value-Added Assessment System (EVAAS) in order to calculate school performance scores and grades.~~

…

(c) Calculation of the School Growth Score as a Measure of School Quality and Student Success. – Using ~~EVAAS,~~the Education Value-Added Assessment System (EVAAS), the State Board shall calculate the overall growth score earned by schools as a measure of school quality and student success. In calculating the total growth score earned by schools, the State Board of Education shall weight student growth on the achievement indicators as provided in subsection (b) of this section that have available growth values. The numerical values used to determine whether a school has met, exceeded, or has not met expected growth shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(d) Calculation of the Overall School Performance Scores and Grades. – The State Board of Education shall ~~use EVAAS to~~ calculate the overall school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as determined using EVAAS as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine an overall school performance grade. The overall school performance grade shall be based on the following scale and shall not be modified to add any other designation related to other performance measures, such as a "plus" or "minus":

…

(d2) Calculation of the School Performance Scores and Grades for Certain Subgroups of Students Served by a School. – In addition to the overall school performance scores and grades awarded under this section, for each school that serves a minimum number of students in a subgroup of students listed in subsection (d1) of this section, the State Board of Education shall ~~use EVAAS to~~ calculate school performance scores and shall determine a corresponding school performance grade for each subgroup using the same method as set forth in subsection (d) of this section. School performance scores for subgroups of students shall not be included in the calculation of the overall school performance scores and grades under subsection (d) of this section.

…."

SECTION 2.6. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 7.27 of that act reads as rewritten:

"**READ TO ACHIEVE DIAGNOSTIC CHANGES**

…

"**SECTION 7.27.(c1)** Of the funds appropriated to the Department of Public Instruction by S.L. 2015-241 for the Excellent Public Schools Act in the 2016-2017 fiscal year, up to five million dollars ($5,000,000) shall not revert at the end of the 2016-2017 fiscal year but shall remain available until the end of the 2017-2018 fiscal year. These funds shall be allotted to local school administrative units for the purchase of computers or other electronic devices used for the administration of the formative and diagnostic reading assessments made available by the State Board of Education pursuant to G.S. 115C-174.11.

"**SECTION 7.27.(d)** Subsection (a) of this section applies beginning with the 2018-2019 school year. Subsection (c1) of this section becomes effective June 30, 2017."

SECTION 2.7. If Senate Bill 257, 2017 Regular Session, becomes law, then Part VII of that act is amended by adding a new section to read:

"**EASTERN NORTH CAROLINA STEM/HALIFAX COUNTY SCHOOLS**

"**SECTION 7.36.** Notwithstanding any other provision of law, students enrolled in Halifax County Schools shall be permitted to participate in the residential science, mathematics, engineering, and technology (STEM) enrichment program for traditionally underserved students supported by the sum of three hundred thousand dollars ($300,000) in nonrecurring funds appropriated by this act to the Department of Public Instruction for the 2017-2018 fiscal year to be used by the State Board of Education to contract for administration of the program."

SECTION 2.8. If Senate Bill 257, 2017 Regular Session, becomes law, then Part VII of that act is amended by adding a new section to read:

"**DPI VACANT POSITION FUNDS**

"**SECTION 7.37.(a)** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, for the 2017-2019 fiscal biennium, the Department of Public Instruction shall neither (i) eliminate position number 60009676, Education Consultant III, nor (ii) reduce the funds in Fund Code 1300 by the sum of one hundred eleven thousand forty-two dollars ($111,042) in each fiscal year to correspond with the elimination of that position.

"**SECTION 7.37.(b)** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, for the 2017-2019 fiscal biennium, the Department of Public Instruction shall (i) eliminate position number 60009518, Social/Clinical Research Specialist, and reduce the funds in Fund Code 1300 by the sum of sixty-seven thousand six hundred forty-nine dollars ($67,649) in each fiscal year to correspond with the elimination of that position and (ii) reduce the funds in Fund Code 1300 by the sum of forty-three thousand three hundred ninety-three dollars ($43,393) in each fiscal year to decrease support for the operating costs of the Department."

SECTION 2.9. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 8.26(n) of S.L. 2015-241, as amended by Section 7.3 of S.L. 2016-123, reads as rewritten:

"**SECTION 8.26.(n)** By July 1, 2018, the Department of Public Safety shall implement ~~an anonymous safety tip line application and~~ a statewide panic alarm system as required under G.S. 115C-105.51, as amended by subsection (d) of this section."

SECTION 2.10.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 8.8B(d) of that act reads as rewritten:

"**SECTION 8.8B.(d)** ~~This section applies beginning with bonuses awarded in January 2018.~~Subsections (a) and (b) of this section apply for bonuses awarded in January 2018, 2019, and 2020, based on data from the 2016-2017, 2017-2018, and 2018-2019 school years, respectively. Subsection (c) of this section applies only for bonuses awarded in January 2018, based on data from the 2016-2017 school year."

SECTION 2.10.(b) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 8.8C of that act reads as rewritten:

"**THIRD GRADE READ TO ACHIEVE TEACHER BONUS PROGRAM ~~FOR 2018-2019~~**

"**SECTION 8.8C.(a)** It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Third Grade Read to Achieve Teacher Bonus Program (program) ~~for the 2018-2019 fiscal year~~ to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, as follows:

…

"**SECTION 8.8C.(c)** The State Board of Education shall study the effect of the bonuses awarded pursuant to this section and Section 9.7 of S.L. 2016-94, as amended by Section 8.8B of this act, on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools

to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March ~~15, 2019.~~15 of each year.

"**SECTION 8.8C.(d)** This section applies for bonuses awarded in January 2019 and 2020, based on data from the 2017-2018 and 2018-2019 school years, respectively."

SECTION 2.10A. Section 8.8A(a) of S.L. 2017-57 reads as rewritten:

"**SECTION 8.8A.(a)** By October 31 of each year of the 2017-2019 fiscal biennium, the Department of Public Instruction shall administer a one-time, lump sum bonus in the amount of three hundred eighty-five dollars ($385.00) to any teacher with at least 25 years of teaching ~~experience.~~experience who is employed as of October 1 of the year the bonus is awarded."

SECTION 2.11. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 9.3(a) of that act reads as rewritten:

"**SECTION 9.3.(a)** The State Board of Community Colleges shall study the costs of workforce training and academic instruction delivered by the community colleges. The study shall assess, at minimum, the various factors that affect instructional costs in these courses, including specialized equipment ~~requirements,~~ requirements and faculty ~~salaries, and space requirements.~~salaries."

SECTION 2.12. If Senate Bill 257, 2017 Regular Session, becomes law, then Part IX of that act is amended by adding a new section to read:

"**FORSYTH TECHNICAL COMMUNITY COLLEGE TRANSPORTATION TECHNOLOGY CENTER FUNDS**

"**SECTION 9.16.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated to the Community Colleges System Office by this act for the 2017-2018 fiscal year, the System Office shall allocate the sum of five hundred twenty-six thousand one hundred nineteen dollars ($526,119) for the 2017-2018 fiscal year to Forsyth Technical Community College to support instructional programs and services at the Transportation Technology Center."

SECTION 2.13. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 10.8(c) of that act reads as rewritten:

"**SECTION 10.8.(c)** The University of North Carolina shall report to the Office of State Budget and Management and the Fiscal Research Division on the implementation of the management flexibility reduction in this section ~~for the 2017-2018 fiscal year to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2018, and shall report on the implementation of the management flexibility reduction in this section for the 2018-2019 fiscal year to the Office of State Budget and Management and the Fiscal Research Division~~ no later than April 1, 2019.

The reports shall identify both of the following by campus:

(1) The total number of positions eliminated by type (faculty/nonfaculty).

(2) The low-performing, redundant, and low-enrollment programs that were eliminated."

SECTION 2.14. If Senate Bill 257, 2017 Regular Session, becomes law, then Part X of that act is amended by adding a new section to read:

"**NORTH CAROLINA STATE UNIVERSITY COOPERATIVE EXTENSION**

"**SECTION 10.29.** Notwithstanding any other provision of this act or descriptive language to the contrary in the Committee Report described in Section 39.2 of this act, the revised net appropriation for North Carolina State University Cooperative Extension is thirty-nine million ninety-five thousand two hundred thirty-one dollars ($39,095,231) for the 2017-2018 fiscal year and thirty-nine million one hundred ninety-five thousand two hundred thirty-one ($39,195,231) dollars for the 2018-2019 fiscal year."

SECTION 2.15. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 10A.1(a) of that act reads as rewritten:

"**SECTION 10A.1.(a)** Notwithstanding G.S. 115C-562.8, of the funds appropriated by this act for the Opportunity Scholarship Grant Fund Reserve for the 2017-2018 fiscal year, the State Education Assistance Authority (Authority) may use up to one million eight hundred thousand dollars ($1,800,000) ~~in nonrecurring funds~~ for the 2017-2018 fiscal year to purchase software necessary to support the administration of the Opportunity Scholarship Grant Program and the Special Education Scholarships for Children with Disabilities Program. These funds may also be used for customization of the software, development of interfaces with other internal systems, conversion of data, and training for staff on the new software system."

SECTION 2.16.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 27.6 of S.L. 2016-94, as amended by Section 10.23 of Senate Bill 257, 2017 Regular Session, reads as rewritten:

"**SECTION 27.6.** Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, up to the sum of four million dollars ($4,000,000) in nonrecurring funds for the 2016-2017 fiscal year shall be allocated to the Board of Trustees of the University of North Carolina at Chapel Hill for ~~operation~~ the repair and renovation of certain laboratories of the Department of Applied Physical Sciences. Allocations made pursuant to this section shall be matched by the ~~Board of Trustees~~ University of North Carolina at Chapel Hill on the basis of one dollar ($1.00) in allocated funds for every one dollar ($1.00) in non-State funds ~~that the Board of Trustees raises by June 30, 2019, for the purposes of operating the Department of Applied Physical Sciences. These funds shall not revert but shall continue to be available as matching funds for the 2017-2019 fiscal biennium for the purposes of operating the Department of Applied Physical Sciences as provided by this section.~~provided by the University of North Carolina at Chapel Hill by June 30, 2018, for the purposes of repairing and renovating certain laboratories of the Department of Applied Physical Sciences. These funds shall not revert but shall continue to be available as matching funds for the 2017-2018 fiscal year to be used for the purposes set out in this section."

SECTION 2.16.(b) This section becomes effective June 30, 2017.

SECTION 2.17. If Senate Bill 257, 2017 Regular Session, becomes law, then Part X of that act is amended by adding a new section to read:

"**NCSU BIOMANUFACTURING TRAINING AND EDUCATIONAL CENTER**

"**SECTION 10.30.** Notwithstanding any other provision of this act or descriptive language to the contrary in the Committee Report described in Section 39.2 of this act, the additional nonrecurring funds appropriated in this act in the amount of five hundred thousand dollars ($500,000) for the North Carolina State University Biomanufacturing Training and Education Center (BTEC) shall be used only to support training and education."

SECTION 2.18.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 115C-12(9)c1.3., as amended by Section 7.26(a) of that act, reads as rewritten:

"3. For high schools, measures of Advanced Placement course ~~participation~~participation, Cambridge Advanced International Certificate of Education (AICE) Program participation, and International Baccalaureate Diploma Programme participation and Advanced ~~Placement~~Placement, Cambridge AICE, and International Baccalaureate examination participation and performance."

SECTION 2.18.(b) This section applies beginning with the 2017-2018 school year.

SECTION 2.19. Section 7.3(h) of S.L. 2017-57 reads as rewritten:

"**SECTION 7.3.(h)** Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2017-2019 fiscal biennium, ~~counties~~a county containing a base of the Armed Forces of the United States that ~~have~~has an average daily membership of more than 23,000 students shall receive whichever is the higher amount in each fiscal year as follows: either the ~~same~~ amount of supplemental funding the county received as ~~for~~a low-wealth ~~counties as received~~county in the 2012-2013 fiscal ~~year.~~year or the amount of

supplemental funding the county is eligible to receive as a low-wealth county pursuant to the formula for distribution of supplemental funding under the other provisions of this section."

PART III. HEALTH AND HUMAN SERVICES

SECTION 3.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"**FUNDS FOR ALZHEIMER'S REGISTRY**

"**SECTION 11A.5A.** Notwithstanding any other provision of law or descriptive language to the contrary in the Committee Report described in Section 39.2 of this act, recurring funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for each fiscal year of the 2017-2019 fiscal biennium to support the development of an Alzheimer's Registry shall be accomplished through the Bryan Alzheimer's Disease Research Center at Duke University Medical Center."

SECTION 3.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 11A.8(d) of that act reads as rewritten:

"**SECTION 11A.8.(d)** The Office of Rural Health shall develop a standardized method for grant recipients to report objective, measurable quality health outcomes and shall require grant recipients to report these quality health outcomes to the Department. Beginning July 1, 2018, recipients of grant funds shall annually provide to the Office of Rural Health a written report detailing the number of patients that are cared for, the types of services that were provided, quality measures and outcomes, and any other information requested by the Office of Rural Health as necessary for evaluating the success of the Community Health Grant Program."

SECTION 3.3. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"**FUNDS FOR H.E.L.P. CENTER, INC.**

"**SECTION 11E.13A.** Notwithstanding any other provision of law or descriptive language to the contrary in the Committee Report described in Section 39.2 of this act, nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for the 2017-2018 fiscal year for allocation to the H.E.L.P. Center, Inc., may be used to support all nonsectarian services and all recipients of nonsectarian services provided by the H.E.L.P. Center, Inc."

SECTION 3.4. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 11L.1 of that act is amended by adding a new subsection to read:

"**SECTION 11L.1.(ff)** Of the four hundred fifty-one thousand eight hundred nine dollars ($451,809) allocated in this section in the Preventive Health Services Block Grant in each year of the 2017-2019 fiscal biennium to the Department of Health and Human Services, Division of Public Health, Oral Health Preventive Services, one hundred twenty thousand two hundred eighty-six dollars ($120,286) shall be used to establish a Public Health Epidemiologist II position and a Dental Equipment Technician I position."

PART IV. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 4.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 13.13(d) of that act reads as rewritten:

"**SECTION 13.13.(d)** The North Carolina Policy Collaboratory, in consultation with the Economic Development Partnership of North Carolina, the Department of Commerce, and the Department of Natural and Cultural Resources, and any other stakeholders the Partnership deems relevant, including the North Carolina Tourism Advisory Board, the North Carolina Restaurant and Lodging Association, the North Carolina Shellfish Growers Association, and the North Carolina Fisheries Association, shall develop conceptual plans and recommendations for economic development related to promotion of the State's shellfish harvesting heritage. The plans and recommendations shall include the creation of a North Carolina Oyster Trail and a North Carolina Oyster Festival. Plan development shall be congruent with the ongoing work of the North Carolina Policy Collaboratory and its stakeholder group as described in this section and shall include recommendations of locations, oversight, governmental support, cost, and

timing of when such initiatives should be launched in the future, including, but not limited to, achieving production and acreage benchmarks, in addition to any other information deemed relevant for inclusion. The Collaboratory's recommendations shall be provided no later than ~~March 1, 2018,~~December 31, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division. This study, as it may be subsequently amended after submission, shall be included as an appendix to the Shellfish Mariculture Plan required by subsection (b) of this section."

SECTION 4.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 13.22(a) of that act reads as rewritten:

"**SECTION 13.22.(a)** The following allocations are made from ~~nonrecurring~~ funds appropriated by this act to the Division of Water Infrastructure of the Department of Environmental Quality for water and sewer infrastructure grants:

…."

SECTION 4.3. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 14.19 of that act reads as rewritten:

"**SCOTTS HILL AQUARIUM SATELLITE FACILITY**

"**SECTION 14.19.** ~~Of the~~The funds appropriated by this act to the Division of North Carolina Aquariums in the North Carolina Department of Natural and Cultural ~~Resources, the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2017-2018 fiscal year is allocated~~Resources for a satellite aquarium facility shall be used for planning of the Blake Farms satellite aquarium area in Scotts Hill, North Carolina, and the Division is authorized to expend funds for this purpose."

SECTION 4.4.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIII of that act is amended by adding a new section to read:

"**COASTAL RECREATIONAL FISHING LICENSES POSITIONS**

"**SECTION 13.28.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the Division of Marine Fisheries positions authorized in this act and supported by receipts from the sales of Coastal Recreational Fishing Licenses are authorized in the Marine Resources Fund (Fund Code 24323-2143)."

SECTION 4.4.(b) If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIII of that act is amended by adding a new section to read:

"**ENERGY CENTERS**

"**SECTION 13.29.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the funds appropriated by this act to the Department of Environmental Quality for university energy centers shall be divided evenly between North Carolina A&T University, Appalachian State University, and North Carolina State University."

SECTION 4.4.(c) If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIV of that act is amended by adding a new section to read:

"**LOCAL HISTORY MUSEUM FUNDING**

"**SECTION 14.20.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, (i) the revised net appropriation for grants-in-aid to local history museums within Fund Code 14800-1500 is one hundred sixty thousand dollars ($160,000) and (ii) the funds appropriated by this act for a grant-in-aid for the Oxford Museum of History shall instead be provided to the Granville County Historical Society, Incorporated."

SECTION 4.5. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIV of that act is amended by adding a new section to read:

"**ART MUSEUM POSITIONS**

"**SECTION 14.21.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the funds provided in this act for the North Carolina Museum of Art may be used to establish up to 25 positions."

SECTION 4.6. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIV of that act is amended by adding a new section to read:

"**LOCAL LIBRARY GRANTS-IN-AID**

"**SECTION 14.22.** Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, (i) the funds appropriated by this act for grants-in-aid for local libraries is reduced by one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year and no funds shall be provided to Caldwell County for a bookmobile and (ii) the funds appropriated by this act for grants-in-aid for the Aberdeen Library shall be provided to the Friends of the Aberdeen Library and not to the Town of Aberdeen."

SECTION 4.7. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 15.5(b)(1) of that act is repealed.

SECTION 4.8.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 15.8(a) of that act reads as rewritten:

"**SECTION 15.8.(a)** Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of five million ~~seven~~ eight hundred seventy-five thousand dollars ~~($5,775,000)~~($5,875,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide grants-in-aid for downtown revitalization projects for each of the following counties and municipalities in the following amounts:

…

(15) Thirty-three thousand three hundred thirty-four dollars ($33,334) each to the Town of ~~Littleton~~ Littleton, the Town of Summerfield, and the Town of Weldon.

(16) Thirty-three thousand three hundred thirty-three dollars ($33,333) each to the Town of Stokesdale, the Town of Oak Ridge, the Town of Enfield, the Town of Garysburg, the Township of Seaboard, and the Town of Woodland.

…."

SECTION 4.8.(b) If Senate Bill 257, 2017 Regular Session, becomes law, then notwithstanding any provision in that act, or in the Committee Report described in Section 39.2 of that act to the contrary, the appropriation for downtown revitalization grants within the Rural Economic Development Division of the Department of Commerce (Fund Code 14600-1534) is increased by one hundred thousand dollars ($100,000) in nonrecurring funds. The revised net appropriation for downtown revitalization grants is eight million six hundred thirty thousand dollars ($8,630,000).

SECTION 4.9. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 15.18(a) of that act reads as rewritten:

"**SECTION 15.18.(a)** The North Carolina Industrial Commission (Commission) may carry forward up to two hundred fifty thousand dollars ($250,000) ~~of State funds~~ previously ~~appropriated~~ appropriated, encumbered, or designated in the 2015-2016 fiscal year for legal services. Any funds remaining after completion of the legal services for which the funds were appropriated shall be retained by the Commission."

SECTION 4.10.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then, notwithstanding any provision of law in that act or in the Committee Report described in Section 39.2 of that act to the contrary, the appropriation to the Department of Commerce for State Aid to Non-State Entities in Fund Code 14601-1913 is increased by two hundred thousand dollars ($200,000) in nonrecurring funds for the 2017-2018 fiscal year to be provided as a grant-in-aid to Cleveland County ALWS Baseball, Inc., the nonprofit organization responsible for hosting the 2017 American Legion Baseball World Series, for the expansion of the facility and marketing and national promotion for the home site in Shelby, North Carolina.

The revised net appropriation for State Aid to Non-State Entities (Fund Code 14601-1913) is twenty million three hundred thousand eight hundred ten dollars ($20,300,810) for the 2017-2018 fiscal year.

SECTION 4.10.(b) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 15A.2(c) of that act reads as rewritten:

"**SECTION 15A.2.(c)** The following entities shall comply with the requirements of subsection (a) of this section:

(1) North Carolina Biotechnology Center.

…

(16) Cleveland County ALWS Baseball, Inc."

SECTION 4.11. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 143-215.73F(c)(4) reads as rewritten:

"(4) The cost-share for the dredging of the access canal around the Roanoke Island Festival Park ~~may~~ shall be paid from the Historic Roanoke Island Fund established by G.S. 143B-131.8A."

SECTION 4.12. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 143B-135.234(a) reads as rewritten:

"(a) Fund Established. – The Clean Water Management Trust Fund is established as a special revenue fund to be administered by the Department of ~~Environmental Quality.~~ Natural and Cultural Resources. The Fund receives revenue from the following sources and may receive revenue from other sources:

…."

PART V. JUSTICE AND PUBLIC SAFETY

SECTION 5.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 16B.10(e) of that act reads as rewritten:

"**SECTION 16B.10.(e)** Notwithstanding any other provision of law, there shall be no transfer of positions to or from the State Capitol Police Section (Budget Code 14550, fund code 1402) and no ~~changes~~reduction to the total authorized budget of the State Capitol Police Section, as it existed on March 1, 2017, prior to the transfer of the State Capitol Police from the State Highway Patrol to the Department of Public Safety. This subsection shall not apply to transfers of positions or changes to the total authorized budget of the State Capitol Police that are expressly required by the Committee Report described in Section 39.2 of this act."

SECTION 5.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Subpart XVI-B of that act is amended by adding a new section to read:

"**OPERATION MEDICINE DROP**

"**SECTION 16B.12.** Of the funds appropriated in this act to the State Bureau of Investigation (SBI) in fiscal year 2017-2018, including funds appropriated for Alcohol Law Enforcement, the SBI may use up to one hundred twenty-five thousand dollars ($125,000) for Operation Medicine Drop."

SECTION 5.3. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 7B-2200.5(a)(1), as enacted by Section 16D.4(e) of that act, reads as rewritten:

"(1) Notice to the juvenile and a finding by the court that a bill of indictment has been returned against the juvenile charging the commission of an offense that constitutes a Class A, B1, B2, C, D, E, F, or G felony if committed by an adult."

SECTION 5.4. If Senate Bill 257, 2017 Regular Session, becomes law, then subsection (jj) of Section 16D.4 of that act reads as rewritten:

"**SECTION 16D.4.(jj)** Subsection (ff) of this section is effective when it becomes law. ~~The remainder of this Part becomes~~Subsections (ee), (gg), (hh), and (ii) of this section become effective December 1, 2019, and apply to offenses committed on or after that date."

SECTION 5.4A.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 7A-305(a5)(3) reads as rewritten:

"(3) For support of the General Court of Justice, the sum of one hundred eighty dollars ($180.00) in the superior court, except that if a case is assigned to a special superior court judge as a complex business case under G.S. 7A-45.3, filing fees shall be collected and disbursed in accordance with subsection (a) of this section, and the sum of one hundred thirty dollars ($130.00) in the district court, except that if the case is assigned to a magistrate, the sum shall be eighty dollars ($80.00). Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of ~~one dollar and fifty cents ($1.50) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4 and~~ ninety-five cents ($.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19."

SECTION 5.4A.(b) If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 7A-306(a)(2) reads as rewritten:

"(2) For support of the General Court of Justice the sum of one hundred six dollars ($106.00). In addition, in proceedings involving land, except boundary disputes, if the fair market value of the land involved is over one hundred dollars ($100.00), there shall be an additional sum of thirty cents (30¢) per one hundred dollars ($100.00) of value, or major fraction thereof, not to exceed a maximum additional sum of two hundred dollars ($200.00). Fair market value is determined by the sale price if there is a sale, the appraiser's valuation if there is no sale, or the appraised value from the property tax records if there is neither a sale nor an appraiser's valuation. Sums collected under this subdivision shall be remitted to the State Treasurer. ~~The State Treasurer shall remit the sum of one dollar and fifty cents ($1.50) of each one hundred six dollar ($106.00) General Court of Justice fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4.~~"

SECTION 5.4A.(c) If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 7A-307(a)(2) reads as rewritten:

"(2) For support of the General Court of Justice, the sum of one hundred six dollars ($106.00), plus an additional forty cents (40¢) per one hundred dollars ($100.00), or major fraction thereof, of the gross estate, not to exceed six thousand dollars ($6,000). Gross estate shall include the fair market value of all personalty when received, and all proceeds from the sale of realty coming into the hands of the fiduciary, but shall not include the value of realty. In collections of personal property by affidavit, the fee based on the gross estate shall be computed from the information in the final affidavit of collection made pursuant to G.S. 28A-25-3 and shall be paid when that affidavit is filed. In all other cases, this fee shall be computed from the information reported in the inventory and shall be paid when the inventory is filed with the clerk. If additional gross estate, including income, comes into the hands of the fiduciary after the filing of the inventory, the fee for such additional value shall be assessed and paid upon the filing of any account or report disclosing such additional value. For each filing the minimum fee shall be fifteen dollars ($15.00). Sums collected under this subdivision shall be remitted to the State Treasurer. ~~The State Treasurer shall remit the sum of one dollar and fifty cents ($1.50) of each one hundred six dollar ($106.00) General Court of Justice fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.~~"

SECTION 5.4A.(d) This section is effective when it becomes law.

SECTION 5.5. Section 18B.9.(d) of S.L. 2017-57 reads as rewritten:

"**SECTION 18B.9.(d)** In order to implement the changes in subsection (c) of this section, the following shall apply:

(1) The district court ~~judgeships~~judgeship with a term expiring December 31, 2020, currently serving District 9A shall be allocated to Judicial ~~Districts~~ District 9 and the judgeship with a term expiring December 31, 2018, currently serving District 9A shall be allocated to Judicial District 17A of the General Court of Justice effective January 1, 2019.

(2) ~~Any~~A vacancy occurring in ~~a~~the district court judgeship with a term expiring December 31, 2018 currently serving District 9A before January 1, 2019, shall be filled by appointment for a term to end December 31, 2018. A vacancy occurring in the district court judgeship with a term expiring December 31, 2020, currently serving District 9A before January 1, 2019, shall be filled by appointment for a term to end December 31, 2020."

SECTION 5.6.(a) G.S. 7A-60(a1), as amended by Section 18B.9(e) of S.L. 2017-57, reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	Counties	No. of Full-Time Asst. District Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	11
2	Beaufort, Hyde, Martin, Tyrrell, Washington	8
3	Pitt	12
4	Carteret, Craven, Pamlico	13
5	Duplin, Jones, Onslow, Sampson	19
6	New Hanover, Pender	19
7	Bertie, Halifax, Hertford, Northampton	11
8	Edgecombe, Nash, Wilson	19
9	Greene, Lenoir, Wayne	14
10	Franklin, Granville, Person Vance, Warren	~~10~~13
~~9A~~	~~Person, Caswell~~	~~6~~
11	Wake	42
12	Harnett, Lee	11
13	Johnston	10
14	Cumberland	25
15	Bladen, Brunswick, Columbus	14
16	Durham	18
17	Alamance	12
18	Orange, Chatham	10
19	Scotland, Hoke	7
20	Robeson	12
21	Anson, Richmond	6
22	Caswell, Rockingham	~~7~~10
23	Stokes, Surry	8
24	Guilford	34
25	Cabarrus	9

26	Montgomery, Randolph	10
27	Rowan	9
28	Moore	5
29	Stanly	5
30	Union	11
31	Forsyth	27
32	Alexander, Iredell	12
33	Davidson, Davie	12
34	Alleghany, Ashe, Wilkes, Yadkin	9
35	Avery, Madison, Mitchell, Watauga, Yancey	8
36	Burke, Caldwell, Catawba	19
37	Mecklenburg	58
38	Gaston	15
39	Cleveland, Lincoln	12
40	Buncombe	14
41	McDowell, Rutherford	8
42	Henderson, Polk, Transylvania	9
43	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain."	12

SECTION 5.6.(b) The office and term of the district attorney for Prosecutorial District 9A formerly consisting of Person and Caswell Counties is terminated upon the expiration of the current term, December 31, 2018. Effective January 1, 2019, District 9A is eliminated. All open investigations and pending cases for Prosecutorial District 9A formerly consisting of Person and Caswell Counties shall be transferred to either District 10 or District 22. Person County is added to District 10 and the number of ADAs in that district is increased by three. Caswell County is added to District 22 and the number of ADAs in that district is increased by three.

SECTION 5.6.(c) Section 18B.9(h) of S.L. 2017-57 is repealed.

SECTION 5.6.(d) This section is effective January 1, 2019, and elections conducted in 2018 shall be conducted in accordance with the districts as modified by this section.

SECTION 5.7. Subpart XVIII-B of S.L. 2017-57 is amended by adding a new section to read:

"**COUNCIL OF STATE SPECIAL PROSECUTOR PILOT PROJECT**

"**SECTION 18B.13.(a)** Pilot Project. – The Administrative Office of the Courts, in consultation with the Conference of District Attorneys, may appoint up to two special prosecutors per Council of State member at the member's request to aid local district attorneys' offices in prosecuting cases arising under Article 15 of Chapter 14 of the North Carolina General Statutes, violations of Chapter 58 of the North Carolina General Statutes, and violations of Chapter 14 of the North Carolina General Statutes as they relate to insurance fraud. Attorneys appointed as special prosecutors under this program shall be agency attorneys currently employed in the department of the requesting Council of State member and shall have a physical office in the local district attorney's office throughout the duration of the special appointment. Special prosecutors shall report to the Director of the Administrative Office of the Courts or the director's designee on all cases related to the special appointment. Nothing in this section shall be construed to authorize the hiring of additional personnel or outside counsel.

"**SECTION 18B.13.(b)** The Administrative Office of the Courts, in conjunction with the agencies that utilize the pilot program set out in subsection (a), shall report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2018. The

report shall include the results of the pilot program and recommendations on whether the program should be extended.

"**SECTION 18B.13.(c)** This section expires June 30, 2019, and all pending cases shall remain within the local district attorney's office for prosecution by attorneys employed by that office."

SECTION 5.8. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 17.4(g) of Senate Bill 257 reads as rewritten:

"**SECTION 17.4.(g)** This section ~~is effective when it becomes law.~~becomes effective January 1, 2018."

PART VI. GENERAL GOVERNMENT

SECTION 6.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XIX of that act is amended by adding a new section to read:

"**NO CLOSURE OF VETERANS CEMETERIES**

"**SECTION 19.3.(a)** The Office of State Budget and Management shall realign the base budget for Budget Code 23050 for the 2017-2019 fiscal biennium to include five FTE positions, increase receipts, and include any other necessary operational costs for the Eastern Carolina State Veterans Cemetery in Goldsboro.

"**SECTION 19.3.(b)** The Department of Military and Veterans Affairs (DMVA) shall not close any of the State's veterans cemeteries. The DMVA shall continue to operate the State's veterans cemeteries and maintain the current level of operations using any or all of the following financial supports: (i) receipts generated by any of the State owned veterans cemeteries, (ii) carryforward funding, and (iii) reserve account fund balances under the purview of DMVA."

SECTION 6.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 22.2 of that act reads as rewritten:

"**SECTION 22.2.** Section 7 of S.L. 2009-474, as amended by Section 20.3 of S.L. 2012-142, ~~is~~ and Section 8 of S.L. 2009-474 are repealed."

SECTION 6.3. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXVI of that act is amended by adding a new section to read:

"**FIRE AND RESCUE GRANTS-IN-AID**

"**SECTION 26.8.(a)** Notwithstanding any other provision of this act or the provisions of the Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to Caldwell County for EMS services. These funds are in addition to grant-in-aid funds appropriated to the Office of State Budget and Management, Special Appropriations, and shown in the Committee Report described in Section 39.2 of this act, to be allocated to Caldwell County for EMS services for the 2017-2018 fiscal year.

"**SECTION 26.8.(b)** Notwithstanding any other provision of this act or the provisions of the Committee Report described in Section 39.2 of this act to the contrary, the revised net appropriation for fire and rescue grants-in-aid is six hundred forty-five thousand dollars ($645,000) in nonrecurring funds for the 2017-2018 fiscal year."

SECTION 6.4. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXVI of that act is amended by adding a new section to read:

"**INDIAN AFFAIRS COMMISSION**

"**SECTION 26.9.** Notwithstanding any other provision of this act or the provisions of the Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated in this act to the Department of Administration Budget Code 14100, the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to the Indian Affairs Commission (Fund Code 1861) for operational support. These funds shall be used to expedite the recognition review process of North Carolina tribes and commissions. The revised net appropriation for the Indian Affairs Commission is six

hundred eighty-two thousand three hundred thirty-six dollars ($682,336) for the 2017-2018 fiscal year."

SECTION 6.5. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXXI of that act is amended by adding a new section to read:

"**REDUCTION FOR OSBM SPECIAL APPROPRIATIONS**

"**SECTION 31.5.** Notwithstanding any other provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, for the dinosaur project at the North Carolina Museum of Natural Sciences to improve the visitor experience are reduced by one million two hundred twenty-six thousand one hundred nineteen dollars ($1,226,119) in nonrecurring funds for the 2017-2018 fiscal year. The revised net appropriation for this project is two hundred seventy-three thousand eight hundred eighty-one dollars ($273,881) in nonrecurring funds for the 2017-2018 fiscal year only."

SECTION 6.6. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXXI of that act is amended by adding a new section to read:

"**JOSEPH MONTFORT AMPHITHEATRE REDEVELOPMENT**

"**SECTION 31.6.** Notwithstanding any other provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated to the Office of State Budget and Management, Special Appropriations, the sum of one hundred fifty thousand dollars ($150,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to Halifax County for the redevelopment of the Joseph Montfort Amphitheatre for the First for Freedom Outdoor Drama. The revised net appropriation for this project is one hundred fifty thousand dollars ($150,000) for the 2017-2018 fiscal year only."

SECTION 6.7. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXXI of that act is amended by adding a new section to read:

"**NORTH CAROLINA CIVIL WAR HISTORY CENTER**

"**SECTION 31.7.** Notwithstanding any other provision of this act or of the Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated to the Office of State Budget and Management, Special Appropriations, the sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to the North Carolina Civil War History Center (Center). Of the funds appropriated to the Office of State Budget and Management, Special Appropriations, an additional sum of up to two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be allocated to the Center as a matching grant. Upon verification of the collection of two million five hundred thousand dollars ($2,500,000) in private donations by the Center, the Office of State Budget and Management shall provide one dollar for every private dollar provided in kind or otherwise, up to a maximum of the two million five hundred thousand dollars ($2,500,000) for the matching grant described in this section."

SECTION 6.8.(a) In the 2017 elections, the Executive Director of the Bipartisan State Board of Elections and Ethics Enforcement shall have the authority to reduce the canvass period by whatever amount of time the Executive Director believes is necessary in order to ensure orderly elections on the election schedule otherwise required by law. If the Executive Director shortens the canvass period, the Executive Director shall provide at least two weeks' notice of the new canvass period to the county boards and to the public.

SECTION 6.8.(b) This provision is effective when it becomes law and expires November 7, 2017.

PART VII. TRANSPORTATION

SECTION 7.1. If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 136-76.2(c), as enacted by Section 34.10 of that act, reads as rewritten:

"(c) Outsourcing. – ~~All~~Except for the following activities, all projects funded under the bridge program established under subsection (a) of this ~~section, with the exception of~~

~~inspection, pre-engineering, contract preparation, contract administration and oversight, and planning activities,~~section shall be outsourced to private ~~contractors.~~contractors:

(1) Inspection.
(2) Pre-engineering.
(3) Contract preparation.
(4) Contract administration and oversight.
(5) Planning activities.
(6) Installation of culverts described in subsection (b) of this section, but only in cases of emergency."

SECTION 7.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 34.26(a) of that act reads as rewritten:

"**SECTION 34.26.(a)** Strategic Plan; Report. – By ~~January~~March 1, 2018, the Global TransPark Authority shall establish and implement a strategic plan for the Global TransPark. The Global TransPark Authority may use a portion of funds appropriated to it in this act to establish and implement the strategic plan required under this subsection. The Global TransPark Authority shall submit a report to the Joint Legislative Transportation Oversight Committee by ~~January~~March 15, 2018, detailing the strategic report established and implemented as required by this subsection."

SECTION 7.3.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then G.S. 20-4.03(a), as enacted by Section 34.32 of that act, reads as rewritten:

"(a) Authorization. – The Division is authorized to charge a fee to ~~individuals~~any person who ~~request~~requests an administrative hearing before the Division in accordance with this Chapter."

SECTION 7.3.(b) This section becomes effective January 1, 2018.

SECTION 7.4. If Senate Bill 257, 2017 Regular Session, becomes law, then Part XXXIV of that act is amended by adding a new section to read:

"**FAIR BLUFF AND TABOR CITY VISITOR CENTERS**

"**SECTION 34.44.(a)** Upon the reopening and operation of the visitor center in the Town of Fair Bluff, the Department of Transportation shall continue to provide funding under G.S. 20-79.7(c)(2) for the operation of the visitor center.

"**SECTION 34.44.(b)** The Department of Transportation shall continue to provide funding under G.S. 20-79.7(c)(2) for the operation of a visitor center in the Town of Tabor City so long as the visitor center remains open and operational."

SECTION 7.5. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 34.6A(h) of that act reads as rewritten:

"**SECTION 34.6A.(h)** Subsections (a) and (b) of this section become effective ~~October~~August 1, 2017, and apply to school openings, relocations, and expansions on or after that date. The remainder of this section is effective when it becomes law."

PART VIII. SALARIES AND BENEFITS

SECTION 8. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 35.21 of that act reads as rewritten:

"**STUDY STATE EMPLOYEE ~~TOTAL~~ COMPENSATION AND BENEFITS/REDUCE LONG-TERM UNFUNDED HEALTH CARE POTENTIAL LIABILITIES**

"**SECTION 35.21.(a)** The State Employee ~~Total~~ Compensation and Benefits Committee (Committee) is established to study the ~~total~~ compensation and benefits of State employees. ~~Total compensation includes cash compensation and~~Benefits include the value of heath care, retirement, leave, and other flexible benefits. The Committee shall do the following:

(1) Assess the strength of the ~~total~~ compensation and benefits of State employees with regards to recruitment and retention of State employees, including a specific evaluation of the retirement benefits available under the Teachers' and State Employees' Retirement System.

(2) Compare the ~~total~~ compensation and benefits of State employees with the ~~total~~ compensation and benefits provided to other states' employees, as well as large North Carolina employers that may recruit employees with similar skills.

(3) Evaluate the current financial condition and the sustainability of the State pension system.

(4) By February 1, 2019, submit a report to the General Assembly containing the information considered under subdivisions (1) through (3) of this subsection and any findings and recommendations, including any suggested legislation, to the General Assembly.

…."

PART IX. CAPITAL

SECTION 9.1. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 36.5(e) of that act reads as rewritten:

"**SECTION 36.5.(e)** Notwithstanding G.S. 143C-4-3, of the funds allocated from the Reserve for Repairs and Renovations for the 2017-2018 fiscal year, the following sums shall be allocated for the following projects:

…

(8) ~~Seven~~ Notwithstanding G.S. 143C-3-3, for the 2017-2018 fiscal year only, seven hundred fifty thousand dollars ($750,000) shall be allocated ~~for~~to create a plan for the energy production facility replacement project at Western Carolina University."

SECTION 9.2. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 36.10 of that act reads as rewritten:

"**SECTION 36.10.** ~~If House Bill 280 of the 2017 Regular Session becomes law, the~~The Department of Public Safety shall accommodate any new requirements resulting from ~~its~~ the enactment of Section 16D.4 of this act by maximizing the use of existing facilities. The Department shall demonstrate that the use of existing facilities has been maximized prior to requesting funding for additional facilities."

SECTION 9.3. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 37.9 of S.L. 2016-94 reads as rewritten:

"**SECTION 37.9.** The General Assembly authorizes the construction of the business school at the University of North Carolina at Pembroke to be funded in accordance with the following:

(1) The sum of twenty-three million dollars ($23,000,000) of the proceeds of bonds issued for the business school pursuant to Section 1(f) of S.L. 2015-280 shall be used for this project.

(2) Up to the sum of thirteen million dollars ($13,000,000) of funds from receipts or from other non-General Fund sources available to the University of North Carolina at Pembroke raised or made available by the University prior to December 31, ~~2017,~~2018, may be used for this project."

SECTION 9.4. If Senate Bill 257, 2017 Regular Session, becomes law, then notwithstanding any provision in that act or in the Committee Report described in Section 39.2 of that act to the contrary, the funds appropriated to the Department of Public Safety for the Stonewall Jackson Youth Development Center fence shall be used to construct fencing around the dilapidated buildings at the facility.

SECTION 9.5. If Senate Bill 257, 2017 Regular Session, becomes law, then Section 36.2 of that act reads as rewritten:

"**SECTION 36.2.(a)** There is appropriated from the General Fund for the 2017-2019 fiscal biennium the following amounts for capital improvements:

Capital Improvements – General Fund	**2017-2018**	**2018-2019**

…

Department of Natural and Cultural Resources		
Fort Fisher Museum and Visitor Center	5,000,000	–
~~Fayetteville Civil War Museum project~~	~~5,000,000~~	–
…		
TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND	**~~$54,708,000~~$49,708,000**	**$1,917,993**

"**~~SECTION 36.2.(c)~~** ~~Of the five million dollars ($5,000,000) appropriated in subsection (a) of this section to the Department of Natural and Cultural Resources for the Fayetteville Civil War Museum project, the sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a matching grant for the Fayetteville Civil War Museum project. Upon verification of the collection of two million five hundred thousand dollars ($2,500,000) in private donations toward the project, the Office of State Budget and Management shall provide one dollar for every private dollar provided in kind or otherwise, up to a maximum of two million five hundred thousand dollars ($2,500,000) for the matching grant described in this subsection.~~

…."

PART X. INFORMATION TECHNOLOGY

SECTION 10.(a) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 37.12 of that act is repealed.

SECTION 10.(b) This section is effective when it becomes law.

PART XI. EFFECTIVE DATE

SECTION 11. Except as otherwise provided, this act becomes effective July 1, 2017.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-198 **H.B. 704**

`AN ACT TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMITTEE ON THE DIVISION OF LOCAL SCHOOL ADMINISTRATIVE UNITS.

The General Assembly of North Carolina enacts:

SECTION 1. There is established the Joint Legislative Study Committee on the Division of Local School Administrative Units (Committee). The Committee shall consist of five members of the Senate appointed by the President Pro Tempore of the Senate and five members of the House of Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore and the Speaker of the House of the Representatives shall each appoint a cochair of the Committee from among its membership. The Committee and the terms of the members shall expire when the Committee submits a final report to the General Assembly. Members shall serve at the pleasure of the appointing officer.

SECTION 2. The Committee shall study and make recommendations on the following:

(1) The feasibility and advisability of enacting legislation to permit local school administrative units that were merged from separate units to be divided into separate local school administrative units once again.

(2) The varied and best ways by which the division of a local school administrative unit could be achieved.

(3) Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a majority vote of the qualified voters of the county through a referendum or election.

(4) Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a petition from a certain

percentage of the qualified voters of the county and, if so, to what entity the petition should be delivered.

(5) Any other issue the Committee considers relevant to this study.

SECTION 3. The Committee shall meet upon the call of its cochairs. A quorum of the Committee is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1. The expenses of the Committee shall be considered expenses incurred for the joint operation of the General Assembly.

SECTION 4. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support to staff the Committee.

SECTION 5. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before May 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Committee shall terminate on May 1, 2018, or upon the filing of its final report, whichever occurs first.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Session Law 2017-199 **H.B. 719**

AN ACT TO ALLOCATE THE PARKING SPACES IN THE UPPER LEVEL OF STATE PARKING DECK 65 TO THE LEGISLATIVE SERVICES COMMISSION TO SUPPORT SECURITY MEASURES FOR THE LEGISLATIVE COMPLEX.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-32.1 reads as rewritten:

"**§ 120-32.1. Use and maintenance of buildings and grounds.**

(a) The Legislative Services Commission shall:

(1) Establish policy for the use of the State legislative buildings and ~~grounds;~~grounds.

(2) Maintain and care for the State legislative buildings and grounds, but the Commission may delegate the actual work of the maintenance of those buildings and grounds to the Department of Administration, which shall perform the work as ~~delegated;~~delegated.

(3) Provide security for the State legislative buildings and ~~grounds;~~grounds.

(4) Allocate space within the State legislative buildings and ~~grounds; and~~grounds.

(5) Have the exclusive authority to assign parking space in the State legislative buildings and ~~grounds.~~grounds and any spaces provided in Lot 7 of the State Government Parking Complex in accordance with G.S. 143-340(18a).

…

(d) For the purposes of this section, the term "State legislative buildings and grounds" means:

(1) ~~At all times:~~

~~a.~~ The State Legislative ~~Building;~~Building.

~~a1. Repealed by Session Laws 1998-156, s. 1, effective September 24, 1998.~~

~~a2.~~(1a) The areas between the outer walls of the State Legislative Building and the far curbline of those sections of Jones, Wilmington, Salisbury, and Lane Streets that border the land on which it is ~~situated;~~situated.

~~b.~~(1b) The Legislative Office Building, which shall include the following areas:

~~1.~~a. The garden area and outer ~~stairway;~~stairway.

~~2.~~b. The loading dock area bounded by the wall on the east abutting the Halifax Street Mall, the southern edge of the southernmost exit lane on Salisbury Street for the parking deck, and the Salisbury Street ~~sidewalk;~~sidewalk.

~~3.~~c. The area between its outer wall and the near curbline of that section of Lane Street that borders the land on which it is ~~situated; and~~situated.

~~4.~~d. The area bounded by its western outer wall, the extension of a line along its northern outer wall to the middle of Salisbury Street, following the middle line of Salisbury Street to the nearest point of the intersection of Lane and Salisbury Streets, and thence east to the near curbline of the Legislative Office Building at its southwestern ~~corner;~~corner.

~~c.~~(1c) Any State-owned parking lot which is leased to the General ~~Assembly;~~Assembly.

~~d.~~(1d) The bridge between the State Legislative Building and the Halifax Street ~~Mall;~~Mall.

~~e.~~(1e) A portion of the brick sidewalk surface area of the Halifax Street Mall, described as follows: beginning at the northeast corner of the Legislative Office Building, thence east across the brick sidewalk to the inner edge of the sidewalk adjacent to the grassy area of the Mall, thence south along the inner edge of the sidewalk to the southwest outer corner of the grassy area of the Mall, thence east along the inner edge of the sidewalk adjacent to the southern outer edge of the grassy area of the Mall to a point north of the northeast corner of the pedestrian surface of the Lane Street pedestrian bridge, thence south from that point to the northeast corner of the pedestrian surface of the bridge, thence west along the southern edge of the brick sidewalk area of the Mall to the southeast corner of the Legislative Office Building, thence north along the east wall of the Legislative Office Building, to the point of ~~beginning; and~~beginning.

~~f.~~(1f) From the center of Lane Street to the far curbline on the south side of the street; between the western edge of the Lane Street driveway to the gardens behind the State Records Center, and Wilmington Street.

(2) Repealed by Session Laws 1998-156, s. 1, effective September 24, 1998.

(3) The parking spaces in the upper level of State Parking Deck 65 located under the Halifax Street Mall."

SECTION 2. G.S. 143-340 is amended by adding a new subdivision to read:

"(18a) To allocate to the General Assembly, upon 30 days' written notice, the number of parking spaces requested by the Legislative Services Commission Officer in Lot 7 of the State Government Parking Complex. The allocation of parking spaces under this subdivision is not subject to the approval of the Governor and the Council of State."

SECTION 3. Notwithstanding G.S. 120-32.1, as amended by Section 1 of this act, any State employee who, as a result of a disability, previously has been assigned a parking space in State Parking Deck 65 prior to the effective date

of this act, may apply to the Legislative Services Officer for accessible parking.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2017.

Session Law 2017-200 **S.B. 560**

AN ACT TO CLARIFY THE PROCESS FOR ELECTION OF THE CLEVELAND COUNTY BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3.1 of S.L. 2017-78 reads as rewritten:

"**SECTION 3.1.** Notwithstanding the Plan for the Merger of the Cleveland County, Kings Mountain District, and Shelby City Schools and S.L. 2004-41, as amended by S.L. 2007-49, beginning with the 2017 elections, members of the Cleveland County Board of Education shall be elected in elections conducted on a partisan basis, as provided in G.S. 163-291. Unaffiliated candidates shall be nominated by petition as provided in G.S. 163-296. Vacancies for members elected in 2017 and thereafter shall be filled as provided in G.S. 115C-37.1."

SECTION 2. S.L. 2017-78 is amended by adding a new section to read:

"**SECTION 3.3.** Notwithstanding the petition signature requirements of G.S. 163-296, for the 2017 elections for the Cleveland County Board of Education only, petitions for an unaffiliated candidate to be placed upon the ballot for that office shall be signed by at least 500 voters of Cleveland County qualified to vote in the Cleveland County Board of Education election according to the voter registration records of the Bipartisan State Board of Elections and Ethics Enforcement as of January 1, 2017."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-201 **S.B. 689**

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO MAKE MODIFICATIONS TO APPOINTMENTS MADE IN THE 2017 APPOINTMENTS BILL.

The General Assembly of North Carolina enacts:

PART I. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS TO BOARDS AND COMMISSIONS

SECTION 1.1. Effective January 1, 2018, James S. Stewart of Hoke County is appointed to the 911 Board for a term expiring on December 31, 2021.

SECTION 1.2. Christine Fernandini of Harnett County is appointed to the North Carolina Brain Injury Advisory Council for a term expiring on September 30, 2019, to fill the unexpired term of Donna White.

SECTION 1.3. Joan L. Sutton of Mecklenburg County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2020.

SECTION 1.4. Melissa J. Burroughs of Guilford County is appointed to the North Carolina Child Care Commission for a term expiring on June 30, 2019.

SECTION 1.5. John T. Lucey, Jr., of New Hanover County is appointed to the North Carolina Oil and Gas Commission for a term expiring on December 31, 2019.

SECTION 1.6. Effective September 1, 2017, Dr. Patrick Miller of Greene County, Meaghan Loftus of Mecklenburg County, Dr. Ellen McIntyre of Mecklenburg County, Dr. Hank Weddington of Catawba County, Dr. Anthony Graham of Guilford County, Lauren Genesky of Wake County, Glenda Jones of Cabarrus County, and Michael Maher of Wake

County are appointed to the Professional Educator Preparation and Standards Commission for terms expiring on August 31, 2019.

SECTION 1.7. Dr. Mariann Tillery of Guilford County is appointed to the North Carolina Teaching Fellows Commission for a term expiring on July 1, 2019.

SECTION 1.8. Dr. Harvey H. Allen, Jr., of Robeson County is appointed to the Fayetteville State University Board of Trustees for a term expiring on June 30, 2019, to fill the unexpired term of Rajan Shamdasani.

PART II. SPEAKER'S RECOMMENDATIONS TO BOARDS AND COMMISSIONS

SECTION 2.1. Effective October 1, 2017, Russell E. Williams of Rowan County is appointed to the North Carolina State Board of Examiners of Fee-Based Practicing Pastoral Counselors for a term expiring on September 30, 2020.

SECTION 2.2. Effective September 1, 2017, Dr. C. Westley Wood of Wilkes County, Robin M. Hiatt of Johnston County, Dr. Van O. Dempsey, III, of New Hanover County, Dr. Virginia "Ann" Bullock of Alamance County, Aaron L. Fleming of Wake County, Dr. Connie O. Locklear of Robeson County, Joseph W. Childers of Stokes County, and Samuel H. Houston, Jr., of Wake County are appointed to the Professional Educator Preparation and Standards Commission for terms expiring on August 31, 2019.

SECTION 2.3. Dr. Jennifer W. Olsen of Wake County is appointed to the North Carolina Teaching Fellows Commission for a term expiring on July 1, 2019.

SECTION 2.4. Effective August 1, 2017, Phillip J. Strach of Wake County is appointed to the State Human Resources Commission for a term expiring on July 31, 2021.

SECTION 2.5. Effective January 1, 2018, Scott Aaron of Durham County is appointed to the State Board of Proprietary Schools for a term expiring on December 31, 2023.

SECTION 2.6. Jodie Ervin, Jr., of Wake County is appointed to the Fayetteville State University Board of Trustees for a term expiring on June 30, 2019, to fill the unexpired term of Bridget Chisholm.

PART III. TECHNICAL CORRECTIONS

SECTION 3.1. Section 1.33 of S.L. 2013-353 reads as rewritten:

"**SECTION 1.33.** Phillip J. Strach of Wake County is appointed to the State ~~Personnel~~ Human Resources Commission for a term expiring on ~~June 30, 2019.~~July 31, 2017."

SECTION 3.2. Section 1.11 of S.L. 2017-75 reads as rewritten:

"**SECTION 1.11.** Effective March 1, 2017, John E. Reid of Mecklenburg County is appointed to the North Carolina Capital Facilities Finance Agency Board of Directors for a term expiring on ~~March 1, 2021.~~February 28, 2021."

SECTION 3.3. Section 1.33 of S.L. 2017-75 reads as rewritten:

"**SECTION 1.33.** Effective January 1, 2018, Anita Bachmann of Guilford County, Brian L. McGinnis of Gaston County, Dr. William G. Way, Jr., of Wake County, and ~~Lisa P.~~Linda P. Shock of Orange County are appointed to the Board of Directors of the North Carolina Institute of Medicine for terms expiring on ~~January 1, 2022.~~December 31, 2021."

SECTION 3.4. Section 1.56 of S.L. 2017-75 reads as rewritten:

"**SECTION 1.56.** Effective July 1, 2017, ~~Thomas K.~~Thomas R. Lawing, Jr., of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on June 30, 2020."

SECTION 3.5. Section 1.58 of S.L. 2017-75 reads as rewritten:

"**SECTION 1.58.** ~~If Senate Bill 257 of the 2017 Regular Session becomes law, then effective July 1, 2017,~~Effective October 1, 2017, Earl W. Willis, Jr., of Chowan County is appointed to the Board of Directors of Roanoke Island Historical ~~Commission~~ Association, Incorporated, for a term expiring on ~~June 30, 2019.~~September 30, 2020."

SECTION 3.6. Section 1.61 of S.L. 2017-75 reads as rewritten:

"**SECTION 1.61.** Effective July 1, 2017, Enoch ~~Mueller~~ Moeller of Caldwell County is appointed to the North Carolina Board of Science, Technology, and Innovation for a term expiring on June 30, 2019."

SECTION 3.7. Section 2.20 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.20.** Effective July 1, 2017, Phyllis P. Gibbs of Guilford County, Alan Hawkes of Guilford County, and Sherry T. Reeves of Pamlico County are appointed to the North Carolina Charter Schools Advisory Board for terms expiring on ~~June 30, 2020.~~June 30, 2021."

SECTION 3.8. Section 2.36 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.36.** ~~If Senate Bill 257 of the 2017 Regular Session becomes law, then effective July 1, 2017,~~Effective October 1, 2017, Edward J. Danko of Dare County is appointed to the Board of Directors of Roanoke Island Historical ~~Commission~~ Association, Incorporated, for a term expiring on ~~June 30, 2020.~~September 30, 2020."

SECTION 3.9. Section 2.37 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.37.(a)** Effective July 1, 2017, Margaret Currin of Wake County, John R. Hemphill of Wake County, and Jeffrey T. Hyde of Guilford County are appointed to the Rules Review Commission for terms expiring on ~~August 31, 2018.~~June 30, 2018.

"**SECTION 2.37.(b)** Effective July 1, 2017, Robert A. Bryan of Wake County and Jeffrey A. Poley of Wake County are appointed to the Rules Review Commission for terms expiring on ~~August 31, 2019.~~June 30, 2019."

SECTION 3.10. Section 2.48(a) of S.L. 2017-75 reads as rewritten:

"**SECTION 2.48.(a)** ~~If Senate Bill 148 of the 2017 Regular Session or substantially similar legislation becomes law, then effective October 1, 2017,~~ Effective July 1, 2017, Peggy Wilks of Wake County and Shreita T. Powers of Forsyth County are appointed to the North Carolina Museum of Art Board of Trustees for terms expiring on ~~September 30, 2021.~~June 30, 2021."

SECTION 3.11. Section 2.53 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.53.** Effective ~~January 1, 2018,~~upon when this act becomes law, Amy T. Ward of Nash County is appointed to the 911 Board for a term expiring on December 31, 2020, to fill the unexpired term of Joshua Brown."

SECTION 3.12. Section 2.61 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.61.** Effective July 1, 2017, ~~Ed Jones of Wake~~ Sarah J. Burnham of Catawba County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2020."

SECTION 3.13. Section 3.12 of S.L. 2017-75 reads as rewritten:

"**SECTION 3.12.** Effective July 1, 2017, ~~B.J. "Jack" Lowry~~B.F. "Jack" Lowery of Wilson County, Tennessee, is appointed to the University of North Carolina at Pembroke Board of Trustees for a term expiring on June 30, 2021."

SECTION 3.14. Section 5.3 of S.L. 2017-75 reads as rewritten:

"**SECTION 5.3.** Effective January 1, 2018, Monika Johnson Hostler of Wake County is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Minority Leader of the Senate, for a term expiring on ~~December 31, 2019.~~December 31, 2020."

PART IV. EFFECTIVE DATE

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

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-202 **S.B. 552**

AN ACT TO MAKE VARIOUS OCCUPANCY TAX CHANGES AFFECTING THE CITIES OF SANFORD, SALUDA, JACKSONVILLE, HICKORY, AND CONOVER AND AFFECTING THE COUNTIES OF HARNETT, SAMPSON, YADKIN, AND ROWAN.

The General Assembly of North Carolina enacts:

PART I. SANFORD OCCUPANCY TAX

SECTION 1.1. Occupancy Tax. – (a) Authorization and Scope. – The Sanford City Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts

derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

SECTION 1.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 1.1.(c) Distribution and Use of Tax Revenue. – Sanford shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Sanford Tourism Development Authority. The Authority shall use two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Sanford and shall use the remaining one-third of the funds remitted to it under this subsection for the operation, maintenance, promotion, and renovation of the Dennis A. Wicker Civic Center, an activity so closely related to travel and tourism in Sanford as to be credited with helping to generate as much as eighty percent (80%) of that city's tourism-related revenues. Any funds dedicated under this subsection for the Dennis A. Wicker Civic Center that are not spent or obligated by the close of a fiscal year may be used by the Authority for the promotion of travel and tourism in Sanford.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

SECTION 1.2. Sanford Tourism Development Authority. – (a) Appointment and Membership. – When the Sanford City Council adopts a resolution levying a room occupancy tax under this part, it shall also adopt a resolution creating a city Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the city, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The city council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Sanford shall be the ex officio finance officer of the Authority.

SECTION 1.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this part for the purposes provided in this part. The Authority shall promote travel, tourism, and conventions in the city and sponsor tourist-related events and activities in the city.

SECTION 1.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Sanford City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the city council may require.

PART II. SALUDA OCCUPANCY TAX

SECTION 2.1. Saluda District D created. – Saluda District D is created as a taxing district. Its jurisdiction consists of only that part of Saluda that is located within Polk County. Saluda District D is a body politic and corporate and has the power to carry out the provisions of this act. The Saluda Board of Commissioners shall serve ex officio as the governing body of

the district, and the officers of the County shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

SECTION 2.2. Occupancy tax. – (a) Authorization and Scope. – The governing body of Saluda District D may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

SECTION 2.2.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215 as if Saluda District D were a city. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 2.2.(c) Definitions. – The following definitions apply in this section:

(1) Net proceeds. – Gross proceeds less the cost to the district of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

SECTION 2.2.(d) Distribution and Use of Tax Revenue. – Saluda District D shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Saluda District D Tourism Development Authority. The Authority shall use at least two-thirds of the proceeds remitted to it to promote travel and tourism in Saluda District D and shall use the remainder for tourism-related expenditures. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Saluda District D. None of the proceeds may be used to promote travel or tourism in areas within Saluda that are outside of the district or for tourism-related expenditures in the county that are outside of the district.

SECTION 2.3. Saluda District D Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of the district adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Saluda District D Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals affiliated with businesses that collect the tax in the district, and at least one-half of the members must be individuals currently active in the promotion of travel and tourism in the district. The board of commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for the City of Saluda shall be the ex officio finance officer of the Authority.

SECTION 2.3.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this part for the purposes provided in this part. The Authority shall promote travel, tourism, and conventions in the district, sponsor tourist-related events and activities in the district, and finance tourist-related capital projects in the district.

SECTION 2.3.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the governing body of the district on its receipts and expenditures for the preceding quarter and for the year in such detail as the governing body of the district may require.

PART III. JACKSONVILLE OCCUPANCY TAX

SECTION 3.1.(a) Section 1.1(d) of S.L. 2009-429 reads as rewritten:

"**SECTION 1.1.(d)** Distribution and Use of Tax Revenue. – The City of Jacksonville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection for tourism-related expenditures and shall use the remainder to promote travel and tourism in ~~Jacksonville and shall use the remainder for tourism-related expenditures.~~Jacksonville."

SECTION 3.1.(b) Section 1.1(d) of S.L. 2009-429, as amended by subsection (a) of this section, reads as rewritten:

"**SECTION 1.1.(d)** Distribution and Use of Tax Revenue. – The City of Jacksonville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection ~~for tourism-related expenditures and shall use the remainder~~ to promote travel and tourism and shall use the remainder for tourism-related expenditures in Jacksonville."

SECTION 3.1.(c) Subsection (a) of this section becomes effective on July 1, 2017, and expires on July 1, 2027. Subsection (b) of this section becomes effective on July 1, 2027. The remainder of this section is effective when it becomes law.

PART IV. HICKORY AND CONOVER OCCUPANCY TAX

SECTION 4.1.(a) Section 1(d) of S.L. 2009-169 reads as rewritten:

"**SECTION 1.(d)** Distribution and Use of Tax Revenue. – The City of Hickory shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Hickory-Conover Tourism Development Authority. The funds remitted under this subsection must be used as follows:

(1) Through December 31, ~~2019.~~ 2029. – Prior to and through December 31, ~~2019,~~ 2029, the Authority may use two-thirds of the funds remitted to it under this subsection for improving, leasing, constructing, financing, operating, or acquiring facilities and properties as needed to provide for a convention center facility, including parking facilities for the convention center. The remainder of the funds must be used to promote travel and tourism. Debt issued to finance these improvements or facilities and that is secured by occupancy tax proceeds remitted under this subdivision must mature on or before December 31, ~~2019.~~2029.

(2) After December 31, ~~2019.~~ 2029. – After December 31, ~~2019,~~ 2029, the Authority must use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the area and must use the remainder for tourism-related expenditures."

SECTION 4.1.(b) Section 3(d) of S.L. 2009-169 reads as rewritten:

"**SECTION 3.(d)** Distribution and Use of Tax Revenue. – The City of Conover shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Hickory-Conover Tourism Development Authority. The funds remitted under this subsection must be used as follows:

(1) Through December 31, ~~2019.~~2029. – Prior to and through December 31, ~~2019,~~ 2029, the Authority may use two-thirds of the funds remitted to it under this subsection for improving, leasing, constructing, financing,

operating, or acquiring facilities and properties as needed to provide for a convention center facility, including parking facilities for the convention center. The remainder of the funds must be used to promote travel and tourism. Debt issued to finance these improvements or facilities and that is secured by occupancy tax proceeds remitted under this subdivision must mature on or before December 31, ~~2019.~~2029.

(2) After December 31, ~~2019.~~ 2029. – After December 31, ~~2019,~~ 2029, the Authority must use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the area and must use the remainder for tourism-related expenditures."

PART V. HARNETT COUNTY OCCUPANCY TAX

SECTION 5.1. District H Created. – Harnett County District H is created as a taxing district. Its jurisdiction consists of all of Harnett County exclusive of the Averasboro Township. Harnett County District H is a body politic and corporate and has the power to carry out the provisions of this section. The Harnett County Board of Commissioners shall serve ex officio as the governing body of the district and the officers of the board of commissioners shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

SECTION 5.2. Occupancy tax. – (a) Authorization and Scope. – The governing body of Harnett County District H may levy a room occupancy tax of up to six percent (6%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the district that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales or room occupancy tax.

SECTION 5.2.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Harnett County District H were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

SECTION 5.2.(c) Distribution and Use of Tax Revenue. – Harnett County District H shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Harnett County District H Tourism Development Authority. The Harnett County District H Tourism Development Authority shall use at least two-thirds of the proceeds to promote travel and tourism and shall use the remainder for tourism-related expenditures in the district. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Harnett County District H.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to

attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

SECTION 5.3. Harnett County District H Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of Harnett County District H adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating the Harnett County District H Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the district and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the district. The governing body shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Harnett County shall be the ex officio finance officer of the Authority.

SECTION 5.3.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this part for the purposes provided in this part. The Authority shall promote travel and tourism in the district and make tourism-related expenditures in the district.

SECTION 5.3.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Harnett County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

PART VI. SAMPSON OCCUPANCY TAX

SECTION 6.1.(a) Section 1 of S.L. 2007-63 is amended by adding a new subsection to read:

"**SECTION 1.(a1)** Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Board of Commissioners of Sampson County may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Sampson County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section."

SECTION 6.1.(b) Section 2(a) of S.L. 2007-63 reads as rewritten:

"**SECTION 2.** Tourism Development Authority. – (a) Appointment and Membership. – When the Board of Commissioners adopts a resolution levying a room occupancy tax under Section 1(a) of this act, it shall also adopt a resolution creating the Sampson County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Sampson County shall be the ex officio finance officer of the Authority."

PART VII. YADKIN OCCUPANCY TAX

SECTION 7.1.(a) Section 2 of S.L. 2007-340 reads as rewritten:

"**SECTION 2.** Yadkin County District Y Created. – Yadkin County District Y is created as a taxing district. Its jurisdiction consists of that part of Yadkin County that is located outside of ~~incorporated areas within the county.~~the Town of Jonesville and the Town of Yadkinville.

Yadkin County District Y is a body politic and corporate and has the power to carry out the provisions of this act. The Yadkin County Board of Commissioners shall serve ex officio as the governing body of the district, and the officers of the county shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present."

SECTION 7.1.(b) The governing body of Yadkin County District Y and the Yadkin County Board of Commissioners shall adopt any resolutions or modify any adopted resolutions, as needed, to carry out the provisions of this act.

PART VIII. ROWAN OCCUPANCY TAX

SECTION 8.1. Part II of S.L. 2009-428 is repealed.

SECTION 8.2. Sections 1 and 1.1 of Chapter 379 of the 1987 Session Laws, as amended by Chapter 882 of the 1991 Session Laws and by Part VIII of S.L. 2001-439, read as rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. – The Rowan County Board of Commissioners may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. ~~This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.~~

(a1) Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Rowan County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Rowan County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(b) Repealed.

(c) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

(d) Repealed.

(e) Distribution and use of tax revenue. – Rowan County ~~shall apply the net proceeds of the occupancy tax to the purposes provided in this subsection. The county shall, on a monthly~~ shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Rowan County Tourism Development Authority. The Authority shall ~~spend funds remitted to it under this subsection only to promote travel, tourism, and conventions in Rowan County and to sponsor tourist-oriented events and activities in Rowan County. The Authority may not spend any of the funds for construction, improvement, or maintenance of real property or for any other capital project. The Authority shall report at the close of the fiscal year to the board of commissioners on its receipts and expenditures for the year in such detail as the board may require.~~

~~As used in this subsection, 'net proceeds' means gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer.~~use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Rowan County and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

(f) Repealed.

(g) Repealed.

"Section 1.1. ~~Establishment, Appointment, and Duties of~~ Rowan County Tourism Authority. (a) Appointment and Membership. – When the Rowan County Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also ~~The board of commissioners shall~~ adopt a resolution establishing and creating the Rowan County Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act and shall be composed of the following 11 ~~members appointed by the board of commissioners:~~members:

(1) A county commissioner or his or her designee.

(2) A member of the Salisbury City Council or his or her designee.

(3) ~~Two~~ Four owners, operators, or representatives of hotels, motels, or other taxable tourist accommodations. Two shall be appointed by the Rowan County Board of Commissioners and two shall be appointed by the Salisbury City Council.

(4) Two individuals to represent all bona fide Rowan County sites and attractions, to be selected from those sites and attractions. One individual shall be appointed by the Rowan County Board of Commissioners and one individual shall be appointed by the Salisbury City Council.

(5) One individual to represent the Rowan County Chamber of Commerce, either the chair of the board or the chair's ~~designee.~~designee, assigned for appointment by the Rowan County Board of Commissioners.

(6) ~~Four~~ Two individuals who have an interest in tourism development and do not own or operate hotels, motels, or other taxable tourist accommodations. One individual shall be appointed by the Rowan County Board of Commissioners and one individual shall be appointed by the Salisbury City Council.

~~The board of commissioners shall appoint all members of the Tourism Development Authority, except for the City of Salisbury appointee, who shall be appointed directly by the Salisbury City Council from its council members.~~ The term of office of each member of the Authority shall be two years. Members may serve no more than two consecutive terms. All members of the Authority shall serve without compensation.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Rowan County shall be the ex officio finance officer of the Authority.

(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county. In addition to any other powers and duties of the Authority otherwise conferred by law, the Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel and tourism and to carry out the purposes identified in Section 1 of this act. The Authority may accept contributions from any source to be used for the purposes stated in Section 1 of this act.

(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Rowan County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require."

PART IX. ADMINISTRATIVE PROVISIONS

SECTION 9.1.(a) G.S. 160A-215(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, ~~and~~ Yanceyville, ~~and~~ to the municipalities in Avery and Brunswick ~~Counties.~~Counties, and to Saluda District D."

SECTION 9.1.(b) G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, Wayne, and Wilson Counties, to Harnett County District H, ~~to~~ New Hanover County District U, ~~to~~ Surry County District S, ~~to~~ Watauga County District U, ~~to~~ Wilkes County District K, ~~to~~ Yadkin County District Y, and ~~to~~ the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

PART X. EFFECTIVE DATE

SECTION 10.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-203 **S.B. 407**

AN ACT TO ENACT THE EMPLOYEE FAIR CLASSIFICATION ACT, TO REQUIRE THE INDUSTRIAL COMMISSION TO IMPLEMENT RULES RELATED TO OPIOIDS AND PAIN MANAGEMENT, TO REMOVE THE REQUIREMENT THAT THE INDUSTRIAL COMMISSION STUDY CAUSES OF INJURY AND RECOMMEND WAYS TO PREVENT INJURIES, AND TO DELAY THE EFFECTIVE DATE FOR A REQUIREMENT THAT EMPLOYERS RESPOND TO UNEMPLOYMENT INSURANCE CLAIMS IN TEN DAYS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 82.
"Employee Fair Classification Act.

"**§ 143-761. Title.**

This Article shall be known and may be cited as the "Employee Fair Classification Act."

"**§ 143-762. Definitions; scope.**

(a) The following definitions apply in this Article:

(1) Chairman. – The Chairman of the Industrial Commission.

(2) Employ. – As defined by G.S. 95-25.2(3). For the purposes of this Article, an entity or individual shall not be deemed to be an employer of an individual hired or otherwise engaged by or through the entity or individual's independent contractor.

(3) Employee. – Any individual that is defined as an employee by either G.S. 95-25.2(4), 96-1(b)(10), 97-2(2), or 105-163.1(4). The term does not mean an individual who is an independent contractor.

(4) Employee Classification Section or Section. – The Employee Classification Section within the Industrial Commission.

(5) Employee misclassification. – Avoiding tax liabilities and other obligations imposed by Chapter 95, 96, 97, 105, or 143 of the General Statutes by misclassifying an employee as an independent contractor.

(6) Employer. – Any individual or entity that employs one or more employees as defined by G.S. 97-2(3).

(7) Public notice statement. – Notice as set forth in G.S. 143-764(a)(5).

(b) Nothing in this Article shall be construed or is intended to change the definition of "employer" or "employee" under any other provision of law.

"**§ 143-763. Establishment of Employee Classification Section.**

(a) The Employee Classification Section is established within the Industrial Commission.

(b) The Chairman shall appoint a director of the Section to serve at the Chairman's pleasure with such authority as the Chairman deems necessary to direct and oversee the Section in carrying out the purposes of this Article.

(c) The Chairman may employ clerical staff, investigators, and other staff within the Section as is necessary for the Section to perform its duties under this Article.

(d) The Office of the State Chief Information Officer shall ensure that the Section is provided with all necessary access to the Government Data Analytics Center and all other information technology services.

(e) The Secretary of Revenue, the Commissioner of Labor, the Chairman, and the Assistant Secretary of Commerce for the Division of Employment Security shall each designate an employee of their respective agencies to serve as liaisons to the Section.

"**§ 143-764. Section powers and duties.**

(a) The Section shall have the following duties:

(1) Be available during business hours to receive reports of employee misclassification by telephonic, written, or electronic communication.

(2) Investigate reports of employee misclassification and coordinate with and assist all relevant State agencies in recovering any back taxes, wages, benefits, penalties, or other monies owed as a result of an employer engaging in employee misclassification.

(3) Coordinate with relevant State agencies and district attorneys' offices in the prosecution of employers and individuals who fail to pay civil assessments or penalties assessed as a result of the employer's or individual's involvement in employee misclassification.

(4) Provide all relevant information pertaining to each instance of reported employee misclassification to the North Carolina Department of Labor, the Division of Employment Security within the North Carolina Department of

Commerce, the North Carolina Department of Revenue, and the North Carolina Industrial Commission to facilitate investigation of potential violations of Chapter 95, 96, 97, 105, or 143 of the General Statutes.

(5) Create a publicly available notice that includes the definition of employee misclassification.

(6) Develop methods and strategies for information sharing between State agencies in order to proactively identify possible instances of employee misclassification.

(7) Develop methods and strategies to educate employers, employees, and the public about proper classification of employees and the prevention of employee misclassification.

(b) No later than October 1 of each year, the Section shall publish annually to the Office of the Governor and to the Joint Legislative Commission on Governmental Operations a report of the administration of this Article, together with any recommendations as the Section deems advisable. This report shall include, at a minimum, the number of reports of employee misclassification received, the number and amount of back taxes, wages, benefits, penalties, or other monies assessed, the amount of back taxes, wages, benefits, penalties, or other monies collected, and the number of cases referred to each State agency.

(c) The Section may adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes for the purpose of carrying out the provisions of this Article and establishing the processes and procedures to be used under this Article.

"**§ 143-765. Occupational licensing boards and commissions; notice requirement; applicant certification and disclosure.**

(a) Every State occupational licensing board or commission that is authorized to issue any license, permit, or certification shall include on every application for licensure, permit, or certification, or application for renewal of the same, the following:

(1) Certification by the applicant that the applicant has read and understands the public notice statement.

(2) Disclosure by the applicant of any investigations for employee misclassification and the result of the investigations for a time period determined by the occupational licensing board or commission.

(b) An occupational licensing board or commission shall deny the license, permit, or certification application of any applicant who fails to comply with the certification and disclosure requirements of this section.

"**§ 143-766. Confidentiality; access to records.**

(a) The records of the Section are not public records under G.S. 132-1.

(b) The Section shall exchange information as required by this Article.

(c) The Section may share information with other State and federal agencies as permitted or required by law.

"**§ 143-767. Exchange of information among coordinating agencies.**

The North Carolina Department of Revenue, the North Carolina Department of Labor, the Division of Employment Security within the North Carolina Department of Commerce, and the North Carolina Industrial Commission shall disclose all reports and investigations of employee misclassification to the Section. The Section shall distribute the information to the other agencies to allow each agency to conduct an investigation."

SECTION 2. G.S. 105-259(b) is amended by adding a new subdivision to read:

"(53) To furnish to the North Carolina Department of Labor, the Division of Employment Security within the North Carolina Department of Commerce, the North Carolina Industrial Commission, and the Employee Classification Section within the Industrial Commission employee misclassification information pursuant to Article 82 of Chapter 143 of the General Statutes."

SECTION 3. G.S. 95-25.15(c) reads as rewritten:

"(c) A poster summarizing the major provisions of this Article shall be displayed in every establishment subject to this Article. This poster shall also include notice indicating the following in plain language:

(1) Any worker who is defined as an employee by either G.S. 95-25.2(4), 143-762(a)(3), 96-1(b)(10), 97-2(2), or 105-163.1(4) shall be treated as an employee unless the individual is an independent contractor.

(2) Any employee who believes that the employee has been misclassified as an independent contractor by the employee's employer may report the suspected misclassification to the Employee Classification Section within the Industrial Commission.

(3) The physical location, mailing address, telephone number, and e-mail address where alleged incidents of employee misclassification occurred may be reported to the Employee Classification Section within the Industrial Commission."

SECTION 4.(a) The Industrial Commission shall adopt rules and guidelines, consistent with G.S. 97-25.4, for the utilization of opioids, related prescriptions, and pain management treatment.

SECTION 4.(b) The Industrial Commission is exempt from the fiscal note requirement of G.S. 150B-21.4 in developing and implementing the rules and guidelines for opioids, related prescriptions, and pain management treatment.

SECTION 5. G.S. 97-81(c) is repealed.

SECTION 6. Section 3.2(b) of S.L. 2017-8 reads as rewritten:

"**SECTION 3.2.(b)** This section becomes effective ~~October 1, 2017,~~ July 1, 2018, applies to claims for benefits filed on or after that date, and applies to tax calculations on or after that date."

SECTION 7. Sections 1, 2, and 3 of this act become effective December 31, 2017. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-204 **S.B. 628**

AN ACT TO MAKE VARIOUS CHANGES TO THE REVENUE LAWS.

The General Assembly of North Carolina enacts:

PART I. BUSINESS TAX CHANGES

SECTION 1.1. G.S. 105-114 reads as rewritten:

"**§ 105-114. Nature of taxes; definitions.**

~~(a) Nature of Taxes. The taxes levied in this Article upon persons and partnerships are for the privilege of engaging in business or doing the act named.~~

(a1) Scope. – The ~~taxes~~ tax levied in this Article upon corporations ~~are~~ is a privilege ~~or excise taxes~~ tax levied upon:

(1) Corporations organized under the laws of this State for the existence of the corporate rights and privileges granted by their charters, and the enjoyment, under the protection of the laws of this State, of the powers, rights, privileges and immunities derived from the State by the form of such existence; and

(2) Corporations not organized under the laws of this State for doing business in this State and for the benefit and protection which these corporations receive from the government and laws of this State in doing business in this State.

(a2) Condition for Doing Business. – If the corporation is organized under the laws of this State, the payment of the ~~taxes~~ tax levied by this Article is a condition precedent to the right to continue in the corporate form of organization. If the corporation is not organized under the laws of this State, payment of ~~these taxes~~ this tax is a condition precedent to the right to continue to engage in doing business in this State.

(a3) Tax Year. – The ~~taxes~~ tax levied in this Article ~~are~~ is for the ~~fiscal year of the State in which the taxes become due, except that the taxes levied in G.S. 105-122 are for the~~ income year of the corporation in which the taxes become due.

(a4) No Double Taxation. – G.S. 105-122 does not apply to holding companies taxed under G.S. 105-120.2. ~~G.S. 105-122 applies to a corporation taxed under another section of this Article only to the extent the taxes levied on the corporation in G.S. 105-122 exceed the taxes levied in other sections of this Article on the corporation or on a limited liability company whose assets must be included in the corporation's tax base under G.S. 105-114.1.~~

…."

SECTION 1.2. G.S. 105-120.2(c) reads as rewritten:

"(c) For purposes of this section, a "holding company" is a corporation that satisfies at least one of the following conditions:

…

(2) It receives during its taxable year more than eighty percent (80%) of its gross income from corporations in which it owns directly or indirectly more than fifty percent (50%) of the outstanding voting ~~stock or~~ stock, voting capital ~~interests.~~interests, or ownership interests."

SECTION 1.3.(a) G.S. 105-122 reads as rewritten:

"**§ 105-122. Franchise or privilege tax on domestic and foreign corporations.**

(a) Tax Imposed. – An annual franchise or privilege tax is imposed on a corporation doing business in this ~~State.~~ State for the privilege of doing business in this State and for the continuance of articles of incorporation or domestication of each corporation in this State. The tax is determined on the basis of the books and records of the corporation as of the close of its income year. A corporation subject to the tax must file a return under affirmation with the Secretary at the place and in the manner prescribed by the Secretary. The return must be signed by the president, vice-president, treasurer, or chief financial officer of the corporation. The return is due on or before the fifteenth day of the fourth month following the end of the corporation's income year.

…

(d) Tax ~~Base and Tax Rate. – After determining the~~ Base. – A corporation's tax base is the greatest of the following:

(1) The proportion of its net worth as set out in subsection (c1) of this ~~section, which amount shall not be less than fifty-five percent (55%)~~ section.

(2) Fifty-five percent (55%) of the corporation's appraised value as determined for ad valorem taxation of all the real and tangible personal property in this ~~State of each corporation nor less than its~~ State. For purposes of this subdivision, the appraised value of tangible property, including real estate, is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return.

(3) The corporation's total actual investment in tangible property in this ~~State, every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, a franchise or privilege tax at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the total amount of net worth as provided in this section. The tax imposed in this section shall not be less than two hundred dollars ($200.00) and is for the privilege of carrying on, doing business, and/or the continuance of articles of incorporation or domestication of each corporation in this State. Appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return. The term "total~~ State. For purposes of this subdivision, the total actual investment in tangible ~~property" as used in this section means~~ property in this State is the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this

State plus additions and improvements thereto less reserve for depreciation as permitted for income tax purposes.

…

(d2) Tax Rate. – The tax rate is one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the corporation's tax base as determined under subsection (d) of this section. The tax imposed in this section shall not be less than two hundred dollars ($200.00).

…."

SECTION 1.3.(b) G.S. 105-122(d), as amended by subsection (a) of this section, reads as rewritten:

"(d) Tax Base. – A corporation's tax base is the greatest of the following:

…

(3) The corporation's total actual investment in tangible property in this State. For purposes of this subdivision, the total actual investment in tangible property in this State is the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this State plus additions and improvements thereto less (i) reserve for depreciation as permitted for income tax ~~purposes.~~purposes and (ii) any indebtedness specifically incurred and existing solely for and as the result of the purchase of any real estate and any permanent improvements made on the real estate."

SECTION 1.3.(c) If Senate Bill 257, 2017 Regular Session, becomes law, then Section 38.6(a) of that act is rewritten to read:

"**SECTION 38.6.(a)** G.S. 105-122(d2) reads as rewritten:

"(d2) Tax Rate. – ~~The~~ For a C corporation, as defined in G.S. 105-130.2, tax rate is one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the corporation's tax base as determined under subsection (d) of this section. For an S Corporation, as defined in G.S. 105-130.2, the tax rate is two hundred dollars ($200.00) for the first one million dollars ($1,000,000) of the corporation's tax base as determined under subsection (d) of this section and one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of its tax base that exceeds one million dollars ($1,000,000). ~~The~~ In no event may the tax imposed ~~in~~ by this section ~~shall not~~ be less than two hundred dollars ($200.00)."

SECTION 1.3.(d) Subsection (b) of this section becomes effective for taxable years beginning on or after January 1, 2020, and is applicable to the calculation of franchise tax reported on the 2019 and later corporate income tax returns. The remainder of this section is effective when it becomes law.

SECTION 1.4.(a) G.S. 105-129.106(b) reads as rewritten:

"(b) Limitations. – The amount of credit allowed under this section with respect to rehabilitation expenses for a non-income-producing certified historic structure may not exceed twenty-two thousand five hundred dollars ($22,500) per discrete property parcel. In the event that the taxpayer is the transferee of a State-certified historic structure for which rehabilitation expenses were made, the taxpayer as transferee is allowed a credit under this section for the rehabilitation expenses made by the transferor only if the transfer takes place before the structure is placed in service. In this event, ~~no~~ the transferor must provide the transferee with documentation detailing the amount of rehabilitation expenses and credit. No other taxpayer may claim such credit. A taxpayer is allowed to claim a credit under this section no more than once in any five-year period, carryovers notwithstanding."

SECTION 1.4.(b) This section becomes effective for taxable years beginning on or after January 1, 2017.

SECTION 1.5.(a) G.S. 105-130.4 reads as rewritten:

"**§ 105-130.4. Allocation and apportionment of income for corporations.**

(a) ~~As used in this section, unless the context otherwise requires:~~Definitions. – The following definitions apply in this section:

(1) ~~"Apportionable income" means all~~ Apportionable income. – All income that is apportionable under the United States ~~Constitution.~~Constitution, including income that arises from either of the following:

a. Transactions and activities in the regular course of the taxpayer's trade or business.

b. Tangible and intangible property if the acquisition, management, employment, development, or disposition of the property is or was related to the operation of the taxpayer's trade or business.

(2) Business activity. – Any activity by a corporation that would establish nexus, except as limited by 15 U.S.C. § 381.

(3) Casual sale of property. – The sale of any property that was not purchased, produced, or acquired primarily for sale in the corporation's regular trade or business.

(4) ~~"Commercial domicile" means the~~ Commercial domicile. – The principal place from which the trade or business of the taxpayer is directed or managed.

~~(3)~~(5) ~~"Compensation" means wages,~~ Compensation. – Wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

~~(4) "Excluded corporation" means any corporation engaged in business as a building or construction contractor, a securities dealer, or a loan company or a corporation that receives more than fifty percent (50%) of its ordinary gross income from intangible property.~~

~~(5)~~(6) ~~"Nonapportionable income" means all~~ Nonapportionable income. – All income other than apportionable income.

~~(6) "Public utility" means any corporation that is subject to control of one or more of the following entities: the North Carolina Utilities Commission, the Federal Communications Commission, the Federal Energy Regulatory Commission, or the Federal Aviation Agency; and that owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications, the transportation of goods or persons, or the production, storage, transmission, sale, delivery or furnishing of electricity, water, steam, oil, oil products, or gas. The term also includes a motor carrier of property whose principal business activity is transporting property by motor vehicle for hire over the public highways of this State.~~

(7) ~~"Sales" means all~~ Sales. – All gross receipts of the corporation except for the following receipts:

…

~~(8) "Casual sale of property" means the sale of any property which was not purchased, produced or acquired primarily for sale in the corporation's regular trade or business.~~

~~(9)~~(8) ~~"State" means any~~ State. – A state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

(b) Multistate Corporations. – A corporation having income from business activity which is taxable both within and without this State shall allocate and apportion its net income or net loss as provided in this section. For purposes of allocation and apportionment, a corporation is taxable in another state if ~~(i) the~~ either of the following applies:

(1) The corporation's business activity in that state subjects it to a net income tax or a tax measured by net ~~income, or (ii) that~~ income.

(2) That state has jurisdiction based on the corporation's business activity in that state to subject the corporation to a tax measured by net income regardless whether that state exercises its jurisdiction. ~~For purposes of this section,~~

~~"business activity" includes any activity by a corporation that would establish a taxable nexus pursuant to 15 United States Code section 381.~~

(c) Nonapportionable Income. – Rents and royalties from real or tangible personal property, gains and losses, interest, dividends, patent and copyright royalties and other kinds of income, to the extent that they constitute nonapportionable income, less related expenses shall be allocated as provided in subsections (d) through (h) of this section.

(d) Rents and Royalties. – Net rents and royalties are allocable to this State as follows:

…

(e) Gains and Losses. – Gains and losses are allocable to this State as follows:

…

(f) Interest and Net Dividends. – Interest and net dividends are allocable to this State if the corporation's commercial domicile is in this State. For purposes of this section, the term "net dividends" means gross dividend income received less related expenses.

(g) Intangible Property. – Intangible property is allocable to this State as follows:

…

(h) Other Income. – The income less related expenses from any other activities producing nonapportionable income or investments not otherwise specified in this section is allocable to this State if the business situs of the activities or investments is located in this State.

…

(m) Railroad Company. – All apportionable income of a railroad company shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the "railway operating revenue" from business done within this State and the denominator of which is the "total railway operating revenue" from all business done by the company as shown by its records kept in accordance with ~~the standard classification of accounts prescribed by the Interstate Commerce Commission.~~generally accepted accounting principles.

~~"Railway operating revenue" from business done within this State shall mean "railway operating revenue" from business wholly within this State, plus the equal mileage proportion within this State of each item of "railway operating revenue" received from the interstate business of the company. "Equal mileage proportion" shall mean the proportion which the distance of movement of property and passengers over lines in this State bears to the total distance of movement of property and passengers over lines of the company receiving such revenue. "Interstate business" shall mean "railway operating revenue" from the interstate transportation of persons or property into, out of, or through this State.~~ If the Secretary of Revenue finds, with respect to any particular company, that its accounting records are not kept so as to reflect with exact accuracy such division of revenue by State lines as to each transaction involving interstate revenue, the Secretary of Revenue may adopt such regulations, based upon averages, as will approximate with reasonable accuracy the proportion of interstate revenue actually earned upon lines in this State. Provided, that where a railroad is being operated by a partnership which is treated as a corporation for income tax purposes and pays a net income tax to this State, or if located in another state would be so treated and so pay as if located in this State, each partner's share of the net profits shall be considered as dividends paid by a corporation for purposes of this Part and shall be so treated for inclusion in gross income, deductibility, and separate allocation of dividend income.

The following definitions apply in this subsection:

(1) Equal mileage proportion. – The proportion which the distance of movement of property and passengers over lines in this State bears to the total distance of movement of property and passengers over lines of the company receiving such revenue.

(2) Interstate business. – Railroad operating revenue from the interstate transportation of persons or property into, out of, or through this State.

(3) Railway operating revenue from business done within this State. – Railroad operating revenue from business wholly within this State, plus the equal

mileage proportion within this State of each item of railway operating revenue received from the interstate business of the company.

~~(n) All apportionable income of a telephone company shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is gross operating revenue from local service in this State plus gross operating revenue from toll services performed wholly within this State plus the proportion of revenue from interstate toll services attributable to this State as shown by the records of the company plus the gross operating revenue in North Carolina from other service less the uncollectible revenue in this State, and the denominator of which is the total gross operating revenue from all business done by the company everywhere less total uncollectible revenue. Provided, that where a telephone company is required to keep its records in accordance with the standard classification of accounts prescribed by the Federal Communications Commission the amounts in such accounts shall be used in computing the apportionment fraction as provided in this subsection.~~

(o) Motor Carrier. – All apportionable income of a motor carrier of property or a motor carrier of people shall be apportioned by multiplying the income by a fraction, the numerator of which is the number of vehicle miles in this State and the denominator of which is the total number of vehicle miles of the company everywhere. The words "vehicle miles" shall mean miles traveled by vehicles owned or operated by the company based upon one of the following:

(1) Miles on a scheduled route.

(2) Miles hauling property for a ~~charge or traveling on a scheduled route.~~charge.

(3) Miles carrying passengers for a fare.

~~(p) All apportionable income of a motor carrier of passengers shall be apportioned by multiplying the income by a fraction, the numerator of which is the number of vehicle miles in this State and the denominator of which is the total number of vehicle miles of the company everywhere. The words "vehicle miles" shall mean miles traveled by vehicles owned or operated by the company carrying passengers for a fare or traveling on a scheduled route.~~

~~(q) All apportionable income of a telegraph company shall be apportioned by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor and the denominator of which is three.~~

~~The property factor shall be as defined in subsection (j) of this section, the payroll factor shall be as defined in subsection (k) of this section, and the sales factor shall be as defined in subsection (l) of this section.~~

(r) All apportionable income of an excluded corporation and of all other public utilities shall be apportioned by multiplying the income by the sales factor as determined under subsection (*l*) of this section.

The following definitions apply in this subsection:

(1) Excluded corporation. – Any corporation engaged in business as a building or construction contractor, a securities dealer, or a loan company or a corporation that receives more than fifty percent (50%) of its ordinary gross income from intangible property.

(2) Public utility. – Any corporation that is subject to control of one or more of the following entities: the North Carolina Utilities Commission, the Federal Communications Commission, the Federal Energy Regulatory Commission, or the Federal Aviation Agency; and that owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications, the transportation of goods or persons, or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, oil, oil products, or gas. The term also includes a motor carrier of property whose principal business activity is transporting property by motor vehicle for hire over the public highways of this State.

(s) Transportation Corporation. – All apportionable income of an air transportation corporation or a water transportation corporation shall be apportioned by a fraction, the numerator of which is the corporation's revenue ton miles in this State and the denominator of

which is the corporation's revenue ton miles everywhere. A qualified air freight forwarder shall use the revenue ton mile fraction of its affiliated air carrier. The following definitions apply in this subsection:

…

(s2) Pipeline Company. – Receipts from transportation of a petroleum-based liquids pipeline company shall be apportioned by multiplying the income by a fraction, the numerator of which is the number of barrel miles in this State during the tax year and the denominator of which is the total number of barrel miles everywhere during the tax year. For purposes of this section, the term "barrel mile" means one barrel of liquid property transported one mile.

…."

SECTION 1.5.(b) This section is effective for taxable years beginning on or after January 1, 2017.

SECTION 1.6.(a) G.S. 105-130.7B(b)(1) is repealed.

SECTION 1.6.(b) G.S. 105-130.7B(b) reads as rewritten:

"(b) Definitions. – The definitions in G.S. 105-130.7A apply in this section. In addition, the following definitions apply in this section:

…

(3a) Proportionate share of interest. – The amount of taxpayer's net interest expense paid or accrued directly to or through a related member to an ultimate payer divided by the total net interest expense of all related members that is paid or accrued directly to or through a related member to the same ultimate payer, multiplied by the interest paid or accrued to a person who is not a related member by the ultimate payer. Any amount that is distributed, paid, or accrued directly or through a related member that is not treated as interest under this Part does not qualify. In determining whether a nominal debt instrument creates deductible interest allowable under this section, the Secretary will not apply the covered debt instrument rules contained in the regulations promulgated under section 385 of the Code.

(4) Qualified interest expense. – The amount of net interest expense paid or accrued to a related member in a taxable year with the amount limited to ~~the greater of (i) fifteen percent (15%) of the taxpayer's adjusted taxable income or (ii)~~ the taxpayer's proportionate share of interest paid or accrued to a person who is not a related member during the same taxable year. This limitation does not apply to interest paid or accrued to a related member if one or more of the following applies:

…."

SECTION 1.6.(c) This section is effective for taxable years beginning on or after January 1, 2017.

SECTION 1.7.(a) G.S. 105-131.5 reads as rewritten:

"**§ 105-131.5. Part-year resident shareholder.**

If a shareholder of an S Corporation is both a resident and nonresident of this State during any taxable period, the shareholder's pro rata share of the S Corporation's income attributable to the State and income not attributable to the State for the taxable period shall be further prorated between the shareholder's periods of residence and nonresidence, in accordance with the number of days in each period, as provided in ~~G.S. 105-134.5.~~G.S. 105-153.4."

SECTION 1.7.(b) This section is effective for taxable years beginning on or after January 1, 2014.

SECTION 1.8. G.S. 105-131.7(a) reads as rewritten:

"(a) An S Corporation incorporated or doing business in the State shall file with the Department an annual return, on a form prescribed by the Secretary, on or before the due date prescribed for the filing of C Corporation returns in G.S. 105-130.17. The return shall show the name, address, and social security or federal identification number of each shareholder, income

attributable to the State and the income not attributable to the State with respect to each shareholder as defined in ~~G.S. 105-131(4) and (5),~~ G.S. 105-131(b)(4) and (5), and such other information as the Secretary may require."

SECTION 1.9.(a) G.S. 105-134.1 is amended by adding a new subdivision to read:

"(5a) Guaranteed payments. – Defined in section 707(c) of the Code."

SECTION 1.9.(b) G.S. 105-153.3 is amended by adding a new subdivision to read:

"(5a) Guaranteed payments. – Defined in section 707(c) of the Code."

SECTION 1.9.(c) G.S. 105-134.5(d) reads as rewritten:

"(d) S Corporations and Partnerships. – In order to calculate the numerator of the fraction provided in subsection (b) of this section, the amount of a shareholder's pro rata share of S Corporation income that is includable in the numerator is the shareholder's pro rata share of the S Corporation's income attributable to the State, as defined in G.S. 105-131(b)(4). In order to calculate the numerator of the fraction provided in subsection (b) of this section for a partner in a partnership or a member of ~~a partnership or other~~ another unincorporated business that has one or more nonresident partners or members and operates in one or more other states, the amount of the partner's or member's distributive share of income of the business plus any guaranteed payments made to a partner from the partnership that is includable in the numerator is determined by multiplying the total net income of the business by the ratio ascertained under the provisions of G.S. 105-130.4. As used in this subsection, total net income means the entire gross income of the business less all expenses, taxes, interest, and other deductions allowable under the Code that were incurred in the operation of the business."

SECTION 1.9.(d) G.S. 105-153.4(d) reads as rewritten:

"(d) S Corporations and Partnerships. – In order to calculate the numerator of the fraction provided in subsection (b) of this section, the amount of a shareholder's pro rata share of S Corporation income that is includable in the numerator is the shareholder's pro rata share of the S Corporation's income attributable to the State, as defined in G.S. 105-131(b)(4). In order to calculate the numerator of the fraction provided in subsection (b) of this section for a partner in a partnership or a member of ~~a partnership or other~~ another unincorporated business that has one or more nonresident partners or members and operates in one or more other states, the amount of the partner's or member's distributive share of income of the business plus any guaranteed payments made to a partner from the partnership that is includable in the numerator is determined by multiplying the total net income of the business by the ratio ascertained under the provisions of G.S. 105-130.4. As used in this subsection, total net income means the entire gross income of the business less all expenses, taxes, interest, and other deductions allowable under the Code that were incurred in the operation of the business."

SECTION 1.9.(f) G.S. 105-154 reads as rewritten:

"**§ 105-154. Information at the source returns.**

…

(c) Information Returns of Partnerships. – A partnership doing business in this State and required to file a return under the Code shall file an information return with the Secretary. A partnership that the Secretary believes to be doing business in this State and to be required to file a return under the Code shall file an information return when requested to do so by the Secretary. The information return shall contain all information required by the Secretary. It shall state specifically the items of the partnership's gross income, the deductions allowed under the Code, each partner's distributive share of the partnership's income, and the adjustments required by this Part. A partner's distributive share of partnership net income includes any guaranteed payments made to the partner. The information return shall also include the name and address of each person who would be entitled to share in the partnership's net income, if distributable, and the amount each person's distributive share would be. ~~The information return shall specify the part of each person's distributive share of the net income that represents corporation dividends.~~ The information return shall be signed by one of the partners under affirmation in the form required by the Secretary.

A partnership that files an information return under this subsection shall furnish to each person who would be entitled to share in the partnership's net income, if distributable, any information necessary for that person to properly file a State income tax return. The information shall be in the form prescribed by the Secretary and must be furnished on or before the due date of the information return.

(d) Payment of Tax on Behalf of Nonresident Owner or Partner. – If a business conducted in this State is owned by a nonresident individual or by a partnership having one or more nonresident members, the manager of the business shall report information concerning the earnings of the business in this State, the distributive share of the income of each nonresident owner or partner, and any other information required by the Secretary. The distributive share of the income of each nonresident partner includes any guaranteed payments made to the partner. The manager of the business shall pay with the return the tax on each nonresident owner or partner's share of the income computed at the rate levied on individuals under G.S. 105-153.7. The business may deduct the payment for each nonresident owner or partner from the owner or partner's distributive share of the ~~profits~~ income of the business in this State. If the nonresident partner is not an individual and the partner has executed an affirmation that the partner will pay the tax with its corporate, partnership, trust, or estate income tax return, the manager of the business is not required to pay the tax on the partner's share. In this case, the manager shall include a copy of the affirmation with the report required by this subsection.

…."

SECTION 1.9.(g) The General Assembly finds that the amendments made by this section clarify the intent of the existing law and do not represent a change in the law. Accordingly, subsections (a) and (c) of this section apply to taxable years beginning before January 1, 2014, subsections (b) and (d) of this section apply to taxable years beginning on or after January 1, 2014, and subsection (f) of this section applies to all taxable years.

SECTION 1.11.(a) G.S. 105-228.5(d)(3) reads as rewritten:

"(3) Additional Rate on Property Coverage Contracts. – An additional tax at the rate of seventy-four hundredths percent (0.74%) applies to gross premiums on insurance contracts for property coverage. The tax is imposed on ten percent (10%) of the gross premiums from insurance contracts for automobile physical damage coverage and on one hundred percent (100%) of the gross premiums from all other contracts for property coverage. Twenty percent (20%) of the net proceeds of this additional tax must be credited to the Volunteer Fire Department Fund established in Article 87 of Chapter 58 of the General Statutes. Twenty percent (20%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. Up to twenty percent (20%), as determined in accordance with G.S. 58-87-10(f), must be credited to the Workers' Compensation Fund. The remaining net proceeds must be credited to the General Fund. The additional tax imposed on property coverage contracts under this subdivision is a special purpose assessment based on gross premiums and not a gross premiums tax."

SECTION 1.11.(b) A taxpayer that elected to take a business energy and tax credit against the gross premiums tax for a taxable year beginning before January 1, 2017, may take an installment or carryforward of the credit against the additional tax imposed under G.S. 105-228.5(d)(3) for taxable years beginning before January 1, 2017. A taxpayer may not take an installment or carryforward of the credit against the additional tax imposed under G.S. 105-228.5(d)(3) for taxable years beginning on or after January 1, 2017. A taxpayer may apply to the Department of Revenue for a refund of any excess tax paid to the extent the refund is the result of the benefit enacted by this subsection. A request for a refund must be made on or before January 1, 2018. A request for a refund received after this date is barred.

SECTION 1.11.(c) The gross premiums tax is a tax imposed on the gross premiums of insurers, Article 65 corporations, health maintenance organizations, and self-insurers. Entities subject to the gross premiums tax are not subject to franchise or income taxes. In S.L. 2009-548, the General Assembly broadened the taxes against which the business and energy tax credits could be taken from income and franchise taxes to income, franchise, and gross premiums taxes.

The gross premiums tax rate is set in G.S. 105-228.5(d)(1) and (2). Separate and apart from the gross premiums taxes, G.S. 105-228.5(d)(3) imposes an additional tax that is calculated using a person's gross premiums but is not considered part of the gross premiums tax imposition. The Department of Revenue has historically administered the gross premium tax and the additional tax imposed under G.S. 105-228.5 as two separate and distinct taxes. Satisfied with this administration, the General Assembly did not address the separate treatment of the two taxes in S.L. 2009-548.

The intent of this section is two-fold, as follows:

(1) To clarify the accuracy of the Department's interpretation of the current and continuing state of the law by expressly codifying the long-standing interpretation that the additional tax imposed by G.S. 105-228.5(d)(3) is a separate and distinct tax that is based upon gross premiums but is not a gross premiums tax.

(2) To avoid costly potential litigation with taxpayers that have failed to properly take an installment or carryforward of a business and energy tax credit against only the gross premiums tax by permitting the taxpayers to take installments and carryforwards of that tax credit for taxable years beginning before January 1, 2017, against the additional tax that is imposed under G.S. 105-228.5(d)(3).

SECTION 1.12. G.S. 105-160.2 reads as rewritten:

"**§ 105-160.2. Imposition of tax.**

The tax imposed by this Part applies to the taxable income of estates and trusts as determined under the provisions of the Code except as otherwise provided in this Part. The taxable income of an estate or trust is the same as taxable income for such an estate or trust under the provisions of the Code, adjusted as provided in G.S. 105-153.5 and G.S. 105-153.6, except that the adjustments provided in G.S. 105-153.5 and G.S. 105-153.6 are apportioned between the estate or trust and the beneficiaries based on the distributions made during the taxable year. The tax is computed on the amount of the taxable income of the estate or trust that is for the benefit of a resident of this State, or for the benefit of a nonresident to the extent that the income (i) is derived from North Carolina sources and is attributable to the ownership of any interest in real or tangible personal property in this State or (ii) is derived from a business, trade, profession, or occupation carried on in this State. For purposes of the preceding sentence, taxable income and gross income is computed subject to the adjustments provided in G.S. 105-153.5 and G.S. 105-153.6. The tax on the amount computed above is at the ~~rates~~ rate levied in G.S. 105-153.7. The fiduciary responsible for administering the estate or trust shall pay the tax computed under the provisions of this Part."

SECTION 1.13. G.S. 55-16-22 reads as rewritten:

"**§ 55-16-22. Annual report.**

(a) Requirement. – Except as provided in subsections (a1) and (a2) of this section, each domestic corporation and each foreign corporation authorized to transact business in this State shall deliver an annual report ~~to the Secretary of Revenue in paper form or, in the alternative,~~ directly to the Secretary of State in electronic form or in paper form as prescribed by the Secretary of State under this section.

(a1) Each insurance company subject to the provisions of Chapter 58 of the General Statutes shall deliver an annual report to the Secretary of State.

(a2) Professional Corporations Exempt. – A ~~domestic~~ corporation governed by Chapter 55B of the General Statutes is exempt from this section.

(a3) Form; Required Information. – The annual report required by this section shall be in a form ~~jointly~~ prescribed by ~~the Secretary of Revenue and~~ the Secretary of State. ~~The Secretary of Revenue shall provide the form needed to file an annual report.~~ The Secretary of State shall prescribe the form needed to file an annual report electronically and shall provide this form by electronic means. The annual report shall set forth all of the following:

(1) The name of the corporation and the state or country under whose law it is incorporated.

(2) The street address, and the mailing address if different from the street address, of the registered office, the county in which its registered office is located, and the name of its registered agent at that office in this State, and a statement of any change of such registered office or registered agent, or both.

(3) The address and telephone number of its principal office.

(4) The names, titles, and business addresses of its principal officers.

(4a) Repealed by Session Laws 1997-475, s. 6.1, effective January 1, 1998.

(5) A brief description of the nature of its business.

If the information contained in the most recently filed annual report has not changed, a certification to that effect may be made instead of setting forth the information required by subdivisions (2) through (5) of this subsection.

(b) Currency of Information. – Information in the annual report must be current as of the date the annual report is executed on behalf of the corporation.

(c) Due Date. – ~~An annual report eligible to be delivered to the Secretary of Revenue is due by the due date for filing the corporation's income and franchise tax returns. An extension of time to file a return is an extension of time to file an annual report. At the option of the filer, an annual report may be filed directly with the Secretary of State in electronic form.~~ An annual report ~~required to be delivered to the Secretary of State~~ is due by the fifteenth day of the fourth month following the close of the corporation's fiscal year.

(d) Incomplete Information. – If an annual report does not contain the information required by this section, the Secretary of State shall promptly notify the reporting domestic or foreign corporation in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and ~~delivered~~ submitted to the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely filed.

(e) Amendments. – Amendments to any previously filed annual report may be filed with the Secretary of State at any time for the purpose of correcting, updating, or augmenting the information contained in the annual report.

…

~~(g) When a statement of change of registered office or registered agent is filed in the annual report, the change shall become effective when the statement is received by the Secretary of State.~~

(h) Delinquency. – If the Secretary of State does not receive an annual report within ~~120~~ 60 days of the date the ~~return~~ report is due, the Secretary of State may presume that the annual report is delinquent. This presumption may be rebutted ~~by receipt of the annual report from the Secretary of Revenue or~~ by evidence of delivery presented by the filing corporation."

SECTION 1.14. The Department of Revenue shall study the feasibility and cost of allowing the pass-through of a federal extension of time for filing a federal income tax return to serve as an application for a State extension of time for filing a corporate franchise and other income tax returns. The Department is directed to work with the Internal Revenue Service and consult with or identify other states that use the federal extension to serve as the application for a state extension. On or before January 1, 2018, the Department shall report its findings, along with any legislative recommendations, to the Revenue Laws Study Committee regarding options to eliminate the mandatory State extension of time filing for corporate franchise and other income tax returns beginning January 1, 2019, for the tax year 2018.

PART II. SALES AND USE TAX

SECTION 2.1. G.S. 105-164.3 reads as rewritten:

"**§ 105-164.3. Definitions.**

The following definitions apply in this Article:

…

(1i) Bundled transaction. – A retail sale of two or more distinct and identifiable products, at least one of which is taxable and one of which is exempt, for one nonitemized price. The term does not apply to real property and services to real property. Products are not sold for one nonitemized price if an invoice or another sales document made available to the purchaser separately identifies the price of each product. A bundled transaction does not include the retail sale of any of the following:

…

(2c) Capital improvement. – One or more of the following:

a. New construction, reconstruction, or remodeling.

b. Performance of work that requires the issuance of a permit under the State Building Code, other than repair or replacement of electrical components, gas logs, water heater, and similar individual items that are not part of new construction, reconstruction, or remodeling.

c. Installation of utilities on utility-owned land, right-of-way, or easement, notwithstanding that charges for such may be included in the gross receipts derived from services subject to the combined general rate under G.S. 105-164.4.

d. Installation of equipment or a fixture that is attached to real property and that meets one or more of the following conditions:

1. Is capitalized and depreciated under Generally Accepted Accounting Principles or International Financial Reporting Standards.

2. Is depreciated under the Code.

3. Is expensed under Section 179 of the Code.

e. Painting or wallpapering of real property, except where painting or wallpapering is incidental to the repair, maintenance, and installation service.

f. Replacement or installation of a septic tank system, siding, roof, plumbing, electrical, commercial refrigeration, irrigation, sprinkler, or other similar system. The term does not include the repair, replacement, or installation of electrical or plumbing components, water heaters, gutters, and similar individual items that are not part of new construction, reconstruction, or remodeling.

g. Replacement or installation of a heating or air conditioning unit or a heating, ventilation, or air conditioning system. The term does not include the repair, replacement, or installation of gas logs, water heaters, pool heaters, and similar individual items that are not part of new construction, reconstruction, or remodeling.

h. Replacement or installation of roads, driveways, parking lots, patios, decks, and sidewalks.

i. Services performed to resolve an issue that was part of a real property contract if the services are performed within six months of completion of the real property contract or, for new construction, within 12 months of the new structure being occupied for the first time.

j. Landscaping.

k. Addition or alteration to real property that is permanently affixed or installed to real property and is not an activity listed in subdivision (33*l*) of this section as a repair, maintenance, and installation service.

…

(1d) Freestanding appliance. – A machine commonly thought of as an appliance operated by gas or electric current. Examples include installation of a dishwasher, washing machine, clothes dryer, refrigerator, freezer, microwave, and range, regardless of whether the range is slide-in or drop-in.

…

(16e) ~~Landscaping service.~~ Landscaping. – A service ~~to maintain or improve lawns, yards, or ornamental plants and trees.~~ that modifies the living elements of an area of land. Examples include the installation of trees, shrubs, or ~~flowers;~~ flowers on land; tree trimming; ~~lawn~~ mowing; and the application of seed, mulch, pine straw, ~~pesticide,~~ or fertilizer to ~~a lawn or yard.~~an area of land. The term does not include services to trees, shrubs, flowers, and similar items in pots or in buildings.

…

(20b) Mixed transaction contract. – A contract that includes both a real property contract for a capital improvement and a repair, maintenance, and installation service that is not related to the capital improvement.

…

(23a) Motor vehicle service contract. – A service contract for a motor vehicle or for one or more components, systems, or accessories for a motor vehicle when sold by a motor vehicle ~~dealer or by or on behalf of~~ dealer, by a motor vehicle service agreement ~~company for a motor vehicle or for one or more components, systems, or accessories for a motor vehicle.~~ company, or by a motor vehicle dealer on behalf of a motor vehicle service agreement company. For purposes of this subdivision, the term "motor vehicle dealer" has the same meaning as defined in G.S. 20-286 and the term "motor vehicle service agreement company" ~~has the same meaning as defined in G.S. 66-370.~~is a person other than a motor vehicle dealer that is an obligor of a service contract for a motor vehicle or for one or more components, systems, or accessories for a motor vehicle and who is not an insurer.

…

(24a) New construction. – Construction of or site preparation for a permanent new building, structure, or fixture on land or an increase in the square footage of an existing building, structure, or fixture on land.

…

(33d) Real property. – Any one or more of the following:

a. Land.
b. Building or structure on land.
c. Permanent fixture on land.
d. A manufactured home or a modular home ~~that is placed on a permanent foundation.~~on land.

(33e) Real property contract. – A contract between a real property contractor and another person to perform ~~construction, reconstruction, or remodeling with respect to~~ a capital improvement to real property.

(33f) Real property contractor. – A person that contracts to perform a real property contract in accordance with G.S. 105-164.4H. The term includes a general contractor, a subcontractor, or a builder for purposes of ~~G.S. 105-164.4H.~~this Article.

(33g) Reconstruction. – Rebuild or construct again a prior existing permanent building, structure, or fixture on land and may include a change in the square footage from the prior existing building, structure, or fixture on land.

(33h) Related member. – Defined in G.S. 105-130.7A.

(33i) Remodeling. – A transaction comprised of multiple services performed by one or more persons to restore, improve, alter, or update real property that may otherwise be subject to tax as repair, maintenance, and installation services if separately performed. The term includes a transaction where the internal structure or design of one or more rooms or areas within a room or building are substantially changed. The term does not include a single repair, maintenance, and installation service. The term does not include a transaction where the true purpose is a repair, maintenance, and installation service no matter that another repair, maintenance, and installation service is performed that is incidental to the true purpose of the transaction; examples include repair of sheetrock that includes applying paint, replacement of cabinets that includes installation of caulk or molding, and the installation of hardwood floors that includes installation of shoe molding.

~~(33h)~~(33j) Remote sale. – A sale of tangible personal property or digital property ordered by mail, by telephone, via the Internet, or by another similar method, to a purchaser who is in this State at the time the order is remitted, from a retailer who receives the order in another state and delivers the property or causes it to be delivered to a person in this State. It is presumed that a resident of this State who remits an order was in this State at the time the order was remitted.

(33k) Renovation. – Same meaning as the term "remodeling."

~~(33i)~~(33*l*) Repair, maintenance, and installation services. – The term includes the activities listed in this subdivision and applies to tangible personal property, motor vehicle, digital property, and real ~~property except tangible personal property or digital property installed or applied by a real property contractor pursuant~~ property. The term does not include services used to fulfill a real property contract taxed in accordance with G.S. 105-164.4H:

a. To keep or attempt to keep property or a motor vehicle in working order to avoid breakdown and prevent deterioration or repairs. Examples include to clean, wash, or polish property.

b. To calibrate, refinish, restore, or attempt to calibrate, refinish, or restore property or a motor vehicle to proper working order or good condition. This activity may include replacing or putting together what is torn or broken.

c. To troubleshoot, identify, or attempt to identify the source of a problem for the purpose of determining what is needed to restore property or a motor vehicle to proper working order or good condition. The term includes activities that may lead to the issuance of an inspection report.

d. To install, apply, connect, adjust, or set into position tangible personal property, digital property, or a motor vehicle. The term includes floor refinishing and the installation of carpet, flooring, floor coverings, windows, doors, cabinets, countertops, and other installations where the item being installed may replace a similar existing item. The replacement of more than one of a like-kind item, such as replacing one or more windows, is a single repair, maintenance, and installation service. The term does not include an installation defined as a capital improvement under subdivision (2c)d. of this section.

e. To inspect or monitor property or a motor vehicle, but does not include security or similar monitoring services for real property.

…

(38b) Service contract. – A contract where the obligor under the contract agrees to maintain, monitor, inspect, ~~or repair~~ repair, or provide another service included in the definition of repair, maintenance, and installation service to digital ~~property or~~ property, tangible personal ~~property~~ property, or real property for a period of time or some other defined ~~measure, regardless of whether the property becomes a part of or is applied to real property.~~ measure. The term does not include a single repair, maintenance, or installation ~~service.~~ service, but does include a contract where the obligor may provide a service included in the definition of repair, maintenance, and installation services as a condition of the contract. The term includes a service contract for a pool, fish tank, or similar aquatic feature and a home warranty. Examples include a warranty agreement other than a manufacturer's warranty or dealer's warranty provided at no charge to the purchaser, an extended warranty agreement, a maintenance agreement, a repair ~~contract,~~ agreement, or a similar agreement or contract.

…."

SECTION 2.2. G.S. 105-164.4(a) reads as rewritten:

"(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

(1) The general rate of tax applies to the sales price of each item or article of tangible personal property that is sold at retail and is not subject to tax under another subdivision in this section. A sale of a freestanding appliance is a retail sale of tangible personal property. This subdivision does not apply to repair, maintenance, and installation services for real property; these services are taxable under subdivision (16) of this subsection.

(1a) The general rate applies to the sales price of each of the following items sold at retail, including all accessories attached to the item when it is delivered to the purchaser:

a. A manufactured home.

b. A modular home. The sale of a modular home to a modular homebuilder is considered a retail ~~sale.~~ sale, no matter that the modular home may be used to fulfill a real property contract. A person who sells a modular home at retail is allowed a credit against the tax imposed by this subdivision for sales or use tax paid to another state on tangible personal property incorporated in the modular home. The retail sale of a modular home occurs when a modular home manufacturer sells a modular home to a modular homebuilder or directly to the end user of the modular home.

c. An aircraft. The maximum tax is two thousand five hundred dollars ($2,500) per article.

d. A qualified jet engine.

…

~~(13) The general rate of tax applies to the sales price of an item or service subject to tax under this Article sold to a real property contractor for use by the real property contractor or to fulfill a real property contract. These sales are taxed in accordance with G.S. 105-164.4H.~~

…

(16) The general rate applies to the sales price of or the gross receipts derived from repair, maintenance, and installation services and generally includes any tangible personal property or digital property that becomes a part of or is applied to a purchaser's property. A mixed transaction contract and a real property contract are taxed in accordance with G.S. 105-164.4H."

SECTION 2.3. G.S. 105-164.4B(a) reads as rewritten:

"(a) General Principles. – The following principles apply in determining where to source the sale of a product. Except as otherwise provided in this section, a service is sourced where the purchaser can potentially first make use of the service. These principles apply regardless of the nature of the product, except as otherwise noted in this section:

…."

SECTION 2.4.(a) G.S. 105-164.4H(b1) and (e) are repealed.

SECTION 2.4.(b) G.S. 105-164.4H, as amended by subsection (a) of this section, reads as rewritten:

"**§ 105-164.4H. Real property contract.**

(a) Applicability. – A real property contractor is the consumer of the tangible personal ~~property, digital property, or service~~ property or digital property that the real property contractor purchases, installs, or applies for others to fulfill a real property contract and that becomes part of real property or used to fulfill the contract. A retailer engaged in business in the State shall collect tax on the sales price of the tangible personal property, digital property, or service sold at retail to a real property contractor unless a statutory exemption in G.S. 105-164.13 or G.S. 105-164.13E applies. Where a real property contractor purchases tangible personal property or digital property for storage, use, or consumption in this State, or a service sourced to this State, and the tax due is not paid at the time of purchase, the provisions of G.S. 105-164.6 apply except as provided in subsection (b) of this section.

(a1) Substantiation. – Generally, services to real property are retail sales of or the gross receipts derived from, repair, maintenance, and installation services and subject to tax in accordance with G.S. 105-164.4(a)(16), unless a person substantiates that a transaction is subject to tax as a real property contract in accordance with subsection (a) of this section, subject to tax as a mixed transaction in accordance with subsection (d) of this section, or the transaction is not subject to tax. A person may substantiate that a transaction is a real property contract or a mixed transaction by records that establish the transaction is a real property contract or by receipt of an affidavit of capital improvement. The receipt of an affidavit of capital improvement, absent fraud or other egregious activities, establishes that the subcontractor or other person receiving the affidavit should treat the transaction as a capital improvement, and the transaction is subject to tax in accordance with subsection (a) of this section. A person that issues an affidavit of capital improvement is liable for any additional tax due on the transaction, in excess of tax paid on related purchases under subsection (a) of this section, if it is determined that the transaction is not a capital improvement but rather the transaction is subject to tax as a retail sale. A person who receives an affidavit of capital improvement from another person, absent fraud or other egregious activities, is not liable for any additional tax on the gross receipts from the transaction if it is determined that the transaction is not a capital improvement.

The Secretary may establish guidelines for transactions where an affidavit of capital improvement is not required, but rather a person may establish by records that such transactions are subject to tax in accordance with subsection (a) of this section.

(b) Retailer-Contractor. – This section applies to a retailer-contractor as follows:

(1) Acting as a real property contractor. – A retailer-contractor acts as a real property contractor when it contracts to perform a real property contract. A retailer-contractor that purchases tangible personal property or digital property to be installed or applied to real property ~~or a service~~ to fulfill the contract may purchase those items exempt from tax under a certificate of exemption pursuant to G.S. 105-164.28 provided the retailer-contractor also

purchases inventory items or services from the seller for resale. When the property is withdrawn from inventory and installed or applied to real property, ~~or when the service is deemed used,~~ use tax must be accrued and paid on the retailer-contractor's purchase price of the property. Property that the retailer-contractor withdraws from inventory for use that does not become part of real property is also subject to the tax imposed by this Article.

(2) Acting as a retailer. – A retailer-contractor is acting as a retailer when it makes a sale at retail.

…

(d) Mixed Transaction Contract. – A mixed transaction contract ~~that includes both a real property contract for a capital improvement and repair, maintenance, and installation services~~ is taxable as follows:

(1) If the allocated sales price of the taxable repair, maintenance, and installation services included in the contract ~~does not exceed ten percent (10%)~~ is less than or equal to twenty-five percent (25%) of the contract price, then the repair, maintenance, and installation services portion of the contract, and the tangible personal property, digital property, or service used to perform ~~that service,~~ those services, are taxable as a real property contract in accordance with this section.

(2) If the allocated sales price of the taxable repair, maintenance, and installation services included in the contract is ~~equal to or~~ greater than ~~ten percent (10%)~~ twenty-five percent (25%) of the contract price, then sales and use tax applies to the sales price of or the gross receipts derived from the taxable repair, maintenance, and installation services portion of the contract. The person must determine an allocated price for ~~each~~ the taxable repair, maintenance, and installation ~~service~~ services in the contract based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business. Any purchase of tangible personal ~~property, digital property, or services~~ property or digital property to fulfill the real property contract ~~are~~ is taxed in accordance with this section."

SECTION 2.4.(c) G.S. 105-164.6(b) reads as rewritten:

"(b) Liability. – The tax imposed by this section is payable by the person who purchases, leases, or rents tangible personal property or digital property or who purchases a service. If the property purchased becomes a part of ~~a building or other structure~~ real property in the ~~State and the purchaser is a contractor or subcontractor,~~ State, the real property contractor, the retailer-contractor, the subcontractor, the lessee, and the owner ~~of the building~~ are jointly and severally liable for the ~~tax.~~ tax, except as provided in G.S. 105-164.4H(a) regarding receipt of an affidavit of capital improvement. The liability of a real property contractor, a retailer-contractor, a subcontractor, a lessee, or an owner who did not purchase the property is satisfied by receipt of an affidavit from the purchaser certifying that the tax has been paid."

SECTION 2.4.(d) G.S. 105-164.15A(a)(2) reads as rewritten:

"(a) General Rate Items. – The effective date of a tax change for tangible personal property, digital property, or services taxable under this Article is administered as follows:

…

(2) For a taxable item that is not billed on a monthly or other periodic basis, a tax change applies to amounts received for items provided on or after the effective date, except amounts received for items ~~provided under a lump-sum or unit-price contract~~ purchased to fulfill a real property contract for a capital improvement entered into or awarded before the effective date or entered into or awarded pursuant to a bid made before the effective date."

SECTION 2.4.(e) G.S. 105-468.1 reads as rewritten:

"**§ 105-468.1. Certain building materials exempt from sales and use taxes.**

The provisions of this Article shall not be applicable with respect to any ~~building materials~~ tangible personal property or digital property purchased for the purpose of fulfilling ~~any lump sum or unit price contract~~ a real property contract for a capital improvement entered into or awarded, or entered into or awarded pursuant to any bid made, before the effective date of the tax imposed by a taxing county when, absent the provisions of this section, such ~~building materials~~ property would otherwise be subject to tax under the provisions of this Article."

SECTION 2.5.(a) G.S. 105-164.4D(a)(6) and G.S. 105-164.4I(b) are repealed.

SECTION 2.5.(b) G.S. 105-164.4I, as amended by subsection (a) of this section, reads as rewritten:

"**§ 105-164.4I. Service contracts.**

…

(a1) Mixed Service Contract. – A service contract for real property that includes two or more services, one of which is subject to tax under this Article and one of which is not subject to tax under this Article, is taxable in accordance with this subsection. Tax applies to the sales price of or gross receipts derived from a mixed service contract unless one of the following applies:

(1) Allocation. – The person determines an allocated price for the taxable portion of the service contract based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business. In this circumstance, tax applies to the allocated price of the taxable portion of the service contract.

(2) Ten percent (10%) test. – The allocated price of the taxable portion of the service contract does not exceed ten percent (10%) of the price of the contract.

(c) Exceptions. – The tax imposed by this section does not apply to ~~a~~ any of the following:

(1) A security or similar monitoring contract for real property.

(2) A contract to provide a certified operator for a wastewater system.

…."

SECTION 2.6. G.S. 105-164.13 reads as rewritten:

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

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

…

(61) A motor vehicle service ~~contract may be exempt as provided in G.S. 105-164.4I.~~contract.

(61a) ~~Repair, maintenance, and installation services provided for an item, other than a motor vehicle, for which a service contract on the item is exempt from tax under G.S. 105-164.4I. Repair, maintenance, and installation services provided for a motor vehicle are subject to tax, except as provided under subdivision (62a) of this subsection. Sales~~ The sales price of or the gross receipts derived from the ~~following~~ repair, maintenance, and installation services and service contracts listed in this subdivision are exempt from ~~tax:~~tax. Except as otherwise provided in this subdivision, property and services used to fulfill either a repair, maintenance, or installation service or a service contract exempt from tax under this subdivision are taxable. The list of repair, maintenance, and installation services and service contracts exempt from tax under this subdivision is as follows:

a. An item exempt from tax under this Article. Property and services used to fulfill a service or contract exempt under this sub-subdivision are exempt from tax under this Article. This exemption does not

apply to water for a pool, fish tank, or similar aquatic feature or to a motor vehicle, except as provided under subdivision (62a) of this section.

b. A motor vehicle emissions and safety inspection fee ~~or charge for an inspection required by law, regardless of whether the amount is paid to a public or private entity,~~ imposed pursuant to G.S. 20-183.7, provided the ~~charge~~ fee is separately stated on the invoice or other documentation provided to the purchaser at the time of the sale.

~~b.~~c. Services performed for a person by a related member.

~~c. Services performed to resolve an issue that was part of a real property contract if the services are performed within six months of completion of the real property contract or, for new construction, within 12 months of the new structure being occupied for the first time.~~

d. Cleaning of real property, except where the service constitutes a part of the gross receipts derived from the rental of an accommodation subject to tax under G.S. 105-164.4 or for a pool, fish tank, or other similar aquatic feature. Examples of cleaning of real property include custodial services, window washing, mold remediation services, carpet cleaning, removal of debris from gutters, removal of dust and other pollutants from ductwork, and power washing other than for a pool.

e. Services on roads, driveways, parking lots, and sidewalks.

f. Removal of waste, trash, debris, grease, snow, and other similar items from ~~tangible personal property, including a motor vehicle, and real~~ property, other than a motor vehicle. The exemption applies to household and commercial trash collection and removal services. The exemption applies to the removal of septage from property, including motor vehicles, but does not include removal of ~~waste~~ septage from portable toilets.

g. ~~Home inspections related to the preparation for or the sale of real property.~~The following inspections:

1. An inspection performed where the results are included in a report for the sale or financing of real property.
2. An inspection of the structural integrity of real property, provided the charge for the inspection is separately stated on the invoice or other documentation given to the purchaser at the time of the sale.
3. An inspection to a system that is a capital improvement under G.S. 105-164.3(2c)f., provided the inspection is to fulfill a safety requirement and provided the charge for the inspection is separately stated on the invoice or other documentation given to the purchaser at the time of the sale.

~~h. Landscaping service.~~

~~i.~~h. Alteration and repair of clothing, except where the service constitutes a part of the gross receipts derived from the rental of clothing subject to tax under G.S. 105-164.4 or for alteration and repair of belts and shoes.

~~j.~~i. Pest control service. For purposes of this exemption, the term "pest control service" means the application of pesticides to real property.

~~k.~~j. Moving services. For purposes of this exemption, the term "moving services" means a service for hire to transport or relocate a person's existing belongings to or from any destination.

~~*l.*~~k. Self-service car ~~washes.~~washes and vacuums.

l. A transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement.

m. A qualified aircraft or a qualified jet engine.

n. Funeral-related services, including services for the burial of remains. This exemption does not apply to the sale of tangible personal property, such as caskets, headstones, and monuments.

(o) Services performed on an animal, such as hoof shoeing and microchipping a pet.

…

(61c) Installation charges that are a part of the sales price of tangible personal property purchased by a real property contractor to fulfill a real property contract for an item that is installed or applied to real property, provided the installation charges are separately stated and identified as such on the invoice or other documentation given to the real property contractor at the time of the sale. The exemption also applies to installation charges by a retailer-contractor when performing installation services for a real property contract. The exemption includes any labor costs provided by the real property contractor, including employees' wages, or labor purchased from a third party that would otherwise be included in the definition of "purchase price."

…

(62) An item or repair, maintenance, and installation services purchased or used ~~to maintain, monitor, inspect, or repair tangible personal property or digital property pursuant~~ to fulfill a service contract taxable under this Article if the purchaser of the contract is not charged for the item or services. This exemption does not apply to the purchase of tangible personal property or digital property used to fulfill a service contract for real property where the charge being covered would otherwise be subject to tax as a real property contract. For purposes of this exemption, the term "item" does not include a tool, equipment, supply, or similar tangible personal property that is not deemed to be a component or repair part of the tangible personal ~~property~~ property, real property, or digital property for which a service contract is sold to a purchaser.

…

(65) ~~The sale, lease, or rental of an engine~~ This subdivision expires January 1, 2020. Sales of the following to a professional motorsports racing team or a related member of a team for use in competition in a sanctioned race ~~series.~~ series:

a. The sale, lease, or rental of an engine.

b. The sales price of or gross receipts derived from a service contract on, or repair, maintenance, and installation services for, a transmission, an engine, rear-end gears, and any other item that is purchased, leased, or rented and that is exempt from tax under this subdivision or that is allowed a sales tax refund under G.S. 105-164.14A(a)(5).

c. ~~For purposes of this subdivision, the term "sale" includes~~ The gross receipts derived from an agreement to provide an engine to a professional motorsports racing team or related member of a team for use in competition in a sanctioned race series, where such agreement does not meet the definition of a "service contract" as defined in G.S. 105-164.3 but may meet the definition of the term "lease or

rental" as defined in G.S. 105-164.3. ~~This subdivision expires January 1, 2020.~~

…."

SECTION 2.7.(a) G.S. 105-164.14(a) reads as rewritten:

"(a) Interstate Carriers. – An interstate carrier is allowed a refund, in accordance with this section, of part of the sales and use taxes paid by it on the purchase in this State of railway cars and locomotives, and fuel, lubricants, repair parts, ~~and accessories~~ accessories, service contracts, and repair, maintenance, and installation services for a motor vehicle, railroad car, locomotive, or airplane the carrier operates. An "interstate carrier" is a person who is engaged in transporting persons or property in interstate commerce for compensation. The Secretary shall prescribe the periods of time, whether monthly, quarterly, semiannually, or otherwise, with respect to which refunds may be claimed, and shall prescribe the time within which, following these periods, an application for refund may be made.

An applicant for refund shall furnish the following information and any proof of the information required by the Secretary:

(1) A list identifying the railway cars, locomotives, fuel, lubricants, repair parts, ~~and accessories~~ accessories, service contracts, and repair, maintenance, and installation services purchased by the applicant inside or outside this State during the refund period.

…."

SECTION 2.7.(b) This section becomes effective retroactively to March 1, 2016.

SECTION 2.8.(a) If the Secretary of Revenue determines that a seller paid sales and use taxes on a product and the seller uses the product as part of a taxable repair, maintenance, and installation service to real property, the Secretary will allow the seller to offset the sales tax liability on the taxable repair, maintenance, and installation service with the sales and use tax paid on the products provided the retailer can support the amount of tax originally paid. A retailer entitled to a credit for tax originally paid under this provision may reduce taxable receipts by the taxable amount of the credit for the period in which the credit occurs.

SECTION 2.8.(b) The Revenue Laws Study Committee is directed to study the feasibility of providing a seller of taxable repair, maintenance, and installation services to real property the option of paying sales tax on the property used to fulfill the repair, maintenance, and installation service at the time the property is purchased and offsetting the sales tax liability on the taxable repair, maintenance, and installation service with the sales and use tax paid on the products. Subsection (a) of this section provides sellers this option until July 1, 2018. The Revenue Laws Study Committee must recommend to the 2018 Regular Session of the 2017 General Assembly whether this option should be allowed on a permanent basis.

SECTION 2.8.(c) Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-244.3. Sales tax base expansion protection act.**

(a) Grace Period. – The Department shall take no action to assess any tax due for a filing period beginning on or after March 1, 2016, and ending before January 1, 2018, if one or more of the conditions of this subsection apply and the retailer did not receive specific written advice from the Secretary for the transactions at issue for the laws in effect for the applicable periods. The conditions are as follows:

(1) A retailer failed to charge sales tax due on separately stated installation charges that are part of the sales price of tangible personal property or digital property sold at retail.

(2) A person failed to properly classify themselves as a retailer in retail trade for the period beginning March 1, 2016, and ending December 31, 2016, and did not charge sales tax on all retail transactions but rather treated some transactions as real property contracts in error for sales and use tax purposes. This subdivision does not prohibit the Secretary from assessing use tax on

purchases used to fulfill a transaction erroneously treated as a real property contract.

(3) A person treated a transaction as a real property contract in error and did not collect sales tax on the transaction as a retail sale. This subdivision does not prohibit the Secretary from assessing use tax on purchases used to fulfill a transaction erroneously treated as a real property contract.

(4) A person failed to collect sales tax on the sales price of a service contract for one or more components, systems, or accessories for a motor vehicle on or after March 1, 2016, and prior to January 1, 2017, where the contract was sold by a motor vehicle dealer, a motor vehicle service agreement company, or a motor vehicle dealer on behalf of a motor vehicle service agreement company.

(5) A person failed to collect sales tax on the retail sale of a service contract for tangible personal property that becomes a part of or is affixed to real property.

(6) A person failed to collect sales tax on the retail sale of a service contract for a pool, a fish tank, or similar aquatic feature on or after January 1, 2017, and prior to January 1, 2018, provided the person paid tax on any purchases used to fulfill the service contract.

(7) A person failed to collect sales tax on the sales price of or the gross receipts derived from the retail sale of a home warranty on or after January 1, 2017, and prior to January 1, 2018, provided the warranty includes coverage for real property.

(8) A person failed to collect sales tax on the portion of a mixed contract for repair, maintenance, and installation services that exceeds ten percent (10%) for a transaction prior to January 1, 2017. This subdivision does not prohibit the Secretary from assessing use tax on purchases used to fulfill a mixed contract.

(9) A person treats a transaction as a real property contract for remodeling instead of the retail sale of repair, maintenance, and installation services sold at retail prior to January 1, 2018. This subdivision does not prohibit the Secretary from assessing use tax on purchases used to fulfill the transaction.

(b) Limitations. – This section does not prohibit the following assessments:

(1) The assessment of tax collected by a person and not remitted to the Department.

(2) The assessment of tax due on an amount included in the definition of sales price where a retailer failed to charge or remit the tax, except as allowed under subsection (a) of this section.

(3) The assessment of use tax on purchases as provided in subsection (a) of this section."

SECTION 2.8.(d) Subsection (a) of this section becomes effective retroactively to January 1, 2017, and expires on July 1, 2018.

SECTION 2.8A. Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-244.4. Reduction of certain sales tax assessments.**

(a) Reduction – The Secretary may reduce an assessment against a taxpayer for State and local sales and use taxes in the amount as provided in this section and waive any penalties imposed as part of the assessment when the assessment is the result of an audit of the taxpayer by the Department and all of the following apply:

(1) The taxpayer remitted to the Department all of the sales and use taxes it collected during the audit period.

(2) The taxpayer had not been informed by the Department in a prior audit to collect sales and use taxes in the circumstance that is the basis of the assessment, as reflected in the written audit comments of the prior audit.

(3) The taxpayer had not requested and received from the Department a private letter ruling advising to collect sales and use taxes in the circumstance that is the basis of the assessment.

(4) The assessment is based on the incorrect application of one or both of the following areas of the sales and use tax statutes:

a. The failure to collect sales tax on separately stated linen charges where the linens are furnished by a facilitator, rental agent, or other person and the charges are part of the gross receipts derived from the rental of the accommodation taxed in accordance with G.S. 105-164.4F.

b. The failure to pay sales or use tax on the rental of linens used by a facilitator, rental agent, or other person in providing the rental of an accommodation taxed in accordance with G.S. 105-164.4F where the facilitator, rental agent, or other person issued a certificate of exemption or the required data elements per G.S. 105-164.28 to the lessor.

(5) The taxpayer files a written request with the Secretary no later than 120 days following the receipt of a proposed assessment to request the amount of sales or use taxes be reduced as provided in this section citing the specific reasons therefor. A taxpayer who does not agree with a proposed assessment must also file a request for review within 120 days of the date of the notice of proposed assessment as provided in G.S. 105-241.11 in order for a request to reduce the amount of tax as allowed by this section to be considered by the Secretary.

(b) Amount. – A sales and use tax assessment against a taxpayer may be reduced by ninety percent (90%) of the total amount of sales and use tax assessed. The Secretary may also waive all penalties that were imposed as part of the assessment. A reduction of an assessment under this section and the waiver of penalties imposed as part of the assessment apply only to the amount of the assessment attributable to the incorrect application of one or both of the areas of the law listed in subdivision (a)(4) of this section.

(c) Application. – This section applies to the following for a tax period ending prior to January 1, 2018:

(1) A proposed assessment or portion of a proposed assessment.

(2) An assessment that becomes collectible under G.S. 105-241.22.

(3) A pending request for review case.

(4) This section does not authorize a refund for sales or use taxes that were originally collected and remitted to the Department.

(d) Expiration. – This section is not applicable to an assessment attributable to the incorrect application of one or both areas listed in subdivision (a)(4) of this section for a period beginning on or after January 1, 2018."

SECTION 2.9.(a) G.S. 105-164.13 reads as rewritten:

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

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

(1) Tangible personal property, digital property, and services for a farmer may be exempt as provided in G.S. 105-164.13E.

…

(12) Sales of any of the following items:

a. Prosthetic devices for human use.

b. Mobility enhancing equipment sold on a prescription.
c. Durable medical equipment sold on prescription.
d. Durable medical supplies sold on prescription.
e. Human blood, including whole, plasma, and derivatives.
f. Human tissue, eyes, DNA, or an organ.

…

(43) Custom computer software. Custom computer software and the portion of prewritten computer software that is modified or enhanced if the modification or enhancement is designed and developed to the specifications of a specific purchaser and the charges for the modification or enhancement are separately ~~stated.~~stated on the invoice or similar billing document given to the purchaser at the time of the sale.

…

(57a) Fuel, piped natural gas, and electricity sold to a ~~secondary metals recycler~~ person subject to tax on certain tangible personal property pursuant to G.S. 105-187.51B(a)(6) for use in recycling at its facility at which the primary activity is recycling.

…."

SECTION 2.9.(b) G.S. 105-164.14(b) reads as rewritten:

"(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services for use in carrying on the work of the nonprofit entity. Sales and use tax liability indirectly incurred by a nonprofit entity through reimbursement to an authorized person of the entity for the purchase of tangible personal property and services for use in carrying on the work of the nonprofit entity is considered a direct purchase by the entity. Sales and use tax liability indirectly incurred by a nonprofit entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the nonprofit entity and is being erected, altered, or repaired for use by the nonprofit entity for carrying on its nonprofit activities is considered a sales or use tax liability incurred on direct purchases by the nonprofit entity. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund for the first six months of a calendar year is due the following October 15; a request for a refund for the second six months of a calendar year is due the following April 15. The aggregate annual refund amount allowed an entity under this subsection for ~~a~~ the State's fiscal year may not exceed thirty-one million seven hundred thousand dollars ($31,700,000).

The refunds allowed under this subsection do not apply to an entity that is owned and controlled by the United States or to an entity that is owned or controlled by the State and is not listed in this subsection. A hospital that is not listed in this subsection is allowed a semiannual refund of sales and use taxes paid by it on over-the-counter drugs purchased for use in carrying out its work. The following nonprofit entities are allowed a refund under this subsection:

…."

SECTION 2.9.(c) G.S. 105-467 reads as rewritten:

"**§ 105-467. Scope of sales tax.**

…

(b) Exemptions and Refunds. – The State exemptions and exclusions contained in ~~G.S. 105-164.13 and G.S. 105-164.27A~~ Article 5 of Subchapter I of this Chapter, except for the exemption for food in G.S. 105-164.13B, apply to the local sales and use tax authorized to be levied and imposed under this Article. The State refund provisions contained in G.S. 105-164.14 ~~through G.S. 105-164.14B~~ and G.S. 105-164.14A apply to the local sales and use tax authorized to be levied and imposed under this Article. A refund of an excessive or

erroneous State sales tax collection allowed under G.S. 105-164.11 and a refund of State sales tax paid on a rescinded sale or cancelled service contract under G.S. 105-164.11A apply to the local sales and use tax authorized to be levied and imposed under this Article. The aggregate annual local refund amount allowed an entity under G.S. 105-164.14(b) for ~~a~~ the State's fiscal year may not exceed thirteen million three hundred thousand dollars ($13,300,000).

Except as provided in this subsection, a taxing county may not allow an exemption, exclusion, or refund that is not allowed under the State sales and use tax. A local school administrative unit and a joint agency created by interlocal agreement among local school administrative units pursuant to G.S. 160A-462 to jointly purchase food service-related materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services. Sales and use tax liability indirectly incurred by the entity ~~on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure~~ as part of a real property contract for real property that is owned or leased by the entity and is ~~being erected, altered, or repaired~~ a capital improvement for use by the entity is considered a sales or use tax liability incurred on direct purchases by the entity for the purpose of this subsection. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund is due in the same time and manner as provided in G.S. 105-164.14(c). Refunds applied for more than three years after the due date are barred.

(c) Sourcing. – The sourcing principles in ~~G.S. 105-164.4B~~ Article 5 of Subchapter I of this Chapter apply in determining whether the local sales tax applies to a transaction."

SECTION 2.9.(d) G.S. 105-468 reads as rewritten:

"**§ 105-468. Scope of use tax.**

The use tax authorized by this Article is a tax at the rate of one percent (1%) of the purchase price of ~~each~~ an item or ~~article of tangible personal property~~ transaction that is not sold in the taxing county but is ~~used, consumed, or stored~~ for ~~use~~ storage, use, or consumption in the taxing ~~county.~~ county and sourced in accordance with Article 5 of Subchapter I of this Chapter. The tax applies to the same items that are subject to tax under G.S. 105-467. The collection and administration of this tax shall be in accordance with Article 5 of ~~Chapter 105 of the General Statutes.~~Subchapter I of this Chapter.

Where a local sales or use tax was due and has been paid ~~with respect to tangible personal property~~ on an item or transaction by the purchaser in another taxing county within the State, or where a local sales or use tax was due and has been paid in a taxing jurisdiction outside the State where the purpose of the tax is similar in purpose and intent to the tax which may be imposed pursuant to this Article, the tax paid may be credited against the tax imposed under this section by a taxing county upon the same ~~property.~~ property or transaction. If the amount of sales or use tax so paid is less than the amount of the use tax due the taxing county under this section, the purchaser shall pay to the Secretary an amount equal to the difference between the amount so paid in the other taxing county or jurisdiction and the amount due in the taxing county. The Secretary may require such proof of payment in another taxing county or jurisdiction as is deemed to be necessary. The use tax levied under this Article is not subject to credit for payment of any State sales or use tax not imposed for the benefit and use of counties and municipalities. No credit shall be given under this section for sales or use taxes paid in a taxing jurisdiction outside this State if that taxing jurisdiction does not grant similar credit for sales taxes paid under this Article."

SECTION 2.9.(e) G.S. 105-471 reads as rewritten:

"**§ 105-471. Retailer to collect sales tax.**

Every retailer whose place of business is in a taxing county shall on and after the levy of the tax herein authorized collect the one percent (1%) local sales tax provided by this Article. A retailer is required to collect a local use tax on a transaction if a local sales tax does not apply to the transaction in accordance with G.S. 105-164.8(c).

The tax to be collected under this Article shall be collected as a part of the sales price ~~of the item of tangible personal property sold, the purchase price of the item of tangible personal property used, or as a part of the charge for the rendering of any services, renting or leasing of tangible personal property, or the furnishing of any accommodation taxable hereunder.~~ of an item or transaction subject to tax in accordance with G.S. 105-467. The tax shall be stated and charged separately from the sales price or purchase price and shall be shown separately on the retailer's sales record and shall be paid by the purchaser to the retailer as trustee for and on account of the State or county wherein the tax is imposed. It is the intent and purpose of this Article that the local sales and use tax herein authorized to be imposed and levied by a taxing county shall be added to the sales price and that the tax shall be passed on to the purchaser instead of being borne by the retailer. The Secretary of Revenue shall design, print and furnish to all retailers in a taxing county in which he shall collect and administer the tax the necessary forms for filing returns and instructions to insure the full collection from retailers, and the Secretary may adapt the present form used for the reporting and collecting of the State sales and use tax to this purpose."

SECTION 2.9.(f) G.S. 105-474 reads as rewritten:

"**§ 105-474. Definitions; construction of Article; remedies and penalties.**

The definitions set forth in ~~G.S. 105-164.3~~ Article 5 of Subchapter I of this Chapter shall apply to this Article insofar as such definitions are not inconsistent with the provisions of this Article, and all other provisions of ~~Article 5 and of Article 9 of Subchapter 1, Chapter 105 of the General Statutes,~~ Articles 5 and 9 of Subchapter I of this Chapter as the same relate to the North Carolina Sales and Use Tax Act shall be applicable to this Article unless such provisions are inconsistent with the provisions of this Article. The administrative interpretations made by the Secretary of Revenue with respect to the North Carolina Sales and Use Tax Act, to the extent not inconsistent with the provisions of this Article, may be uniformly applied in the construction and interpretation of this Article. It is the intention of this Article that the provisions of this Article and the provisions of the North Carolina Sales and Use Tax Act, insofar as practicable, shall be harmonized.

The provisions with respect to remedies and penalties applicable to the North Carolina Sales and Use Tax Act, as contained in ~~Article 5 and Article 9, Subchapter 1, Chapter 105 of the General Statutes,~~ Articles 5 and 9 of Subchapter I of this Chapter, shall be applicable in like manner to the tax authorized to be levied and collected under this Article, to the extent that the same are not inconsistent with the provisions of this Article."

SECTION 2.9.(g) G.S. 105-187.31 reads as rewritten:

"**§ 105-187.31. Tax imposed.**

A privilege tax is imposed on a dry-cleaning solvent retailer at a flat rate for each gallon of dry-cleaning solvent sold by the retailer to a dry-cleaning facility. An excise tax is imposed on dry-cleaning solvent purchased ~~outside the State~~ for storage, use, or consumption by a dry-cleaning facility in this State. The rate of the privilege tax and the excise tax is ten dollars ($10.00) for each gallon of halogenated hydrocarbon-based dry-cleaning solvent and one dollar and thirty-five cents ($1.35) for each gallon of hydrocarbon-based dry-cleaning solvent. These taxes are in addition to all other taxes."

SECTION 2.9.(h) G.S. 105-164.10 reads as rewritten:

"**§ 105-164.10. Retail tax calculation.**

For the convenience of the retailer in collecting the tax due under this Article, the Secretary must prescribe tables that compute the tax due on ~~sales by rounding off the amount of tax due to the nearest whole cent.~~ sales. The Secretary must issue a separate table for each rate of tax that may apply to a sale. A retailer is not required to collect tax due under this Article based on a bracket system.

In computing tax due under this Article, the tax computation must be carried to the third decimal place and must round up to the next cent whenever the third decimal place is greater than four. A person liable for tax under this Article may elect to compute the tax due on a

transaction on an item or invoice basis and the rounding rule is applied to the aggregate tax due."

SECTION 2.9.(i) If House Bill 59 of the 2017 Regular Session of the 2017 General Assembly becomes law, then G.S. 105-164.3(45a), as amended by Section 5 of House Bill 59, 2017 Regular Session of the 2017 General Assembly, reads as rewritten:

"**§ 105-164.3. Definitions.**

The following definitions apply in this Article:

…

(45a) Streamlined Agreement. – The Streamlined Sales and Use Tax Agreement as amended as of ~~December 16, 2016.~~May 11, 2017.

…."

SECTION 2.10.(a) G.S. 105-164.4G(f) is amended by adding a new subdivision to read:

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

…

(6) An event sponsored by a farmer that takes place on farmland and is related to farming activities, such as a corn maze or a tutorial on raising crops or animals. For purposes of this exemption, a farmer is a person who holds a qualifying farmer sales tax exemption certificate and farmland is land that is enrolled in the present-use value program under G.S. 105-277.3."

SECTION 2.10.(b) This section becomes effective retroactively to January 1, 2014.

SECTION 2.11.(a) G.S. 105-164.27A(a3) reads as rewritten:

"(a3) Boat and Aircraft. – A direct pay permit issued under this subsection authorizes its holder to purchase tangible personal property, digital property, or repair, maintenance, and installation services for a boat, an aircraft, or a qualified jet engine without paying tax to the seller and authorizes the seller to not collect any tax on the item or services from the permit holder. A person who purchases the property or services under a direct pay permit must file a return and pay the tax due to the Secretary ~~by the end of the month following the month in which the property or services are purchased.~~ in accordance with G.S. 105-164.14. A permit holder is allowed a use tax exemption on one or more of the following: (i) the installation charges that are a part of the sales price of tangible personal property or digital property purchased by the permit holder for a boat, an aircraft, or a qualified jet engine, provided the installation charges are separately stated and identified as such on the invoice or other documentation given to the permit holder at the time of the sale and (ii) the sales price of or gross receipts derived from repair, maintenance, and installation services provided for a boat, an aircraft, or a qualified jet engine.

~~The~~ In lieu of purchasing under a direct pay permit pursuant to this subsection, a purchaser may elect to have the seller collect and remit the tax due on behalf of the purchaser. Where the purchaser elects for the seller to collect and remit the tax, an invoice given to the purchaser bearing the proper amount of tax on a retail transaction extinguishes the purchaser's liability for the tax on the transaction. Where a seller cannot or does not separately state installation charges that are a part of the sales price of tangible personal property or digital property for a boat, an aircraft, or a qualified jet engine on the invoice or other documentation given to the purchaser at the time of the sale, tax is due on the total purchase price.

The amount of the use tax exemption is the amount of the installation charges and sales price of or gross receipts derived from the repair, maintenance, and installation services that exceed twenty-five thousand dollars ($25,000)."

SECTION 2.11.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"(62b) The amount of repair, maintenance, and installation services for a boat, an aircraft, or a qualified jet engine for which the purchaser elects for the seller to collect and remit the tax due under G.S. 105-164.27A(a3)."

SECTION 2.12.(a) G.S. 105-164.13.(61a)m., as amended by Section 2.6 of this act, reads as rewritten;

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

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

…

(61a) The sales price of or the gross receipts derived from the repair, maintenance, and installation services and service contracts listed in this subdivision are exempt from tax. Except as otherwise provided in this subdivision, property and services used to fulfill either a repair, maintenance, or installation service or a service contract exempt from tax under this subdivision are taxable. The list of repair, maintenance, and installation services and service contracts exempt from tax under this subdivision is as follows:

…

m. ~~A~~ Any of the following:

1. A qualified ~~aircraft or a~~ aircraft.
2. A qualified jet engine.
3. An aircraft with a gross take-off weight of more than 2,000 pounds."

SECTION 2.12.(b) This section becomes effective July 1, 2019, and applies to sales made on or after that date.

SECTION 2.13. Except as otherwise provided, Sections 2.1 through 2.8 of this part become effective retroactively to January 1, 2017, and apply to sales and purchases made on or after that date. Any amendments made in Sections 2.1 through 2.8 of this part that increase sales or use tax liability are effective when this act becomes law. The remainder of this part is effective when it becomes law.

PART III. TAX COLLECTION AND ENFORCEMENT

SECTION 3.1.(a) G.S. 105-236(a) is amended by adding a new subdivision to read:

"(a) Penalties. – The following civil penalties and criminal offenses apply:

…

(9b) Identity Theft. – A person who knowingly obtains, possesses, or uses identifying information of another person, living or dead, with the intent to fraudulently utilize that information in a submission to the Department to obtain anything of value, benefit, or advantage for themselves or another is guilty of a Class G felony. If the person whose identifying information is obtained, possessed, or used by another in this manner suffers any adverse financial impact as a proximate result of the offense, then the person who obtained, possessed, or used the identifying information is guilty of a Class F felony. Each person's identity obtained, possessed, or used in this manner shall count as a separate offense. The term "identifying information" as used in this subdivision includes the following:

a. Legal name.
b. Date of birth.
c. Social Security Number.
d. Taxpayer Identification Number.
e. Federal Identification Number.
f. Bank account numbers.

g. Federal or State tax or tax return information.

…."

SECTION 3.1.(b) This section becomes effective December 1, 2017, and applies to offenses committed on or after that date.

SECTION 3.2. G.S. 105-251.2 is amended by adding the following new subsections to read:

"(c) Payment Settlement Entity. – For any year in which a payment settlement entity is required to make a return pursuant to section 6050W of the Code, the entity shall submit the information in the return to the Secretary at the time the return is made. For purposes of this subsection, the term "payment settlement entity" has the same meaning as provided in section 6050W of the Code.

(d) Electronic Format. – All reports submitted to the Department of Revenue under this section shall be in an electronic format as requested by the Secretary. Any report not timely filed under this section is subject to a penalty of one thousand dollars ($1,000)."

SECTION 3.3.(a) G.S. 39-23.1 is amended by adding a new subdivision to read:

"(14) Voidable transaction. – The term does not include payment to the State or a political subdivision of the State of taxes, debts, fines, penalties, or other obligations or amounts."

SECTION 3.3.(b) G.S. 39-23.8(e) reads as rewritten:

"(e) A transfer is not voidable under G.S. 39-23.4(a)(2) or G.S. 39-23.5 if the transfer results ~~from:~~one or more of the following:

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable ~~law; or~~law.

(2) Enforcement of a security interest in compliance with Article 9 of Chapter 25 of the General Statutes, the Uniform Commercial Code, other than acceptance of collateral in full or partial satisfaction of the obligation it secures.

(3) The payment of taxes, debts, fines, penalties, or other obligations or amounts to the State or to any political subdivision of the State."

PART IV. ADMINISTRATIVE CHANGES

SECTION 4.1.(a) G.S. 105-241.7 reads as rewritten:

"**§ 105-241.7. Procedure for obtaining a refund.**

…

(d) Notice. – A notice of a proposed denial of a request for refund issued pursuant to subsection (c) of this section and a notice of denial of a request for a refund issued pursuant to subsection (c1) of this section must contain the following information:

(1) The basis for the denial or the proposed denial. The statement of the basis of the denial does not limit the Department from changing the basis.

(2) The circumstances under which ~~the~~ a proposed denial will become final.

…

(f) Effect of Denial or Refund. – A proposed denial of a refund and a denial of a refund by the Secretary ~~is~~ are presumed to be correct. A refund does not absolve a taxpayer of a tax liability that may in fact exist. The Secretary may propose an assessment for any deficiency as provided in this Article."

SECTION 4.1.(b) G.S. 105-241.11 reads as rewritten:

"**§ 105-241.11. Requesting review of a proposed denial of a refund or a proposed assessment.**

(a) Procedure. – A taxpayer who objects to a proposed denial of a refund or a proposed assessment of tax may request a Departmental review of the proposed action by filing a request for review. The request for review must be in the form prescribed by the Secretary and include an explanation for the request for review. The request must be filed with the Department as follows:

(1) Within 45 days of the date the notice of the proposed denial of the refund or proposed assessment was mailed to the taxpayer, if the notice was delivered by mail.

(2) Within 45 days of the date the notice of the proposed denial of the refund or proposed assessment was delivered to the taxpayer, if the notice was delivered in person.

(3) At any time between the date that inaction by the Department on a request for refund is considered a proposed denial of the refund and the date the time periods set in the other subdivisions of this subsection expire.

(b) Filing. – A request for a Departmental review of a proposed denial of a refund or a proposed assessment is considered filed on the following dates:

(1) For a request that is delivered in person, the date it is delivered.

(2) For a request that is mailed, the date determined in accordance with G.S. 105-263.

(3) For a request delivered by another method, the date the Department receives it.

(c) FTP Penalty. – A request for a Departmental review of a proposed assessment is considered a request for a Departmental review of a failure to pay penalty that is based on the assessment. A taxpayer who does not request a Departmental review of a proposed assessment may not request a Departmental review of a failure to pay penalty that is based on the ~~assessment.~~ assessment but is assessed on a subsequent date in another notice."

SECTION 4.1.(c) Article 9 of Chapter 105 of the General Statutes is amended by adding the following new section to read:

"**§ 105-241.13A. Taxpayer inaction.**

(a) Consequence of Inaction. – Inaction by a taxpayer after timely filing a request for review shall result in the proposed denial of a refund or the proposed assessment becoming final as provided in this section. As used in this section, "inaction" means that the taxpayer made no response to the Department's initial request for additional information or to the reissuance of the request by the requested response date as provided under G.S. 105-241.13(a). A partial response, a request for additional time, or any other contact by the taxpayer with the Department does not constitute inaction under this section. The Department must send the taxpayer a notice of inaction stating that the proposed denial of a refund or the proposed assessment becomes final 10 days from the date of the notice unless the taxpayer responds to the Department. A proposed denial of a refund or a proposed assessment that becomes final is not subject to further administrative or judicial review. A taxpayer may not file another amended return or claim for refund to obtain the denied refund. Upon payment of the tax, the taxpayer may request a refund of the tax.

(b) Notice of Collection. – Before the Department collects a proposed assessment that becomes final under this section, the Department must send the taxpayer a notice of collection containing the information required under G.S. 105-241.12.

(c) Determining Timely Response. – The provisions of G.S. 105-241.11(b) apply for purposes of determining whether a taxpayer has timely responded to the Department as required under this section."

SECTION 4.1.(d) G.S. 105-241.13 reads as rewritten:

"**§ 105-241.13. Action on request for review.**

(a) Action on Request. – If a taxpayer files a timely request for a Departmental review of a proposed denial of a refund or a proposed assessment, the Department must conduct a review of the proposed denial or proposed assessment and ~~take~~ do one or more of the ~~following actions:~~following:

(1) Grant the refund or remove the assessment.

(2) ~~Schedule a conference with the taxpayer.~~Adjust the amount of tax due or refund owed.

(3) Request additional information from the taxpayer concerning the requested refund or proposed assessment. If a taxpayer makes no response to the Department's request for additional information by the requested response date, the Department must reissue the request. The Department must give a taxpayer at least 30 days to respond to a request for additional information and to respond to the reissuance of a request for additional information. If a taxpayer makes no response to the reissuance of the request for additional information by the requested response date, the refund or assessment is subject to the provisions of G.S. 105-241.13A.

(a1) Payment by Taxpayer. – If a taxpayer timely requests a Departmental review of a proposed assessment and thereafter pays the amount due or the amount due as adjusted by the Department, the Department may accept payment and take no further action on the request for Departmental review, unless the taxpayer states in writing that the taxpayer wishes to continue the Departmental review. If the review is not continued, the taxpayer may request a refund of taxes paid pursuant to G.S. 105-241.7(b).

(b) Conference. – When the Department and the taxpayer agree that an action taken under subsection (a) or (a1) of this section resolves the taxpayer's objection to the Department's proposed denial of a refund or a proposed assessment, the Department does not need to take further action on the request for review. When ~~the Department reviews a proposed denial of a refund or a proposed assessment and does not grant the refund or remove the assessment,~~ an action taken under subsection (a) or (a1) of this section does not resolve the taxpayer's objection to the Department's proposed denial of a refund or a proposed assessment, the Department must schedule a conference with the taxpayer. The Department must set the time and place for the conference, which may include a conference by telephone, and must send the taxpayer notice of the designated time and place. The Department must send the notice at least 30 days before the date of the conference or, if the Department and the taxpayer agree, within a shorter period.

The conference is an informal proceeding at which the taxpayer and the Department must attempt to resolve the case. Testimony under oath is not taken, and the rules of evidence do not apply. A taxpayer may designate a representative to act on the taxpayer's behalf. The taxpayer may present any objections to the proposed denial of refund or proposed assessment at the ~~conference.~~conference and is not limited by the explanation set forth in the taxpayer's request for review.

(c) After Conference. – One of the following must occur after the Department conducts a conference on a proposed denial of a refund or a proposed assessment:

(1) The Department and the taxpayer agree on a ~~settlement.~~resolution.

(2) The Department and the taxpayer agree that additional time is needed to resolve the taxpayer's objection to the proposed denial of the refund or proposed assessment.

(3) The Department and the taxpayer are unable to resolve the taxpayer's objection to the proposed denial of the refund or proposed assessment. If a taxpayer fails to attend a scheduled conference on the proposed denial of a refund or a proposed assessment without prior notice to the Department, the Department and the taxpayer are considered to be unable to resolve the taxpayer's objection."

SECTION 4.1.(e) G.S. 105-241.16 reads as rewritten:

"**§ 105-241.16. Judicial review of decision after contested case hearing.**

A ~~taxpayer~~ party aggrieved by the final decision in a contested case commenced at the Office of Administrative Hearings may seek judicial review of the decision in accordance with Article 4 of Chapter 150B of the General Statutes. Notwithstanding G.S. 150B-45, a petition for judicial review must be filed in the Superior Court of Wake County and in accordance with the procedures for a mandatory business case set forth in G.S. 7A-45.4(b) through (f). Before filing a petition for judicial review, a taxpayer must pay the amount of tax, penalties, and

interest the final decision states is due. A ~~taxpayer~~ party may appeal a decision of the Business Court to the appellate division in accordance with G.S. 150B-52."

SECTION 4.2. G.S. 105-241.22 reads as rewritten:

"**§ 105-241.22. Collection of tax.**

The Department may collect a tax in the following circumstances:

…

(2) When the Department sends a notice of collection after a taxpayer does not file a timely request for a Departmental review of a proposed assessment of ~~tax.~~tax or based upon taxpayer inaction in accordance with G.S. 105-241.13A.

…."

SECTION 4.3.(a) G.S. 105-113.4A reads as rewritten:

"**§ 105-113.4A. Licenses.**

…

(c) Denial. – The Secretary may investigate an applicant for a license required under this Article to determine if the information the applicant submits with the application is accurate and if the applicant is eligible to be licensed under this Article. The Secretary may refuse to issue a license to an applicant that has done any of the following:

…

(2) Had a license issued under this Article ~~cancelled~~ revoked by the ~~Secretary for cause.~~Secretary.

(3) Had a tobacco products license or registration issued by another state ~~cancelled for cause.~~revoked.

(d) Refund. – A refund of a license tax is allowed only when the tax was collected or paid in error. No refund is allowed when a ~~license holder~~ licensee surrenders a license or the Secretary revokes a license.

(e) Duplicate or Amended License. – Upon application to the Secretary, a ~~license holder~~ licensee may obtain without charge a duplicate or amended license as provided in this subsection. A duplicate or amended license must state that it is a duplicate or amended license, as appropriate:

(1) A duplicate license, if the ~~license holder~~ licensee establishes that the original license has been lost, destroyed, or defaced.

(2) An amended license, if the ~~license holder~~ licensee establishes that the location of the place of business for which the license was issued has changed.

(f) Information on License. – The Secretary must include the following information on each license required by this Article:

(1) The legal name of the ~~license holder.~~licensee.

(2) The name under which the ~~license holder~~ licensee conducts business.

(3) The physical address of the place of business of the ~~license holder.~~licensee.

(4) The account number assigned to the license by the Department.

(g) Records. – The Secretary must keep a record of the following:

(1) Applicants for a license under this Article.

(2) Persons to whom a license has been issued under this Article.

(3) Persons that hold a current license issued under this Article, by license category.

(h) Lists. – The Secretary must provide the list required under subsection (g) of this section upon request of a manufacturer that is a ~~license holder~~ licensee under this Article. The list must state the name, account number, and business address of each ~~license holder~~ licensee on the list."

SECTION 4.3.(b) G.S. 105-113.4B reads as rewritten:

"**§ 105-113.4B. ~~Reasons why the Secretary can cancel a license.~~Cancellation or revocation of license.**

(a) Reasons. – The Secretary may cancel a license issued under this Article upon the written request of the ~~license holder.~~licensee. The Secretary may summarily ~~cancel the~~ revoke a license ~~of a license holder~~ issued under this Article when the Secretary finds that the ~~license holder~~ licensee is incurring liability for the tax imposed under this Article after failing to pay a tax when due under this Article. In addition, the Secretary may ~~cancel the~~ revoke the license of a ~~license holder~~ licensee that commits one or more of the following acts after holding a hearing on whether the license should be ~~cancelled:~~revoked:

(1) Fails to obtain a license in a timely manner or for all places of business as required by this Article.
(2) Willfully fails to file a return required by this Article.
(3) Willfully fails to pay a tax when due under this Article.
(4) Makes a false statement in an application or return required under this Article.
(5) Fails to keep records as required by this Article.
(6) Refuses to allow the Secretary or a representative of the Secretary to examine the person's books, accounts, and records concerning tobacco product.
(7) Fails to disclose the correct amount of tobacco product taxable in this State.
(8) Fails to file a replacement bond or an additional bond if required by the Secretary under this Article.
(9) Violates G.S. 14-401.18.

(b) Procedure. – The Secretary must send a person whose license is summarily ~~cancelled~~ revoked a notice of the ~~cancellation~~ revocation and must give the person an opportunity to have a hearing on the ~~cancellation~~ revocation within 10 days after the ~~cancellation.~~ revocation. The Secretary must give a person whose license may be ~~cancelled~~ revoked after a hearing at least 10 days' written notice of the date, time, and place of the hearing. A notice of a summary license ~~cancellation~~ revocation and a notice of hearing must be sent by registered mail to the last known address of the ~~license holder.~~licensee.

(c) Release of Bond. – When the Secretary cancels or revokes a license and the ~~license holder~~ licensee has paid all taxes and penalties due under this Article, the Secretary must take one of the following actions concerning a bond or an irrevocable letter of credit filed by the ~~license holder:~~licensee:

(1) Return an irrevocable letter of credit to the ~~license holder.~~licensee.
(2) Return a bond to the ~~license holder~~ licensee or notify the person liable on the bond and the ~~license holder~~licensee that the person is released from liability on the bond."

SECTION 4.4.(a) G.S. 105-449.44(c) reads as rewritten:

"(c) Vehicles. – The number of qualified motor vehicles of a motor carrier that is ~~registered~~ licensed under this Article is the number of sets of decals issued to the carrier. The number of qualified motor vehicles of a carrier that is not ~~registered~~ licensed under this Article is the number of qualified motor vehicles licensed or registered by the motor carrier in the carrier's base state under the International Registration Plan."

SECTION 4.4.(b) G.S. 105-449.45(b) reads as rewritten:

"(b) Exemptions. – A motor carrier is not required to file a quarterly return if any of the following applies:

(1) All the motor carrier's operations during the quarter were made under a temporary permit issued under G.S. 105-449.49.
(2) The motor carrier is an intrastate motor carrier, as indicated on the motor carrier's application for ~~registration~~ licensure with the Secretary."

SECTION 4.4.(c) G.S. 105-449.47 reads as rewritten:

"**§ 105-449.47. ~~Registration~~ Licensure of vehicles.**

(a) Requirement. – A motor carrier may not operate or cause to be operated in this State a qualified motor vehicle unless both the motor carrier and at least one qualified motor vehicle are ~~registered~~ licensed as provided in this subsection. This subsection applies to a motor carrier that operates a recreational vehicle that is ~~considered a qualified motor vehicle.~~ used in connection with any business endeavor. A motor carrier that is subject to the International Fuel Tax Agreement must ~~register~~ be licensed with the motor carrier's base state jurisdiction. A motor carrier that is not subject to the International Fuel Tax Agreement must ~~register~~ be licensed with the Secretary for purposes of the tax imposed by this Article.

(a1) ~~Registration~~ License and Decal. – When the Secretary ~~registers~~ licenses a motor carrier, the Secretary must issue a ~~registration card~~license for the motor carrier and a set of decals for each qualified motor ~~vehicle the motor carrier registers.~~vehicle. A motor carrier must keep records of decals issued to it and must be able to account for all decals it receives from the Secretary. ~~Registrations~~ Licenses and decals issued by the Secretary are for a calendar year. All decals issued by the Secretary remain the property of the State. The Secretary may revoke a ~~registration~~ license or a decal when a motor carrier fails to comply with this Article or Article 36C or 36D of this Subchapter.

A motor carrier must carry a copy of its ~~registration~~ license in each motor vehicle operated by the motor carrier when the vehicle is in this State. A motor vehicle must clearly display one decal on each side of the vehicle at all times. A decal must be affixed to the qualified motor vehicle for which it was issued in the place and manner designated by the authority that issued it.

(b) Exemption. – This section does not apply to the operation of a qualified motor vehicle that is ~~registered~~ licensed in another state and is operated temporarily in this State by a public utility, a governmental or cooperative provider of utility services, or a contractor for one of these entities for the purpose of restoring utility services in an emergency outage."

SECTION 4.4.(d) G.S. 105-449.47A reads as rewritten:

"**§ 105-449.47A. ~~Reasons why the Secretary can deny an application for a registration and decals.~~Denial of license application and decal issuance.**

The Secretary may refuse to ~~register~~ license and issue a decal to an applicant that does not meet the requirements set out in G.S. 105-449.69(b) or that has done any of the following:

(1) Had a ~~registration~~ license issued under Chapter 105 or Chapter 119 of the General Statutes ~~cancelled by the Secretary for cause.~~revoked by the Secretary.

(2) Had a ~~registration~~ license issued by another jurisdiction, pursuant to the International Fuel Tax Agreement, ~~cancelled for cause.~~revoked.

(3) Been convicted of fraud or misrepresentation.

(4) Been convicted of any other offense that indicates that the applicant may not comply with this Article if ~~registered~~ licensed and issued a decal.

(5) Failed to remit payment for a tax debt under Chapter 105 or Chapter 119 of the General Statutes. The term "tax debt" has the same meaning as defined in G.S. 105-243.1.

(6) Failed to file a return due under Chapter 105 or Chapter 119 of the General Statutes."

SECTION 4.4.(e) G.S. 105-449.49(a) reads as rewritten:

"(a) Issuance. – Upon application to the Secretary and payment of a fee of fifty dollars ($50.00), a permitting service may obtain a temporary permit authorizing a motor carrier to operate a vehicle in the State for three days without ~~registering~~ licensing the vehicle in accordance with G.S. 105-449.47. The permitting service may sell the temporary permit to a motor carrier. A motor carrier to whom a temporary permit has been issued may elect not to report its operation of the vehicle during the three-day period. Fees collected under this subsection are credited to the Highway Fund."

SECTION 4.4.(f) G.S. 105-449.51 reads as rewritten:

"**§ 105-449.51. Violations declared to be misdemeanors.**

~~Any~~ A person who operates or causes to be operated on a highway in this State a qualified motor vehicle that does not carry a ~~registration card~~ license as required by this Article, does not properly display a decal as required by this Article, or is not ~~registered~~ licensed in accordance with this Article commits a Class 3 misdemeanor and is punishable by a fine of two hundred dollars ($200.00). Each day's operation in violation of this section constitutes a separate offense."

SECTION 4.4.(g) G.S. 105-449.52 reads as rewritten:

"**§ 105-449.52. Civil penalties applicable to motor carriers.**

(a) Penalty. – A motor carrier who does any of the following is subject to a civil penalty:

(1) Operates in this State or causes to be operated in this State a qualified motor vehicle that either fails to carry the ~~registration card~~ license required by this Article or fails to display a decal in accordance with this Article. The amount of the penalty is one hundred dollars ($100.00).

(2) Is unable to account for a decal the Secretary issues the motor carrier, as required by G.S. 105-449.47. The amount of the penalty is one hundred dollars ($100.00) for each decal for which the carrier is unable to account.

(3) Displays a decal on a qualified motor vehicle operated by a motor carrier that was not issued to the carrier by the Secretary under G.S. 105-449.47. The amount of the penalty is one thousand dollars ($1,000) for each decal unlawfully obtained. Both the licensed motor carrier to whom the Secretary issued the decal and the motor carrier displaying the unlawfully obtained decal are jointly and severally liable for the penalty under this subdivision.

(a1) Payment. – A penalty imposed under this section is payable to the agency that assessed the penalty. When a qualified motor vehicle is found to be operating without a ~~registration card~~ license or a decal or with a decal the Secretary did not issue for the vehicle, the qualified motor vehicle may not be driven for a purpose other than to park it until the penalty imposed under this section is paid unless the officer that imposes the penalty determines that operating it will not jeopardize collection of the penalty.

(b) ~~Penalty.~~Penalty Reduction. – The Secretary may reduce or waive the penalty as provided under G.S. 105-449.119."

SECTION 4.5.(a) G.S. 105-449.68 reads as rewritten:

"**§ 105-449.68. Restrictions on who can get a license as a distributor.**

A bulk end-user of motor fuel may not be licensed as a distributor unless the bulk end-user also acquires motor fuel from a supplier or from another distributor for subsequent sale. This restriction does not apply to a bulk end-user that was licensed as a distributor on January 1, 1996. If a distributor license held by a bulk end-user on January 1, 1996, is subsequently revoked or cancelled, the bulk end-user is subject to the restriction set in this section."

SECTION 4.5.(b) G.S. 105-449.72 reads as rewritten:

"**§ 105-449.72. Bond or letter of credit required as a condition of obtaining and keeping certain licenses or of applying for certain refunds.**

…

(c) Adjustment to Bond. – When notified to do so by the Secretary, a person that has filed a bond or an irrevocable letter of credit and that holds a license listed in subdivision (a)(2) of this section must file an additional bond or irrevocable letter of credit in the amount requested by the Secretary. The person must file the additional bond or irrevocable letter of credit within 30 days after receiving the notice from the Secretary. The amount of the initial bond or irrevocable letter of credit and any additional bond or irrevocable letter of credit filed by the ~~license holder,~~ licensee, however, may not exceed the limits set in subdivision (a)(2) of this section.

(d) Replacements. – When a ~~license holder~~ licensee files a bond or an irrevocable letter of credit as a replacement for a previously filed bond or letter of credit and the ~~license holder~~

licensee has paid all taxes and penalties due under this Article, the Secretary must take one of the following actions:

(1) Return the previously filed bond or letter of credit.

(2) Notify the person liable on the previously filed bond that the person is released from liability on the bond.

…."

SECTION 4.5.(c) G.S. 105-449.73 reads as rewritten:

"**§ 105-449.73. ~~Reasons why the Secretary can deny an application for a license.~~Denial of license application.**

The Secretary may refuse to issue a license to an applicant that has done any of the following:

(1) Had a license or registration issued under this Article or former Article 36 or 36A of this Chapter ~~cancelled~~ revoked by the ~~Secretary for cause.~~Secretary.

(1a) Had a motor fuel license or registration issued by another state ~~cancelled for cause.~~revoked.

…."

SECTION 4.5.(d) G.S. 105-449.74 reads as rewritten:

"**§ 105-449.74. Issuance of license.**

Upon approval of an application, the Secretary must issue a license to the applicant. A supplier's license must indicate the category of the supplier. An importer's license must indicate the category of the importer. A ~~license holder~~ licensee must maintain and display a copy of the license issued under this Part in a conspicuous place at each place of business of the ~~license holder.~~ licensee. A license is not transferable and remains in effect until ~~surrendered~~ revoked or cancelled."

SECTION 4.5.(e) G.S. 105-449.75 reads as rewritten:

"**§ 105-449.75. ~~License holder~~ Licensee must notify the Secretary of discontinuance of business.**

A ~~license holder~~ licensee that stops engaging in this State in the business for which the license was issued must give the Secretary written notice of the change and must surrender the license to the Secretary. The notice must give the date the change takes effect and, if the ~~license holder~~ licensee has transferred the business to another by sale or otherwise, the date of the transfer and the name and address of the person to whom the business is transferred.

The ~~license holder~~ licensee is responsible for all taxes for which the ~~license holder~~ licensee is liable under this Article but are not yet due. If the ~~license holder~~ licensee has transferred the business to another and does not give the notice required by this section, the person to whom the ~~license holder~~ licensee has transferred the business is liable for the amount of any tax the ~~license holder~~ licensee owed the State on the date the business was transferred. The liability of the person to whom the business is transferred is limited to the value of the property acquired from the ~~license holder.~~licensee."

SECTION 4.5.(f) G.S. 105-449.76 reads as rewritten:

"**§ 105-449.76. ~~Reasons why the Secretary can cancel a license.~~Cancellation or revocation of license.**

(a) Reasons. – The Secretary may cancel a license issued under this Article upon the written request of the ~~license holder.~~licensee. The Secretary may summarily ~~cancel the~~ revoke a license ~~of a license holder~~ issued under this Article when the Secretary finds that the ~~license holder~~ licensee is incurring liability for the tax imposed under this Article after failing to pay a tax when due under this Article. In addition, the Secretary may ~~cancel the~~ revoke the license of a ~~license holder~~ licensee that commits one or more of the acts listed in G.S. 105-449.120 after holding a hearing on whether the license should be ~~cancelled.~~revoked.

(b) Procedure. – The Secretary must send a person whose license is summarily ~~cancelled~~ revoked a notice of the ~~cancellation~~ revocation and must give the person an opportunity to have a hearing on the ~~cancellation~~ revocation within 10 days after the ~~cancellation.~~revocation. The Secretary must give a person whose license may be ~~cancelled~~

revoked after a hearing at least 10 days' written notice of the date, time, and place of the hearing. A notice of a summary license ~~cancellation~~ revocation and a notice of hearing must be sent by registered mail to the last known address of the ~~license holder.~~licensee.

(c) Release of Bond. – When the Secretary cancels or revokes a license and the ~~license holder~~ licensee has paid all taxes and penalties due under this Article, the Secretary must take one of the following actions concerning a bond or an irrevocable letter of credit filed by the ~~license holder:~~licensee:

(1) Return an irrevocable letter of credit to the ~~license holder.~~licensee.

(2) Return a bond to the ~~license holder~~ licensee or notify the person liable on the bond and the ~~license holder~~ licensee that the person is released from liability on the bond."

SECTION 4.5.(g) G.S. 105-449.77(b) reads as rewritten:

"(b) Lists. – The Secretary must annually give a list to each ~~license holder~~ licensee of all the ~~license holders~~ licensees under this Article. The list must state the name, account number, and business address of each ~~license holder~~ licensee on the list. The Secretary must send a monthly update of the list to each licensed refiner or licensed supplier and to any other ~~license holder~~ licensee that requests a copy of the list."

SECTION 4.5.(h) G.S. 105-449.92 reads as rewritten:

"**§ 105-449.92. Notice to suppliers of ~~cancellation~~ cancellation, revocation, or reissuance of certain licenses; effect of notice.**

(a) Notice to Suppliers. – If the Secretary cancels or revokes a distributor's license, an exporter's license, or an importer's license, the Secretary must notify all suppliers of the ~~cancellation.~~cancellation or revocation. If the Secretary issues a license to a distributor, an exporter, or an importer whose license was ~~cancelled,~~cancelled or revoked, the Secretary must notify all suppliers of the issuance.

(b) Effect of Notice. – A supplier that sells motor fuel to a distributor after receiving notice from the Secretary that the Secretary has cancelled or revoked the distributor's license is jointly and severally liable with the distributor for any tax due on motor fuel the supplier sells to the distributor after receiving the notice. This joint and several liability does not apply to excise tax due on motor fuel sold to a previously unlicensed distributor after the supplier receives notice from the Secretary that the Secretary has issued another license to the distributor."

SECTION 4.5.(i) G.S. 105-449.97(a) reads as rewritten:

"(a) Taxes Not Remitted. – When a supplier files a return, the supplier may deduct from the amount of tax payable with the return the amount of tax any of the following ~~license holders~~ licensees owes the supplier but failed to remit to the supplier:

(1) A licensed distributor.

(2) A licensed importer that removed the motor fuel on which the tax is due from a terminal of an elective or a permissive supplier.

(3) Repealed by Session Laws 1995, c. 647, s. 32.

A supplier is not liable for tax a ~~license holder~~ licensee listed in this subsection owes the supplier but fails to pay. If a listed ~~license holder~~ licensee pays tax owed to a supplier after the supplier deducts the amount on a return, the supplier must promptly remit the payment to the Secretary."

SECTION 4.5.(j) G.S. 105-449.98(b) reads as rewritten:

"(b) Notice of Fuel Received. – A supplier must notify a licensed distributor, a licensed exporter, or a licensed importer that received motor fuel from the supplier during a reporting period of the number of taxable gallons received. The supplier must give this notice after the end of each reporting period and before the ~~license holder~~ licensee must remit to the supplier the amount of tax due on the fuel."

SECTION 4.5.(k) G.S. 105-449.104 reads as rewritten:

"**§ 105-449.104. Use of name and account number on return.**

When a transaction with a person licensed under this Article is required to be reported on a return, the return must state the ~~license holder's~~ licensee's name and the account number used by the Department to identify the ~~license holder.~~licensee. The name of a ~~license holder~~ licensee and the ~~license holder's~~ licensee's account number is stated on the lists compiled under G.S. 105-449.77."

SECTION 4.5.(*l*) G.S. 105-449.110(a) reads as rewritten:

"(a) Decision. – Upon determining that an application for refund is correct, the Secretary must issue the applicant a warrant upon the State Treasurer for the amount of the refund. If the Secretary determines that an application for refund is incorrect, the Secretary must send the applicant a ~~written notice of the determination to the applicant. The notice must advise the applicant that the applicant may request a hearing on the matter in accordance with Article 9 of this Chapter.~~proposed denial of the request for a refund. The provisions of Article 9 of this Chapter apply to the procedure for requesting a review of proposed denial of a refund sought under this Article."

SECTION 4.6.(a) G.S. 105-449.134 reads as rewritten:

"**§ 105-449.134. ~~Denial or cancellation~~Denial, revocation, or cancellation of license.**

The Secretary may deny an application for a license or cancel or revoke a license under this Article for the same reasons that the Secretary may deny an application for a license or cancel or revoke a license under Article 36C of this Chapter. The procedure in Article 36C for ~~cancelling~~ revoking a license applies to the ~~cancellation~~ revocation of a license under this Article."

SECTION 4.6.(b) G.S. 105-449.135 reads as rewritten:

"**§ 105-449.135. Issuance of license; notification of changes.**

(a) Issuance. – The Secretary must issue a license to each applicant whose application is approved. A license is not transferable and remains in effect until ~~surrendered~~ revoked or cancelled.

(b) Notice. – A ~~license holder~~ licensee that stops engaging in this State in the business for which the license was issued must give the Secretary written notice of the change and must surrender the license. The notice must give the date the change takes effect and, if the ~~license holder~~ licensee has transferred the business to another by sale or otherwise, the date of the transfer and the name and address of the person to whom the business is transferred.

All taxes for which the ~~license holder~~ licensee is liable under this Article but are not yet due become due on the date of the change. If the ~~license holder~~ licensee transfers the business to another and does not give the notice required by this section, the person to whom the business was transferred is liable for the amount of any tax the ~~license holder~~ licensee owed the State on the date the business was transferred. The liability of the person to whom the business is transferred is limited to the value of the property acquired from the ~~license holder.~~licensee."

SECTION 4.6.(c) G.S. 105-449.139 reads as rewritten:

"**§ 105-449.139. Miscellaneous provisions.**

(a) Records. – A ~~license holder~~ licensee must keep a record of all documents used to determine the information provided in a return filed under this Article. The records must be kept for three years from the due date of the return to which the records apply. The records are open to inspection during business hours by the Secretary or a person designated by the Secretary.

…

(c) Lists. – The Secretary must give a list of licensed alternative fuel providers to each licensed bulk end-user and licensed retailer. The Secretary must also give a list of licensed bulk end-users and licensed retailers to each licensed alternative fuel provider. A list must state the name, account number, and business address of each ~~license holder~~ licensee on the list. The Secretary must send an annual update of a list to each ~~license holder,~~ licensee, as appropriate."

SECTION 4.6.(d) G.S. 119-19 reads as rewritten:

"**§ 119-19. Authority of Secretary to cancel or revoke a license.**

(a) Reasons. – The Secretary of Revenue may cancel a license issued under this Article upon the written request of the ~~license holder.~~ licensee. The Secretary may summarily ~~cancel~~ revoke a license issued under this Article or under Article 36C or 36D of Chapter 105 of the General Statutes when the Secretary finds that the ~~license holder~~ licensee is incurring liability for the tax imposed by this Article after failing to pay a tax when due under this Article. The Secretary may ~~cancel~~ revoke the license of a ~~license holder~~ licensee who files a false report under this Article or fails to file a report required under this Article after holding a hearing on whether the license should be ~~cancelled.~~revoked.

(b) Procedure. – The Secretary must send a person whose license is summarily ~~cancelled~~ revoked a notice of the ~~cancellation~~ revocation and must give the person an opportunity to have a hearing on the ~~cancellation~~ revocation within 10 days after the ~~cancellation.~~ revocation. The Secretary must give a person whose license may be ~~cancelled~~ revoked after a hearing at least 10 days' written notice of the date, time, and place of the hearing. A notice of a summary license ~~cancellation~~ revocation and a notice of hearing must be sent by registered mail to the last known address of the ~~license holder.~~licensee.

(c) Release of Bond. – When the Secretary cancels or revokes a license and the ~~license holder~~ licensee has paid all taxes and penalties due under this Article, the Secretary must either return to the ~~license holder~~ licensee the bond filed by the ~~license holder~~ licensee or notify the person liable on the bond and the ~~license holder~~ licensee that the person is released from liability on the bond."

SECTION 4.7. G.S. 105-259(b) reads as rewritten:

"…

(45) To furnish tax information to the State Chief Information Officer pursuant to G.S. ~~143B-1381.~~143B-1385. The use and reporting of individual data may be restricted to only those activities specifically allowed by law when potential fraud or other illegal activity is indicated.

…

(53) To provide to the Office of Child Support and Enforcement of the Department of Health and Human Services State tax information that relates to noncustodial parent location information as required under 45 C.F.R. § 303.3 and Title IV-D of the Social Security Act."

SECTION 4.8. G.S. 143B-1325(d), as amended by S.L. 2017-57, reads as rewritten:

"(d) Report on Transition Planning. – The Community College System Office, the Department of Public Instruction, the Department of Revenue, and the State Board of Elections shall work with the State CIO to plan their transition to the Department. The information technology transfer and consolidation from the Department of Revenue to the Department may not take place until the system and data security of the Department meets the heightened security standards required by the federal government for purposes of sharing taxpayer information. By October 1, 2018, these agencies, in conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on their respective transition plans."

SECTION 4.9. Section 4.1(e) of this part becomes effective retroactively to January 1, 2012, and applies to contested cases commenced on or after that date. The remainder of this part is effective when it becomes law and applies to requests for review filed on or after that date and to requests for review pending on that date for which the Department reissues a request for additional information, allows the taxpayer time to respond by the requested response date, and provides notification to the taxpayer that failure to timely respond to the request will result in the request for review being subject to the provisions of G.S. 105-241.13A.

PART V. PROPERTY TAX

SECTION 5.1.(a) G.S. 105-330.3(a1) reads as rewritten:

"(a1) Unregistered Vehicles. – The owner of an unregistered classified motor vehicle must list the vehicle for taxes by filing an abstract with the assessor of the county in which the vehicle is located on or before January 31 following the date the owner acquired the unregistered vehicle or, in the case of a registration that is not renewed, January 31 following the date the registration expires, and on or before January 31 of each succeeding year that the vehicle is unregistered. If a classified motor vehicle required to be listed pursuant to this subsection is registered before the end of the fiscal year for which it was required to be listed, the following applies:

…

(2) For any months for which the vehicle was not taxed between the date the registration expired and the start of the current registered vehicle tax year, the vehicle is taxed as an unregistered vehicle as follows:

a. The value of the motor vehicle is determined as of January 1 of the year in which ~~the registration of the motor vehicle expires.~~the taxes are computed.

…

d. The taxes are due on ~~the first day of the second month~~ September 1 following the ~~month~~ date the notice was prepared. Taxes are payable at par or face amount if paid before January 6 following the due date. Taxes paid on or after January 6 following the due date are subject to interest charges. Interest accrues on taxes paid on or after January 6 pursuant to G.S. 105-360.

~~e. Interest accrues on unpaid taxes for these unregistered classified motor vehicles at the rate of five percent (5%) for the remainder of the month following the month the taxes are due. Interest accrues at the rate of three-fourths percent (3/4%) for each following month until the taxes are paid, unless the notice is prepared after the date the taxes are due. In that circumstance, the interest accrues beginning the second month following the date of the notice until the taxes are paid.~~

…."

SECTION 5.1.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2017.

SECTION 5.2. G.S. 105-330.6(c) reads as rewritten:

"(c) Surrender of Plates. – If the owner of a classified motor ~~vehicle listed pursuant to G.S. 105-330.3(a)(1)~~ vehicle, who pays the tax as required by G.S. 105-330.4(a), either transfers the motor vehicle to a new owner or moves out-of-state and registers the vehicle in another jurisdiction, and the owner surrenders the registration plates from the listed vehicle to the Division of Motor Vehicles, then the owner may apply for a release or refund of taxes on the vehicle for any full calendar months remaining in the vehicle's tax year after the date of surrender. To apply for a release or refund, the owner must present to the county tax collector within one year after surrendering the plates the receipt received from the Division of Motor Vehicles accepting surrender of the registration plates. The county tax collector shall then multiply the amount of the taxes for the tax year on the vehicle by a fraction, the denominator of which is the number of months in the tax year and the numerator of which is the number of full calendar months remaining in the vehicle's tax year after the date of surrender of the registration plates. The product of the multiplication is the amount of taxes to be released or refunded. If the taxes have not been paid at the date of application, the county tax collector shall make a release of the prorated taxes and credit the owner's tax notice with the amount of the release. If the taxes have been paid at the date of application, the county tax collector shall

direct an order for a refund of the prorated taxes to the county finance officer, and the finance officer shall issue a refund to the vehicle owner."

SECTION 5.3. G.S. 105-338 reads as rewritten:

"**§ 105-338. Allocation of appraised valuation of public service property among local taxing units.**

(a) State Board's Duty. – For purposes of taxation by local taxing units in this State, the Department of Revenue shall allocate the valuations of public service company property among the local taxing units in accordance with the provisions of this section. In no event, however, shall the State Board make an allocation to a taxing unit if, when computed, the valuation for that taxing unit amounts to less than five hundred dollars ($500.00).

…

(c) Certain Property of Bus Line, Motor Freight Carrier, and Airline Companies. –

(1) The appraised valuation of a bus line company's rolling stock is allocated for taxation to each local taxing unit according to the ratio of the company's scheduled miles during the calendar year preceding January 1 in each unit to the company's total scheduled miles in this State for the same period. ~~In no event, however, shall the State Board make an allocation to a taxing unit if, when computed, the valuation for that taxing unit amounts to less than five hundred dollars ($500.00).~~

…."

SECTION 5.4.(a) G.S. 105-275 is amended by adding a new subdivision to read:

"**§ 105-275. Property classified and excluded from the tax base.**

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

…

(49) A mobile classroom or modular unit that is occupied by a school and is wholly and exclusively used for educational purposes, as defined in G.S. 105-278.4(f), regardless of the ownership of the property. For the purposes of this subdivision, the term "school" means a public school, including any school operated by a local board of education in a local school administrative unit; a nonprofit charter school; a regional school; a nonprofit nonpublic school regulated under Article 39 of Chapter 115C of the General Statutes; or a community college established under Article 2 of Chapter 115D of the General Statutes."

SECTION 5.4.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2018.

PART VI. OTHER CHANGES

SECTION 6.1.(a) G.S. 159-32 reads as rewritten:

"**§ 159-32. Daily deposits.**

Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys ~~shall~~ shall, on a daily basis, deposit ~~his~~ or submit to a properly licensed and recognized cash collection service all collections and ~~receipts daily. If~~ receipts. However, if the governing board gives its approval, deposits or submissions to a properly licensed and recognized cash collection service shall be required only when the moneys on hand amount to ~~as much as two hundred fifty dollars ($250.00), but in any event a deposit shall be made on the last business day of the month.~~ five hundred dollars ($500.00) or greater. Until deposited or officially submitted to a properly licensed and recognized cash collection service, all moneys must be maintained in a secure location. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer by means

of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any officer or employee collecting or receiving taxes or other moneys, and may prescribe the form and detail of these accounts. The accounts of such an officer or employee shall be audited at least annually."

SECTION 6.1.(b) This section becomes effective October 1, 2017.

SECTION 6.2.(a) Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-269.8. Contribution by individual for early detection of breast and cervical cancer.**

(a) Contribution. – An individual entitled to a refund of income taxes under Part 2 of Article 4 of this Chapter may elect to contribute all or part of the refund to be used for early detection of breast and cervical cancer at the Cancer Prevention and Control Branch of the Division of Public Health of the Department of Health and Human Services. The Secretary shall provide appropriate language and space on the individual income tax form in which to make the election. The Secretary shall include in the income tax instructions an explanation that the contributions will be used for early detection of breast and cervical cancer only. The election becomes irrevocable upon filing the individual's income tax return for the taxable year.

(b) Distribution. – The Secretary shall transmit the contributions made pursuant to this section to the State Treasurer to be distributed for early detection of breast and cervical cancer. The State Treasurer shall distribute the contributions to the Cancer Prevention and Control Branch of the Division of Public Health of the Department of Health and Human Services. Funds distributed pursuant to this section shall be used only for early detection of breast and cervical cancer and shall be used in accordance with North Carolina's Breast and Cervical Cancer Control Program's policies and procedures.

(c) Sunset. – This section expires for taxable years beginning on or after January 1, 2021."

SECTION 6.2.(b) The General Assembly finds that the funds generated by this section are intended to be additional funding for early detection of breast and cervical cancer and are not intended to replace current appropriations for early detection of breast and cervical cancer.

SECTION 6.2.(c) This section is effective for taxable years beginning on or after January 1, 2017.

SECTION 6.3.(a) G.S. 105-449.81, as amended by S.L. 2017-39, reads as rewritten:

"**§ 105-449.81. Excise tax on motor fuel.**

An excise tax at the motor fuel rate is imposed on motor fuel that is:

...

(3b) Fuel grade ethanol or biodiesel fuel if the fuel meets at least one of the following descriptions:

a. Is produced in this State and is removed from the storage facility at the production location.

b. Is imported to this State by means of a transport truck, a railroad tank car, a tank wagon, or a marine ~~vessel.~~vessel where ethanol or biodiesel from the vessel is not delivered to a terminal that has been assigned a terminal control number by the Internal Revenue Service.

c. Repealed by Session Laws 2009-445, s. 34(a), effective January 1, 2010.

...."

SECTION 6.3.(b) The Department of Revenue is directed to notify taxpayers impacted by this section within 15 days of the legislation being enacted into law that motor fuel tax is not due at the time of importation when that fuel is delivered to a terminal that has been assigned a terminal control number by the Internal Revenue Service.

PART VII. SEVERABILITY AND EFFECTIVE DATE

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

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

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-205 **H.B. 140**

AN ACT TO APPLY DISCLOSURE AND NOTIFICATION REQUIREMENTS RELATED TO INSURER FEE SCHEDULES, CLAIMS SUBMISSION, AND REIMBURSEMENT POLICIES TO STAND ALONE DENTAL INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-3-227(a) reads as rewritten:

"**§ 58-3-227. Health plans fee schedules.**

(a) Definitions. – As used in this section, the following terms mean:

…

(4) Insurer. – An entity that writes a health benefit plan and that is an insurance company subject to this Chapter, a service corporation under Article 65 of this Chapter, a health maintenance organization under Article 67 of this Chapter, or a multiple employer welfare arrangement under Article 49 of this ~~Chapter, except it does not include an entity that writes stand alone dental insurance.~~Chapter.

(5) Reimbursement policy. – Information relating to payment of providers and facilities including policies on the following:

a. Claims bundling and other claims editing processes.
b. Recognition or nonrecognition of CPT code modifiers.
c. Downcoding of services or procedures.
d. The definition of global surgery periods.
e. Multiple surgical procedures.
f. Payment based on the relationship of procedure code to diagnosis code.

(6) Schedule of fees. – CPT, HCPCS, ICD-9-CM codes, ICD-10-CM codes, ASA codes, modifiers, and other applicable codes for the procedures billed for that class of provider."

SECTION 2.1. G.S. 58-57-90(a) reads as rewritten:

"**§ 58-57-90. Credit property insurance; personal ~~household~~ property coverage.**

(a) As used in this Article, the term "single interest credit property" insurance means insurance of the personal ~~household~~ property of the debtor against loss, with the creditor as sole beneficiary; and the term "dual credit property" insurance means insurance of personal ~~household~~ property of the debtor, with the creditor as primary beneficiary and the debtor as beneficiary of proceeds not paid to the creditor. For the purpose of this Article, "personal ~~household~~ property" means household furniture, ~~furnishings and~~furnishings, appliances designed for household ~~use~~ use, and other personal property of the debtor, exclusive of an automobile, not used by the debtor in a business trade or profession."

SECTION 2.2. G.S. 58-57-110 reads as rewritten:

"**§ 58-57-110. Credit unemployment insurance rate standards; policy provisions.**

(a) ~~Each year~~Beginning September 1, 2018, and every third year thereafter, the Commissioner shall prescribe a minimum incurred loss ratio standard requirement to develop a premium rate reasonable in relation to the benefits provided by credit unemployment insurance

coverage. This minimum incurred loss ratio standard shall be effective on January 1 in the year after it is prescribed and shall remain in effect until a new minimum incurred loss ratio standard requirement is prescribed. The following requirements must be met:

…."

SECTION 3. This act becomes effective October 1, 2017.

In the General Assembly read three times and ratified this the 29th day of June, 2017.

Session Law 2017-206 **H.B. 770**

AN ACT TO MAKE CLARIFYING CHANGES TO ENSURE ESSA COMPLIANCE; CLARIFY PROPERTY TAX COMMISSION SALARIES; CLARIFY ADMINISTRATIVE COSTS FOR THE HEALTHY FOOD SMALL RETAILER PROGRAM; CLARIFY SINGLE-STREAM FUNDING FOR LME/MCOS; CHANGE THE MEMBERSHIP OF THE NORTH CAROLINA MEDICAL BOARD; PROHIBIT ATTORNEYS SERVING AS TRUSTEES FROM REPRESENTING NOTEHOLDERS OR BORROWERS WHILE INITIATING A FORECLOSURE PROCEEDING; MAKE CHANGES TO REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY; AND MAKE CHANGES TO THE NORTH CAROLINA STATE LOTTERY COMMISSION.

The General Assembly of North Carolina enacts:

PART I. CLARIFYING CHANGES TO ENSURE ESSA COMPLIANCE

SECTION 1.(a) G.S. 115C-83.15 reads as rewritten:

"**§ 115C-83.15. School achievement, growth, performance scores, and grades.**

…

(b) Calculation of the School Achievement Score. – In calculating the overall school achievement score earned by schools, the State Board of Education shall total the sum of points earned by a school as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall assign points on the following measures available for that school:

a. One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight. For the purposes of this Part, an annual assessment for mathematics shall include any mathematics course with an end-of-course test.

b. One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.

c. One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.

d. One point for each percent of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

(2) For schools serving any students in ninth through twelfth grade, the State Board shall assign points on the following measures available for that school:

a. One point for each percent of students who score at or above proficient on either the Algebra I or Integrated Math I end-of-course test or, for students who completed Algebra I or Integrated Math I before ninth grade, another mathematics course with an end-of-course test.

b. One point for each percent of students who score at or above proficient on the English II end-of-course test.
c. One point for each percent of students who score at or above proficient on the Biology end-of-course test.
d. One point for each percent of students who complete Algebra II or Integrated Math III with a passing grade.
e. One point for each percent of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.
f. One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.
g. One point for each percent of students who graduate within four years of entering high school.
h. One point for each percent of students who progress in achieving English language proficiency.

In calculating the overall school achievement score earned by schools, the State Board of Education shall (i) use a composite approach to weigh the achievement elements based on the number of students measured by any given achievement element and (ii) proportionally adjust the scale to account for the absence of a school achievement element for award of scores to a school that does not have a measure of one of the school achievement elements annually assessed for the grades taught at that school. The overall school achievement score shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(c) Calculation of the School Growth ~~Score as a Measure of School Quality and Student Success.~~ Score. – Using EVAAS, the State Board shall calculate the overall growth score earned by ~~schools as a measure of school quality and student success.~~ schools. In calculating the total growth score earned by schools, the State Board of Education shall weight student growth on the achievement ~~indicators~~ measures as provided in subsection (b) of this section that have available growth ~~values.~~ values; provided that for schools serving students in grades nine through 12, the growth score shall only include growth values for measures calculated under sub-subdivisions a. and b. of subdivision (2) of subsection (b) of this section. The numerical values used to determine whether a school has met, exceeded, or has not met expected growth shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

…."

SECTION 1.(b) G.S. 115C-83.16 reads as rewritten:

"**§ 115C-83.16. School performance indicators for the purpose of compliance with federal law.**

(a) The State Board of Education shall use the school performance scores and grades as calculated under G.S. 115C-83.15 to satisfy the federal requirement under the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESSA), P.L. 114-95, to meaningfully differentiate the performance of schools on an annual basis. ~~The State Board shall weigh the measures in accordance with the requirements of G.S. 115C-83.15.~~ For the purpose of compliance with federal law, the indicators shall be defined as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall define the indicators as follows:
a. Academic indicators. –
1. The academic achievement indicator shall include the following measures:

I. Proficiency on annual assessments for mathematics in grades three through eight.

II. Proficiency on annual assessments for reading in grades three through eight.

2. The other academic indicator shall include the following measures:

I. Proficiency on annual assessments for science in grade five.

II. Proficiency on annual assessments for science in grade eight.

3. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

b. School quality and student success indicator. – The measure of school quality and student success shall be the growth score earned by schools.

(2) For schools serving any students in ninth through twelfth grade, the State Board shall define the indicators as follows:

a. Academic indicators. –

1. The academic achievement indicator shall include the following measures:

I. Proficiency on either the Algebra I or Integrated Math I end-of-course test or, for students who completed Algebra I or Integrated Math I before ninth grade, another mathematics course with an end-of-course test.

II. Proficiency on the English II end-of-course test.

III. The growth score earned by schools.

~~2. The other academic indicator shall include the following measures:~~

~~I. Proficiency on the Biology end-of-course test.~~

~~II. The percentage of students who complete Algebra II or Integrated Math III with a passing grade.~~

~~III. The percentage of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.~~

~~IV. The percentage of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.~~

3. The graduation rate indicator shall be the percentage of students who graduate within four years of entering high school.

4. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency.

b. School quality and student success indicator. – ~~The measure of school quality and student success shall be the growth score earned by schools.~~The school quality and student success indicator shall be made up of the following measures:

1. Proficiency on the Biology end-of-course test.

2. The percentage of students who complete Algebra II or Integrated Math III with a passing grade.
3. The percentage of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.
4. The percentage of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

(b) Notwithstanding subsection (a) of this section and only for the purpose of conforming with ESSA, the State Board may label measures as indicators different from those described in subsection (a) of this section; provided that each measure shall be calculated in accordance with the requirements of G.S. 115C-83.15."

SECTION 1.(c) This section is effective when it becomes law and applies beginning with the 2017-2018 school year.

PART II. CLARIFY PROPERTY TAX COMMISSION SALARIES

SECTION 2.(a) G.S. 105-288(d) reads as rewritten:

"**§ 105-288. Property Tax Commission.**

…

(d) Expenses. – The members of the Property Tax Commission shall receive travel and subsistence expenses in accordance with G.S. 138-5 and a salary as provided for by the Commission when hearing cases, meeting to decide cases, and attending training or continuing education classes on property taxes or judicial procedure. The members of the Property Tax Commission whose salaries or any portion of whose salaries are paid from State funds shall not receive travel and subsistence expenses, in accordance with G.S. 138-5(f), but shall receive a salary as provided for by the Commission under this subsection. The Secretary of Revenue shall supply all the clerical and other services required by the Commission. All expenses of the Commission and the Department of Revenue in performing the duties enumerated in this Article shall be paid as provided in G.S. 105-501."

SECTION 2.(b) This section is effective when it becomes law and applies retroactively to expenses of the Property Tax Commission incurred on or after April 1, 2017.

PART III. CLARIFY ADMINISTRATIVE COSTS FOR THE HEALTHY FOOD SMALL RETAILER PROGRAM

SECTION 3.(a) Section 12.5(a) of S.L. 2017-57 reads as rewritten:

"**SECTION 12.5.(a)** The funds appropriated by this act for the Healthy Food/Small Retailer program shall be used to continue a program to reimburse small food retailers for expenditures related to enhancing access to healthy foods in areas that qualify as food desert zones according to the Economic Research Service of the United States Department of Agriculture. For the purposes of this section, a small food retailer is defined as a business that is a small retail outlet, including corner stores, convenience stores, cooperatives, and bodegas, of no more than 3,000 heated square feet that sells a limited selection of foods and other products. Funds may be used to reimburse small food retailers for the purchase and installation of refrigeration equipment, display shelving, and other equipment necessary for stocking nutrient-dense foods, including fresh vegetables and fruits, whole grains, nuts, seeds, beans and legumes, low-fat dairy products, lean meats, and seafood. The Department may retain up to ten percent (10%) of the funds allocated pursuant to this section for administrative costs associated with the healthy food small retailer program."

SECTION 3.(b) This section becomes effective July 1, 2017.

PART IV. CLARIFY SINGLE-STREAM FUNDING FOR LME/MCOS

SECTION 4.(a) Section 11F.2(b) of S.L. 2017-57 reads as rewritten:

"**SECTION 11F.2.(b)** The DMH/DD/SAS is directed to reduce its allocation for single-stream funding by thirty-one million four hundred eighty-seven thousand three hundred sixty-six dollars ($31,487,366) in recurring funds and by fifty-five million four hundred fifty-four thousand nine hundred twenty-three dollars ($55,454,923) in nonrecurring funds for the 2017-2018 fiscal year and by thirty-six million two thousand eight hundred fifty-four dollars ($36,002,854) in recurring funds and by fifty-four million six hundred five thousand eight hundred twenty-three dollars ($54,605,823) in nonrecurring funds for the 2018-2019 fiscal year.

The DMH/DD/SAS shall allocate these recurring and nonrecurring reductions for single-stream funding among the LME/MCOs as follows:

	FY 2017-2018	**FY 2018-2019**
Alliance Behavioral Healthcare		
Recurring	~~($6,836,920)~~($7,468,941)	~~($9,448,259)~~($10,226,331)
Nonrecurring	~~($8,231,710)~~($8,478,129)	~~($9,149,477)~~($9,357,813)
Cardinal Innovations Healthcare		
Recurring	~~($6,786,444)~~($7,413,799)	~~($9,326,550)~~($10,120,076)
Nonrecurring	~~($14,078,868)~~($14,500,322)	~~($15,685,591)~~($16,075,545)
Eastpointe		
Recurring	~~($1,256,185)~~($1,372,311)	~~($1,978,540)~~($2,116,105)
Nonrecurring	~~($5,463,292)~~($5,626,836)	~~($5,576,099)~~($5,721,407)
Partners Behavioral Health Management		
Recurring	~~($5,172,345)~~($2,739,719)	~~($5,314,232)~~($2,912,599)
Nonrecurring	~~($8,104,130)~~($6,686,675)	~~($7,477,787)~~($6,356,282)
Sandhills Center		
Recurring	~~($6,795,867)~~($7,424,094)	~~($7,996,922)~~($8,607,466)
Nonrecurring	~~($8,534,756)~~($8,790,246)	~~($8,250,223)~~($8,431,511)
Trillium Health Resources		
Recurring	~~($3,056,342)~~($3,338,878)	~~($79,709)~~($33,869)
Nonrecurring	~~($5,488,067)~~($5,652,353)	~~($3,067,562)~~($3,126,486)
Vaya Health		
Recurring	~~($1,583,263)~~($1,729,624)	~~($1,858,642)~~($1,986,408)
Nonrecurring	~~($5,554,100)~~($5,720,363)	~~($5,399,084)~~($5,536,779)
TOTALS		
Recurring	($31,487,366)	($36,002,854)
Nonrecurring	($55,454,923)	($54,605,823)

By March 1, 2018, the Secretary of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a proposal for any adjustments to the specified recurring reductions among the LME/MCOs for future fiscal years. The proposal must include a detailed explanation supporting any proposed changes.

During each year of the 2017-2019 fiscal biennium, each LME/MCO shall offer at least the same level of service utilization as during the 2014-2015 fiscal year across the LME/MCO's catchment area. This requirement shall not be construed to require LME/MCOs to authorize or maintain the same level of services for any specific individual whose services were paid for with single-stream funding. Further, this requirement shall not be construed to create a private right of action for any person or entity against the State of North Carolina or the Department of Health and Human Services or any of its divisions, agents, or contractors and shall not be used as authority in any contested case brought pursuant to Chapter 108C or 108D of the General Statutes."

SECTION 4.(b) This section becomes effective July 1, 2017.

PART V. CHANGE MEMBERSHIP OF MEDICAL BOARD

SECTION 5.(a) G.S. 90-2 reads as rewritten:

"**§ 90-2. Medical Board.**

(a) There is established the North Carolina Medical Board to regulate the practice of medicine and surgery for the benefit and protection of the people of North Carolina. The Board shall consist of 13 members.

(1) Seven of the members shall be duly licensed physicians recommended by the Review Panel and appointed by the Governor as set forth in G.S. 90-3.

(2) ~~The remaining six~~ Four members shall all be appointed by the Governor as follows:

a. One shall be a duly licensed physician who is a doctor of osteopathy or a full-time faculty member of one of the medical schools in North Carolina who utilizes integrative medicine in that person's clinical practice or a member of The Old North State Medical Society. This Board position shall not be subject to recommendations of the Review Panel pursuant to G.S. 90-3.

b. ~~Three shall be public members, and these Board positions~~One shall be a public member, and this Board position shall not be subject to ~~recommendations~~ recommendation of the Review Panel pursuant to G.S. 90-3.~~ A public member shall not be a health care provider nor the spouse of a health care provider. For the purpose of Board membership, "health care provider" means any licensed health care professional, agent or employee of a health care institution, health care insurer, health care professional school, or a member of any allied health profession. For purposes of this section, a person enrolled in a program as preparation to be a licensed health care professional or an allied health professional shall be deemed a health care provider. For purposes of this section, any person with significant financial interest in a health service or profession is not a public member.~~

c. One shall be a physician assistant as defined in G.S. 90-18.1 as recommended by the Review Panel pursuant to G.S. 90-3.

d. One shall be a nurse practitioner as defined in G.S. 90-18.2 as recommended by the Review Panel pursuant to G.S. 90-3.

(3) Two public members appointed by the General Assembly in accordance with G.S. 120-121, one upon recommendation of the Speaker of the House of Representatives and one upon the recommendation of the President Pro Tempore of the Senate.

(a1) Each appointing and nominating authority shall endeavor to see, insofar as possible, that its appointees and nominees to the Board reflect the composition of the State with regard to gender, ethnic, racial, and age composition.

(b) No member shall serve more than two complete three-year terms in a lifetime, except that each member shall serve until a successor is chosen and qualifies.

(b1) A public member appointed pursuant to sub-subdivision (a)(2)b. and subdivision (a)(3) of this section shall not be a health care provider nor the spouse of a health care provider. For the purpose of Board membership, "health care provider" means any licensed health care professional, agent, or employee of a health care institution, health care insurer, health care professional school, or a member of any allied health profession. For purposes of this section, a person enrolled in a program as preparation to be a licensed health care professional or an allied health professional shall be deemed a health care provider. For purposes of this section, any person with significant financial interest in a health service or profession is not a public member.

(c) Repealed by Session Laws 2003-366, s. 1, effective October 1, 2003.

(d) Any member of the Board may be removed from office by the Governor for good cause shown. Any vacancy in the physician, physician assistant, or nurse practitioner membership of the Board shall be filled for the period of the unexpired term by the Governor from a list submitted by the Review Panel pursuant to G.S. 90-3 except as provided in G.S. 90-2(a)(2)a. Any vacancy in the public membership of the Board shall be filled by the ~~Governor~~ appropriate appointing authority for the unexpired term.

(e) The North Carolina Medical Board shall have the power to acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as any private person or corporation, subject only to approval of the Governor and the Council of State as to the acquisition, rental, encumbering, leasing, and sale of real property. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board."

SECTION 5.(b) For the term of the public member appointed by the Governor expiring in 2017, that member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121. For the term of the public member appointed by the Governor expiring in 2018, that member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121. As terms expire thereafter or as vacancies occur prior to the expiration of a term, the members on the Medical Board shall be appointed in accordance with G.S. 90-2, as amended by this act.

SECTION 5.(c) This section is effective when it becomes law and applies to vacancies occurring after June 30, 2017.

PART VI. PROHIBIT ATTORNEYS SERVING AS TRUSTEES FROM REPRESENTING NOTEHOLDERS OR BORROWERS WHILE INITIATING A FORECLOSURE PROCEEDING

SECTION 6. G.S. 45-10 reads as rewritten:

"**§ 45-10. Substitution of trustees in mortgages and deeds of trust.**

(a) In addition to the rights and remedies now provided by law, the ~~holders or owners of a majority in amount of the indebtedness, notes, bonds, or other instruments evidencing a promise or promises to pay money and secured by mortgages, deeds of trust, or other instruments conveying real property, or creating a lien thereon,~~ noteholders may, in their discretion, substitute a trustee whether the trustee then named in the instrument is the original or a substituted trustee or a holder or owner of any or all of the obligations secured thereby, by the execution of a written document properly recorded pursuant to Chapter 47 of the North Carolina General Statutes. An attorney who serves as the trustee or substitute trustee shall not represent either the noteholders or the interests of the borrower while initiating a foreclosure proceeding. Notwithstanding this restriction, an attorney may serve as the trustee in a foreclosure proceeding while simultaneously representing the noteholders on unrelated matters and others within the attorney's firm may also continue to represent the noteholders on unrelated matters. Additionally, an attorney who has as trustee initiated a foreclosure proceeding may resign as trustee after the foreclosure is contested and act as counsel to the noteholders.

…

(d) In this section, the term "noteholders" means the holders or owners of a majority in the amount of the indebtedness, notes, bonds, or other instruments evidencing a promise to pay money and secured by mortgages, deeds of trust, or other instruments conveying real property, or creating a lien thereon."

PART VII. CHANGES TO REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY

SECTION 7.(a) Section 7.18(b) of S.L. 2008-107 is repealed.

SECTION 7.(b) Section 31.7(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 31.7.(b)** Reporting. – The following reports are required:

(1) By ~~October 1, 2015,~~ October 15, 2017, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.

(2) By ~~October 1, 2015,~~ October 15, 2017, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management."

PART VIII. NORTH CAROLINA STATE LOTTERY COMMISSION CHANGES

SECTION 8. G.S. 18C-112(a) reads as rewritten:

"(a) Of the members of the Commission appointed by the Governor, at least one member shall have a minimum of five years' experience in law enforcement. Notwithstanding subsection (e) of this section, a member serving in this slot may be an elected law enforcement official."

PART IX. EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-207 **S.B. 691**

AN ACT TO REALIGN THE DISTRICTS FOR THE ELECTION OF THE MEMBERS OF THE NORTH CAROLINA SENATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-1(a) is rewritten to read:

"(a) For the purpose of nominating and electing members of the Senate in 2018 and every two years thereafter, senatorial districts are established and seats in the Senate are apportioned among those districts so that each district elects one senator, and the composition of each district is as follows:

District 1: Camden County, Chowan County, Currituck County, Dare County, Gates County, Hertford County, Hyde County, Pasquotank County, Perquimans County, Tyrrell County, Washington County.

District 2: Carteret County, Craven County, Pamlico County.

District 3: Beaufort County, Bertie County, Martin County, Northampton County, Vance County, Warren County.

District 4: Edgecombe County, Halifax County, Wilson County.

District 5: Greene County, Pitt County.

District 6: Jones County, Onslow County.

District 7: Lenoir County, Wayne County.

District 8: Bladen County, Brunswick County, New Hanover County: VTD W03: Block(s) 1290109001000, 1290109001001, 1290109001002, 1290109001003, 1290109001017, 1290110001023, 1290110001027, 1290110001028, 1290110001029, 1290110001030, 1290110001031, 1290110001032, 1290110001033, 1290110001034, 1290110001035, 1290110001036, 1290110001037, 1290110001038, 1290110001039, 1290110002011, 1290110002012, 1290110002013, 1290110002015, 1290110002016, 1290110002017, 1290110002034, 1290110002035, 1290111001000, 1290111001001, 1290111001002, 1290111001003, 1290111001008, 1290111001009, 1290111001010, 1290111001011, 1290111001012, 1290111001013, 1290111001014, 1290111001015, 1290111001016, 1290111001017, 1290111001018, 1290111001019, 1290111001020, 1290111001021, 1290111001022, 1290111001023, 1290111001024, 1290111001025, 1290111001026, 1290111001027, 1290111001028, 1290111001029, 1290111001030, 1290111001031, 1290111001032, 1290111001033, 1290111001034, 1290111001035, 1290111001036,

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District 9: New Hanover County: VTD CF01, VTD CF02, VTD CF03, VTD FP01, VTD FP02, VTD FP03, VTD FP04, VTD FP05, VTD H01, VTD H02, VTD H03, VTD H04, VTD H05, VTD H06, VTD H07, VTD H08, VTD H09, VTD M02, VTD M03, VTD M04, VTD M05, VTD W03: Block(s) 1290111001004, 1290111001005, 1290111001006, 1290111001007, 1290112002008, 1290112002009, 1290112002010, 1290112002011, 1290112002020, 1290112002021, 1290112002022, 1290112002023, 1290112002024, 1290112002025, 1290112002026, 1290112002027, 1290113001062, 1290113001063, 1290113001064, 1290113001068, 1290113002000, 1290113002001, 1290113002002,

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District 10: Duplin County, Johnston County: VTD PR04, VTD PR06, VTD PR07, VTD PR08, VTD PR15, VTD PR16, VTD PR17, VTD PR18, VTD PR19, VTD PR22, VTD PR24, VTD PR25, VTD PR26, VTD PR27, VTD PR28, VTD PR30; Sampson County.

District 11: Johnston County: VTD PR05, VTD PR09, VTD PR10, VTD PR11A, VTD PR11B, VTD PR12, VTD PR13, VTD PR20, VTD PR21, VTD PR23, VTD PR29A, VTD PR29B, VTD PR31A, VTD PR31B, VTD PR32, VTD PR33, VTD PR34; Nash County.

District 12: Harnett County, Johnston County: VTD PR01, VTD PR02, VTD PR03, VTD PR14; Lee County.

District 13: Columbus County, Robeson County.

District 14: Wake County: VTD 01-14, VTD 01-19, VTD 01-20, VTD 01-26, VTD 01-28, VTD 01-34, VTD 01-40, VTD 01-43, VTD 01-44, VTD 01-45, VTD 01-46, VTD 09-02, VTD 10-01, VTD 10-02, VTD 10-03, VTD 10-04, VTD 13-01, VTD 13-02, VTD 13-05, VTD 13-06, VTD 13-07, VTD 13-08, VTD 13-09, VTD 13-10, VTD 17-01, VTD 17-02, VTD 17-03, VTD 17-04, VTD 17-05, VTD 17-06, VTD 17-07, VTD 17-08, VTD 17-10, VTD 17-11, VTD 19-16, VTD 19-17.

District 15: Wake County: VTD 01-01, VTD 01-02, VTD 01-04, VTD 01-05, VTD 01-06, VTD 01-07, VTD 01-09, VTD 01-10, VTD 01-12, VTD 01-13, VTD 01-15, VTD 01-16, VTD 01-18, VTD 01-21, VTD 01-22, VTD 01-23, VTD 01-25, VTD 01-27, VTD 01-31, VTD 01-32, VTD 01-33, VTD 01-35, VTD 01-37, VTD 01-38, VTD 01-39, VTD 01-41, VTD 01-48, VTD 01-49, VTD 01-50, VTD 01-51, VTD 04-03, VTD 04-06, VTD 04-12, VTD 07-04, VTD 07-05, VTD 07-13, VTD 16-02, VTD 16-03, VTD 16-04, VTD 16-05, VTD 16-06, VTD 16-07, VTD 16-08, VTD 16-09: Block(s) 1830528082000, 1830528082001, 1830528082002, 1830528082017, 1830528082018, 1830528082019, 1830528082020, 1830528082021, 1830528082022, 1830528082023, 1830528082024, 1830528082025, 1830528082026, 1830528082027, 1830528082028, 1830528082029, 1830528082031, 1830528082032, 1830528082033, 1830528082034, 1830528082035, 1830528082036, 1830528082037, 1830528082038, 1830528082039, 1830528082040, 1830528082041, 1830528082042, 1830528082043, 1830528082044, 1830528082045, 1830528082046, 1830528082047, 1830528082048, 1830528082049, 1830528082050, 1830528082051, 1830528082052, 1830528082053, 1830528082054, 1830528082055, 1830528082056, 1830528082057, 1830528082058, 1830528084026, 1830528084027, 1830528084028, 1830528084029, 1830528084030, 1830528084031, 1830528084032, 1830528084033, 1830528084034, 1830528084035, 1830528084037, 1830528084038,

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District 16: Wake County: VTD 04-01, VTD 04-02, VTD 04-04, VTD 04-05, VTD 04-08, VTD 04-09, VTD 04-10, VTD 04-11, VTD 04-13, VTD 04-14, VTD 04-15, VTD 04-16, VTD 04-17, VTD 04-18, VTD 04-19, VTD 04-20, VTD 04-21, VTD 05-01, VTD 05-03, VTD 05-04, VTD 05-05, VTD 05-06, VTD 07-01, VTD 07-02, VTD 07-07, VTD 07-10, VTD 07-12, VTD 08-02, VTD 08-03, VTD 08-05, VTD 08-06, VTD 08-08, VTD 08-09, VTD 08-10, VTD 08-11, VTD 11-01, VTD 11-02, VTD 20-02, VTD 20-04, VTD 20-10.

District 17: Wake County: VTD 03-00, VTD 04-07, VTD 06-01, VTD 06-04, VTD 06-05, VTD 06-06, VTD 06-07, VTD 12-01, VTD 12-02, VTD 12-04, VTD 12-05, VTD 12-06, VTD 12-07, VTD 12-08, VTD 12-09, VTD 15-01, VTD 15-02, VTD 15-03, VTD 15-04, VTD 16-01, VTD 16-09: Block(s) 1830528082059, 1830528084025, 1830528084036, 1830528084041, 1830528084042, 1830528084043, 1830528084045, 1830528084046, 1830528084047, 1830528084048, 1830528084049, 1830528084050, 1830528084055, 1830528084056, 1830528091000, 1830528091001, 1830528091002, 1830528091003, 1830528091004, 1830528091005, 1830528091006, 1830528091007, 1830528091008; VTD 18-02, VTD 18-03, VTD 18-04, VTD 18-05, VTD 18-07, VTD 20-01, VTD 20-03, VTD 20-05, VTD 20-06, VTD 20-08, VTD 20-09, VTD 20-11, VTD 20-12.

District 18: Franklin County, Wake County: VTD 01-03, VTD 01-11, VTD 01-17, VTD 01-29, VTD 01-30, VTD 01-36, VTD 01-42, VTD 01-47, VTD 02-01, VTD 02-02, VTD 02-03, VTD 02-04, VTD 02-05, VTD 02-06, VTD 07-03, VTD 07-06, VTD 07-09, VTD 07-11, VTD 08-04, VTD 08-07, VTD 09-01, VTD 09-03, VTD 13-11, VTD 14-01, VTD 14-02, VTD 19-03, VTD 19-04, VTD 19-05, VTD 19-06, VTD 19-07, VTD 19-09, VTD 19-10, VTD 19-11, VTD 19-12.

District 19: Cumberland County: VTD AL51, VTD CC04, VTD CC06, VTD CC07, VTD CC08, VTD CC10, VTD CC12, VTD CC14, VTD CC15, VTD CC18, VTD CC24, VTD CC34, VTD CU02, VTD EO61-1, VTD EO61-2, VTD G1: Block(s) 0510014001003, 0510014001004, 0510014001005, 0510014001006, 0510014001007, 0510014001008, 0510014001009, 0510014001010, 0510014001011, 0510014001012, 0510014001013, 0510014001014, 0510014001015, 0510014001016, 0510014001017, 0510014001018, 0510014001019, 0510014001020, 0510014001021, 0510014001022, 0510014001024, 0510014001025, 0510014001026, 0510014001027, 0510014001028, 0510014001029, 0510014001030, 0510014001031, 0510014001032, 0510014001033, 0510014001034, 0510014001035, 0510014001036, 0510014001037, 0510014001038, 0510014001039, 0510014001040, 0510014001041, 0510014001042, 0510014001043, 0510014001044, 0510014002000, 0510014002001, 0510014002002, 0510014002003, 0510014002004, 0510014002005, 0510014002006, 0510014002007, 0510014002009, 0510014002031, 0510014002032, 0510014002033, 0510014002034, 0510014002035, 0510014002039, 0510014002040, 0510014002044, 0510014002045, 0510014002046, 0510014002047, 0510014002053, 0510014002054, 0510014002055, 0510014002056, 0510014002057, 0510014002058, 0510014002059, 0510014002060, 0510014002061, 0510014002062, 0510014002063, 0510014002064, 0510014002065, 0510014002066, 0510014002067, 0510014002068, 0510014002069, 0510014003021, 0510014003022, 0510014003023, 0510014004011, 0510014004012, 0510014004013, 0510014004017, 0510014004018, 0510014004019, 0510014004020, 0510014004021, 0510014004022, 0510014004023, 0510014004024, 0510014004025, 0510014004026, 0510014004027, 0510014004028, 0510014004029, 0510014004030, 0510014004031, 0510014004032, 0510014004033, 0510014004034, 0510014004035, 0510014004036, 0510014004037, 0510014004038, 0510014004039, 0510014004040, 0510014004041, 0510014004042, 0510014004043, 0510014004044, 0510014004045, 0510014004046, 0510014004047, 0510014004048, 0510014004049, 0510014004050, 0510014004051, 0510014004052, 0510014004053, 0510014005000, 0510014005001, 0510014005002, 0510014005003, 0510014005004, 0510014005005, 0510014005006, 0510014005007, 0510014005008, 0510014005009,

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District 20: Durham County: VTD 05, VTD 06, VTD 07, VTD 08, VTD 09, VTD 10, VTD 12, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 18, VTD 19, VTD 20, VTD 27, VTD 30-1, VTD 30-2, VTD 31, VTD 32, VTD 33, VTD 34, VTD 35, VTD 36, VTD 38, VTD 39, VTD 40, VTD 41, VTD 42, VTD 43, VTD 47, VTD 48, VTD 51, VTD 52, VTD 53-1, VTD 53-2, VTD 54, VTD 55.

District 21: Cumberland County: VTD AH49, VTD CC01, VTD CC03, VTD CC05, VTD CC13, VTD CC16, VTD CC17, VTD CC19, VTD CC21, VTD CC25, VTD CC26, VTD CC27, VTD CC29, VTD CC31, VTD CC32, VTD CC33, VTD CL57, VTD G1: Block(s) 0510014001000, 0510014001001, 0510014001002, 0510014001023, 0510014002022, 0510014002023, 0510014002024, 0510014002025, 0510014002026, 0510014002036, 0510014002037, 0510014002038, 0510014002041, 0510014002042, 0510014002043, 0510014002048, 0510014002049, 0510014002050, 0510014002051, 0510014002052, 0510014003025, 0510014003026, 0510014003027, 0510014003028, 0510014003029, 0510014003030, 0510014003031, 0510014003032, 0510014003033, 0510014003034, 0510014003036, 0510014003037, 0510014003039, 0510014004000, 0510014004001, 0510014004002, 0510014004003, 0510014004004, 0510014004005, 0510014004006, 0510014004007, 0510014004008, 0510014004009, 0510014004010, 0510014004014, 0510014004015, 0510014004016, 0510027004046, 0510027004047, 0510027004048, 0510027004049, 0510027004050, 0510027004051, 0510027004052, 0510027004053, 0510027004054; VTD G11: Block(s) 0510033132008, 0510034011041, 0510034011042, 0510034011043, 0510034021000, 0510034021016, 0510034021018, 0510034041002, 0510034041006, 0519801001000, 0519801001001, 0519801001002, 0519801001003, 0519801001004, 0519801001005, 0519801001006, 0519801001007, 0519801001008, 0519801001009, 0519801001010, 0519801001011, 0519801001012, 0519801001013, 0519801001014, 0519801001015, 0519801001016, 0519801001017, 0519801001018, 0519801001019, 0519801001020, 0519801001021, 0519801001022, 0519801001023, 0519801001024, 0519801001025, 0519801001026, 0519801001027, 0519801001028, 0519801001029, 0519801001030, 0519801001031, 0519801001032, 0519801001033, 0519801001034, 0519801001035, 0519801001036, 0519801001037, 0519801001038, 0519801001039, 0519801001040, 0519801001041, 0519801001042, 0519801001043, 0519801001044, 0519801001045, 0519801001046, 0519801001047, 0519801001048, 0519801001049, 0519801001051, 0519801001052, 0519801001053, 0519801001054, 0519801001055, 0519801001056, 0519801001057, 0519801001058, 0519801001059, 0519801001060, 0519801001061, 0519801001062, 0519801001063, 0519801001064, 0519801001065, 0519801001066, 0519801001067, 0519801001068; VTD G2: Block(s) 0510012001000, 0510012001001, 0510012001002, 0510012001003, 0510012001004, 0510012001005, 0510012001006, 0510012001007, 0510012001008, 0510012001009, 0510012001010, 0510012004001, 0510012004002, 0510012004003, 0510012004004, 0510012004021, 0510012004022, 0510012004023, 0510012004024, 0510012004025, 0510012004026, 0510012004027, 0510012004028, 0510024011000, 0510024011001, 0510024011002, 0510024011003, 0510024011004, 0510024011005, 0510024011006, 0510024011007, 0510024011008, 0510024011009, 0510024011010, 0510024011011, 0510024011013, 0510024011014, 0510024011015, 0510024011016, 0510024011017, 0510024011018, 0510024011019, 0510024011022, 0510024011024, 0510024011025, 0510024011026, 0510024011027, 0510024011028, 0510024011029, 0510024011030, 0510024011034, 0510024011035, 0510024011036, 0510024011038, 0510024011041, 0510024011042, 0510024011043, 0510024012004, 0510024012007, 0510024012025, 0510024021000, 0510024021005, 0510024022000, 0510024022001, 0510024022002, 0510024022003, 0510024022004, 0510024022005, 0510024022006, 0510024022007, 0510024023000, 0510024023001, 0510024023002, 0510024023003, 0510024023004, 0510024023005, 0510024023006, 0510024023007, 0510024023008, 0510024023009, 0510024023011, 0510024023012, 0510024023013, 0510025011000, 0510025011001, 0510025011002, 0510025011003, 0510025011004, 0510025011005, 0510025011006, 0510025011007, 0510025011008, 0510025011009, 0510025011010, 0510025011011, 0510025011012, 0510025011013, 0510025011014, 0510025011015, 0510025011016, 0510025011017, 0510025011018, 0510025011019, 0510025011020, 0510025011021, 0510025011022, 0510025011023, 0510025012000, 0510025012001, 0510025012002, 0510025012003, 0510025012004, 0510025012005, 0510025012006, 0510025012007,

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District 22: Durham County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 21, VTD 22, VTD 23, VTD 24, VTD 25, VTD 26, VTD 28, VTD 29, VTD 37, VTD 44, VTD 45, VTD 46, VTD 50; Granville County, Person County.

District 23: Chatham County, Orange County.

District 24: Alamance County, Guilford County: VTD GIB, VTD GR, VTD JEF1, VTD JEF2: Block(s) 0810128031025, 0810128031030, 0810128031031, 0810128031032, 0810128031033, 0810128031037, 0810128031038, 0810128031039, 0810128031040, 0810128031041, 0810128031049, 0810128031050, 0810128031051, 0810128031052, 0810128031053, 0810128031054, 0810128031055, 0810128031056, 0810128031057, 0810128031058, 0810128031059, 0810128031060, 0810128031066, 0810128031067, 0810128031068, 0810128031069, 0810128031070, 0810128031071, 0810128031072, 0810128031073, 0810128031074, 0810128031084, 0810128031085, 0810128031086, 0810128031087, 0810128031088, 0810128031089, 0810128031090, 0810128031096, 0810128031097, 0810128031098, 0810128032000, 0810128032001, 0810128032002, 0810128032003, 0810128032008, 0810128032009, 0810128032025, 0810128032094, 0810153003014, 0810153003016, 0810153003017, 0810153003018, 0810153003019, 0810153003021, 0810153003022, 0810153003024, 0810153003026, 0810153003027, 0810153003028, 0810153003029, 0810153003030, 0810153003031, 0810153003032, 0810153003033, 0810153003034, 0810153003035, 0810153003036, 0810153003037, 0810153003038, 0810153003039, 0810153003040, 0810153003041, 0810153003042,

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District 25: Anson County, Moore County, Richmond County, Scotland County.

District 26: Guilford County: VTD H01, VTD H02, VTD H03, VTD H04, VTD H05, VTD H06, VTD H07, VTD H08, VTD H09, VTD H10, VTD H11, VTD H12, VTD H13, VTD H17, VTD H18, VTD H19A, VTD H20A; Randolph County.

District 27: Guilford County: VTD CG1, VTD CG2, VTD CG3A, VTD CG3B, VTD FEN2, VTD FR2, VTD FR3, VTD FR4, VTD FR5, VTD G16, VTD G17, VTD G18, VTD G19, VTD G20, VTD G21, VTD G22, VTD G23, VTD G24, VTD G25, VTD G27, VTD G28, VTD G29, VTD G30, VTD G31, VTD G32, VTD G33, VTD G34, VTD G35, VTD G40A1, VTD G40A2, VTD G40B, VTD G41, VTD G42, VTD H14, VTD H15, VTD H16, VTD H19B, VTD H20B, VTD H21, VTD H22, VTD H23, VTD H24, VTD H25, VTD H26, VTD H27, VTD HP: Block(s) 0810163061002, 0810163061003, 0810163061004, 0810163061006, 0810163061007, 0810163061008, 0810163061009, 0810163061010, 0810163061011, 0810163061012, 0810163061013, 0810163061014, 0810163061015, 0810163061016, 0810163061017, 0810163061018, 0810163061019, 0810163061020, 0810163061022, 0810163061023, 0810163061024, 0810163061025, 0810163061026, 0810163061027, 0810163061028, 0810163061029, 0810163061030, 0810163061031, 0810163061032, 0810163061033, 0810163061034, 0810163061035, 0810163061037, 0810163061038, 0810163061040, 0810163061042, 0810163061043, 0810163061046, 0810163061047, 0810163061048, 0810163061049, 0810163061050, 0810163061054, 0810163061055, 0810163061056, 0810163061057, 0810163061058, 0810163061059, 0810163061060, 0810163061061, 0810163061062, 0810163061063, 0810163061064, 0810163061065, 0810163061066, 0810163061067, 0810163061068, 0810163061069, 0810163061070, 0810163061071, 0810163061072, 0810163061073, 0810163061074, 0810163061075, 0810163061076, 0810163061077, 0810163061078, 0810163061079, 0810163061080, 0810163061081, 0810163061082, 0810163061083, 0810163061084, 0810163061085, 0810163061086, 0810163061087, 0810163061088, 0810163061089, 0810163061090, 0810163061091, 0810163061092, 0810163061093, 0810163061094, 0810163061095, 0810163061097, 0810163061098, 0810164061076, 0810164061085, 0810164061092, 0810164071000, 0810164071001, 0810164071002, 0810164071003, 0810164071004, 0810164071005, 0810164071006, 0810164071007, 0810164071008, 0810164071009, 0810164071010, 0810164071011, 0810164071012, 0810164071013, 0810164071014, 0810164071015, 0810164071016, 0810164071017, 0810164071018, 0810164071019, 0810164071020, 0810164071021, 0810164071022, 0810164071023, 0810164071024, 0810164071025, 0810164071026, 0810164071027, 0810164071028, 0810164071029, 0810164071030, 0810164071031, 0810164071032, 0810164071033, 0810164071034, 0810164071035, 0810164071036, 0810164071037, 0810164071038, 0810164071039, 0810164071040, 0810164071041, 0810164071046, 0810164071047, 0810164071048, 0810164071049, 0810164071050, 0810164071051, 0810164071052, 0810164071053, 0810164071054, 0810164071055, 0810164071056, 0810164071057, 0810164071059, 0810164071060, 0810164071061, 0810164081010, 0810164081044, 0810164081045, 0810164081046, 0810164081047, 0810164091028, 0810164091068,

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District 28: Guilford County: VTD FEN1, VTD FR1, VTD G01, VTD G02, VTD G03, VTD G04, VTD G05, VTD G06, VTD G07, VTD G08, VTD G09, VTD G10, VTD G11, VTD G12, VTD G13, VTD G14, VTD G15, VTD G26, VTD G36, VTD G37, VTD G38, VTD G39, VTD G43, VTD G44, VTD G45, VTD G46, VTD G47, VTD G48, VTD G49, VTD G50, VTD G51, VTD G52, VTD G53, VTD G54, VTD G55, VTD G56, VTD G57, VTD G58, VTD G59, VTD G60, VTD G61, VTD G62, VTD G63, VTD G64, VTD G65, VTD G66, VTD G67, VTD G68, VTD G69, VTD G70, VTD G71, VTD G72, VTD G73, VTD G74, VTD G75, VTD HP: Block(s) 0810162041037, 0810162041038, 0810162041040, 0810162041041, 0810164051025, 0810164051027, 0810164051028, 0810164051029, 0810164051033, 0810164051034, 0810164051035, 0810164051036, 0810164051037, 0810164051039, 0810164051054, 0810164051064, 0810164061002, 0810164061003, 0810164061004, 0810164061005, 0810164061006, 0810164061007, 0810164061008, 0810164061009, 0810164061010, 0810164061011, 0810164061012, 0810164061013, 0810164061014, 0810164061015, 0810164061016, 0810164061017, 0810164061018, 0810164061019, 0810164061020, 0810164061021, 0810164061022, 0810164061023, 0810164061024, 0810164061025, 0810164061026, 0810164061027, 0810164061028, 0810164061029, 0810164061030, 0810164061031, 0810164061032, 0810164061033, 0810164061034, 0810164061039, 0810164061040, 0810164061041, 0810164061042, 0810164061043, 0810164061044, 0810164061045, 0810164061046, 0810164061047, 0810164061048, 0810164061049, 0810164061050, 0810164061051, 0810164061052, 0810164061053, 0810164061054, 0810164061055, 0810164061056, 0810164061057, 0810164061058, 0810164061059, 0810164061060, 0810164061061, 0810164061062, 0810164061063, 0810164061064, 0810164061065, 0810164061066, 0810164061067, 0810164061068, 0810164061069, 0810164061070, 0810164061071, 0810164061072, 0810164061073, 0810164061074, 0810164061075, 0810164061077, 0810164061078, 0810164061079, 0810164061080, 0810164061081, 0810164061082, 0810164061083, 0810164061084, 0810164061086, 0810164061087, 0810164061088, 0810164061089, 0810164061090, 0810164061091, 0810164061093, 0810164061094, 0810164061095, 0810164061096, 0810164061097; VTD JEF2: Block(s) 0810111021019, 0810111021022, 0810111021023, 0810111021024, 0810111021025, 0810128032004, 0810128032007, 0810128032010, 0810128032011, 0810128032012, 0810128032013, 0810128032014, 0810128032020, 0810128032021; VTD JEF3, VTD MON1, VTD MON2.

District 29: Davidson County, Montgomery County.

District 30: Caswell County, Rockingham County, Stokes County, Surry County: VTD 10, VTD 12, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 19, VTD 20, VTD 21, VTD 23, VTD 27, VTD 28, VTD 33.

District 31: Davie County, Forsyth County: VTD 011, VTD 012, VTD 013, VTD 014, VTD 015, VTD 021, VTD 031, VTD 032, VTD 033, VTD 034, VTD 051, VTD 052, VTD 053, VTD 054, VTD 055, VTD 061, VTD 062, VTD 063, VTD 064, VTD 065, VTD 066, VTD 067, VTD 068, VTD 071, VTD 072, VTD 073, VTD 074, VTD 075, VTD 091, VTD 092, VTD 111, VTD 112, VTD 123, VTD 131, VTD 132, VTD 133, VTD 701, VTD 802, VTD 803, VTD 804, VTD 805, VTD 806, VTD 807, VTD 809, VTD 908.

District 32: Forsyth County: VTD 042, VTD 043, VTD 081, VTD 082, VTD 083, VTD 101, VTD 122, VTD 201, VTD 203, VTD 204, VTD 205, VTD 206, VTD 207, VTD 301, VTD 302, VTD 303, VTD 304, VTD 305, VTD 306, VTD 401, VTD 402, VTD 403, VTD 404,

VTD 405, VTD 501, VTD 502, VTD 503, VTD 504, VTD 505, VTD 506, VTD 507, VTD 601, VTD 602, VTD 603, VTD 604, VTD 605, VTD 606, VTD 607, VTD 702, VTD 703, VTD 704, VTD 705, VTD 706, VTD 707, VTD 708, VTD 709, VTD 801, VTD 808, VTD 901, VTD 902, VTD 903, VTD 904, VTD 905, VTD 906, VTD 907, VTD 909.

District 33: Rowan County, Stanly County.

District 34: Iredell County, Yadkin County.

District 35: Union County: VTD 001, VTD 002, VTD 003, VTD 004, VTD 005, VTD 006, VTD 007, VTD 008, VTD 009, VTD 010, VTD 011, VTD 013, VTD 014, VTD 015, VTD 016, VTD 017A, VTD 017B, VTD 018, VTD 019, VTD 020A, VTD 020B, VTD 021, VTD 022, VTD 023, VTD 024, VTD 025, VTD 026, VTD 027, VTD 028, VTD 029A, VTD 029B, VTD 029C, VTD 030, VTD 031, VTD 033, VTD 034, VTD 036, VTD 037A, VTD 038A, VTD 038B, VTD 039, VTD 040, VTD 041, VTD 042, VTD 043.

District 36: Cabarrus County, Union County: VTD 012, VTD 032, VTD 035, VTD 037B.

District 37: Mecklenburg County: VTD 001, VTD 002, VTD 007, VTD 009, VTD 010, VTD 011, VTD 012, VTD 013, VTD 014, VTD 015, VTD 017, VTD 020, VTD 021, VTD 022, VTD 023, VTD 024, VTD 027, VTD 028, VTD 029, VTD 030, VTD 031, VTD 035, VTD 037, VTD 038, VTD 039, VTD 042, VTD 043, VTD 044, VTD 046, VTD 050, VTD 051, VTD 052, VTD 053, VTD 054, VTD 058, VTD 059, VTD 077, VTD 078.1, VTD 082, VTD 097, VTD 098, VTD 109, VTD 120, VTD 138, VTD 147, VTD 228, VTD 230: Block(s) 1190059121000, 1190059121001, 1190059121002, 1190059121003, 1190059121004, 1190059121005, 1190059121006, 1190059121007, 1190059121008, 1190059121009, 1190059121010, 1190059121011, 1190059121012, 1190059121013, 1190059121014, 1190059121015, 1190059121016, 1190059121017, 1190059121018, 1190059121019, 1190059121020, 1190059121021, 1190059121022, 1190059121023, 1190059121024, 1190059121025, 1190059121026, 1190059121027, 1190059121028, 1190059121029, 1190059121030, 1190059121031, 1190059121048, 1190059121049, 1190059121050, 1190059121051, 1190059121052, 1190059121054, 1190059121055, 1190059121056, 1190059121057.

District 38: Mecklenburg County: VTD 016, VTD 025, VTD 026, VTD 040, VTD 041, VTD 055, VTD 056, VTD 079, VTD 080, VTD 081, VTD 089, VTD 107.1, VTD 126, VTD 128, VTD 135, VTD 141, VTD 145, VTD 146, VTD 150, VTD 151, VTD 210, VTD 211, VTD 212, VTD 213, VTD 214, VTD 222, VTD 223.1: Block(s) 1190060071046; VTD 237, VTD 238.1, VTD 239.

District 39: Mecklenburg County: VTD 008, VTD 018, VTD 019, VTD 032, VTD 047, VTD 048, VTD 049, VTD 057, VTD 067, VTD 069, VTD 070, VTD 071, VTD 072, VTD 073, VTD 074, VTD 075, VTD 076, VTD 086, VTD 090, VTD 091, VTD 092, VTD 093, VTD 100, VTD 101, VTD 103, VTD 110, VTD 111, VTD 112, VTD 113, VTD 114, VTD 118, VTD 119, VTD 121, VTD 131, VTD 136, VTD 137, VTD 144, VTD 215, VTD 216, VTD 217, VTD 218, VTD 219, VTD 220, VTD 221, VTD 226, VTD 227, VTD 232, VTD 233, VTD 236.

District 40: Mecklenburg County: VTD 003, VTD 004, VTD 005, VTD 006, VTD 033, VTD 034, VTD 036, VTD 045, VTD 060, VTD 061, VTD 062, VTD 063, VTD 064, VTD 065, VTD 066, VTD 068, VTD 083, VTD 084, VTD 085, VTD 094, VTD 095, VTD 096, VTD 099, VTD 102, VTD 104, VTD 105, VTD 106, VTD 108, VTD 115, VTD 116, VTD 117, VTD 123, VTD 124, VTD 125, VTD 130, VTD 132, VTD 149, VTD 201, VTD 203, VTD 204.1, VTD 205, VTD 234, VTD 235.

District 41: Mecklenburg County: VTD 087, VTD 088, VTD 122, VTD 127, VTD 129, VTD 133, VTD 134, VTD 139.1, VTD 140, VTD 142, VTD 143, VTD 148, VTD 200, VTD 202, VTD 206, VTD 207, VTD 208, VTD 209, VTD 223.1: Block(s) 1190060071000, 1190060071001, 1190060071002, 1190060071003, 1190060071004, 1190060071005, 1190060071006, 1190060071007, 1190060071008, 1190060071009, 1190060071010, 1190060071011, 1190060071012, 1190060071013, 1190060071014, 1190060071015, 1190060071016, 1190060071017, 1190060071018, 1190060071019, 1190060071020,

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1190059092011, 1190059092012, 1190059092013, 1190059092014, 1190059092015, 1190059092016, 1190059092017, 1190059092018, 1190059121033, 1190059121034, 1190059121035, 1190059121036, 1190059121037, 1190059121038, 1190059121039, 1190059121040, 1190059121041, 1190059131000, 1190059131001, 1190059131002, 1190059131003, 1190059131004, 1190059131005, 1190059131006, 1190059131007, 1190059131008, 1190059131009, 1190059131010; VTD 231, VTD 240, VTD 241, VTD 242, VTD 243.

District 42: Alexander County, Catawba County.

District 43: Gaston County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 05, VTD 06, VTD 07, VTD 08, VTD 09, VTD 10, VTD 11, VTD 12, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 18, VTD 19, VTD 20, VTD 21, VTD 22, VTD 23, VTD 24, VTD 25, VTD 26, VTD 27, VTD 28, VTD 29, VTD 30, VTD 31, VTD 32, VTD 33, VTD 34, VTD 35, VTD 36, VTD 37, VTD 38, VTD 39, VTD 40, VTD 41, VTD 44, VTD 45, VTD 46.

District 44: Cleveland County, Gaston County: VTD 42, VTD 43; Lincoln County.

District 45: Alleghany County, Ashe County, Surry County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 05, VTD 06, VTD 07, VTD 08, VTD 09, VTD 11, VTD 18, VTD 22, VTD 24, VTD 25, VTD 26; Watauga County, Wilkes County.

District 46: Avery County, Burke County, Caldwell County.

District 47: Madison County, McDowell County, Mitchell County, Polk County, Rutherford County, Yancey County.

District 48: Buncombe County: VTD 101.1, VTD 102.1, VTD 19.1, VTD 30.1, VTD 38.2, VTD 38.3, VTD 46.1, VTD 47.1, VTD 55.1, VTD 57.1; Henderson County, Transylvania County.

District 49: Buncombe County: VTD 01.1, VTD 02.1, VTD 03.1, VTD 04.1, VTD 05.1, VTD 06.1, VTD 07.1, VTD 09.1, VTD 10.1, VTD 100.1, VTD 103.1, VTD 104.1, VTD 105.1, VTD 106.1, VTD 107.1, VTD 11.1, VTD 12.1, VTD 13.1, VTD 14.2, VTD 15.1, VTD 17.1, VTD 20.1, VTD 24.1, VTD 25.1, VTD 26.1, VTD 28.1, VTD 31.1, VTD 32.1, VTD 33.2, VTD 33.3, VTD 34.1, VTD 35.1, VTD 36.1, VTD 37.1, VTD 39.1, VTD 41.1, VTD 44.1, VTD 45.1, VTD 48.1, VTD 49.1, VTD 50.1, VTD 52.1, VTD 53.1, VTD 58.1, VTD 59.1, VTD 60.2, VTD 61.1, VTD 62.1, VTD 63.1, VTD 64.1, VTD 65.1, VTD 66.1, VTD 67.1, VTD 68.1, VTD 69.1, VTD 70.1, VTD 71.1.

District 50: Cherokee County, Clay County, Graham County, Haywood County, Jackson County, Macon County, Swain County."

SECTION 2. This act is effective when it becomes law and applies to elections held on or after January 1, 2018.

In the General Assembly read three times and ratified this the 31st day of August, 2017.

Session Law 2017-208 **H.B. 927**

AN ACT TO REALIGN THE DISTRICTS FOR THE ELECTION OF THE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-2(a) is rewritten to read:

"(a) For the purpose of nominating and electing members of the North Carolina House of Representatives in 2018 and periodically thereafter, the State of North Carolina shall be divided into the following districts with each district electing one Representative:

District 1: Bertie County, Camden County, Chowan County, Perquimans County, Tyrrell County, Washington County.

District 2: Granville County: VTD BERE, VTD BTNR, VTD CORI, VTD CRDM, VTD MTEN, VTD OKHL, VTD TYHO, VTD WILT; Person County.

District 3: Craven County: VTD 03, VTD 04, VTD 05, VTD 16, VTD 17, VTD 18, VTD 19, VTD 21, VTD 22, VTD 23, VTD N1, VTD N2, VTD N3, VTD N4: Block(s)

0499605002021, 0499605002022, 0499605002023, 0499605002024, 0499605002025, 0499605002026, 0499605002027, 0499605002028, 0499605002029, 0499605002030, 0499605002031, 0499605002032, 0499605002033, 0499605002034, 0499605002035, 0499605002036, 0499605002044, 0499605002051, 0499605003045, 0499605003046, 0499605003047, 0499605003048, 0499605003051, 0499605003052, 0499605003053, 0499605003054, 0499605003057, 0499605003075, 0499605004000, 0499605004001, 0499605004002, 0499605004003, 0499605004004, 0499605004005, 0499605004006, 0499605004007, 0499605004008, 0499605004009, 0499605004010, 0499605004011, 0499605004012, 0499605004013, 0499606001000, 0499606001001, 0499606001002, 0499606001003, 0499606001004, 0499606001005, 0499606001006, 0499606001007, 0499606001008, 0499606001009, 0499606001010, 0499606001011, 0499606001013, 0499606001014, 0499606001015, 0499606001016, 0499606001017, 0499606001018, 0499606001019, 0499606001020; VTD N5, VTD N6.

District 4: Duplin County, Onslow County: VTD CL10, VTD GB12: Block(s) 1330001031007, 1330001031008, 1330001031009, 1330001031010, 1330001031011, 1330001031017, 1330001031018, 1330001031049, 1330001031050, 1330001031051, 1330001031052, 1330002012041, 1330002012042, 1330002012043, 1330002012044, 1330002012045, 1330002012046, 1330002012047, 1330002012048, 1330002012050, 1330002012051, 1330002012053, 1330002012054, 1330002012055, 1330002012056, 1330002012057, 1330002012058, 1330002012059, 1330002012061, 1330002012062, 1330002012063, 1330002012064, 1330002021000, 1330002021001, 1330002021002, 1330002021003, 1330002021004, 1330002021005, 1330002021009, 1330002021010, 1330002021011, 1330002021015, 1330002021018, 1330002021019, 1330002021020, 1330002021021, 1330002021022, 1330002021023, 1330002021024, 1330002021025, 1330002021026, 1330002021027, 1330002022000, 1330002022001, 1330002022002, 1330002022003, 1330002022004, 1330002022005, 1330002022006, 1330002022007, 1330002022008, 1330002023000, 1330002023001, 1330002023002, 1330002024000, 1330002024001, 1330002024013, 1330002024019, 1330012001000, 1330012001015, 1330012001016; VTD HN14, VTD NM13, VTD RL09.

District 5: Gates County, Hertford County, Pasquotank County.

District 6: Currituck County, Dare County, Hyde County, Pamlico County.

District 7: Franklin County, Nash County: VTD 0001, VTD 0004, VTD 0005, VTD 0006, VTD 0008.

District 8: Pitt County: VTD 0101, VTD 0301, VTD 0401, VTD 0701, VTD 0800A, VTD 0800B, VTD 0901, VTD 1501, VTD 1503, VTD 1504, VTD 1505A, VTD 1505B, VTD 1506, VTD 1507: Block(s) 1470001003052, 1470001003067, 1470001003068, 1470002013014, 1470002013015, 1470002013016, 1470002013017, 1470002013018, 1470002013021, 1470002013022, 1470002013023, 1470002013024, 1470002013025, 1470002013026, 1470002013027, 1470002013028, 1470002013030, 1470002013031, 1470002021000, 1470002021001, 1470002021002, 1470002021003, 1470002021004, 1470002021005, 1470002021006, 1470002021007, 1470002021008, 1470002021009, 1470002021010, 1470002021011, 1470002021012, 1470002021013, 1470002021014, 1470002021015, 1470002021016, 1470002021017, 1470002021018, 1470002021019, 1470002021020, 1470002021021, 1470002021022, 1470002021023, 1470002022000, 1470002022001, 1470002022002, 1470002022003, 1470002022004, 1470002022005, 1470002022006, 1470002022007, 1470002022008, 1470002022009, 1470002022010, 1470002022011, 1470002022012, 1470004001000, 1470004001001, 1470004001002, 1470004001003, 1470004001004, 1470004001005, 1470004001006, 1470004001007, 1470004001008, 1470004001009, 1470004001010, 1470004001011, 1470004001012, 1470004001013, 1470004001014, 1470004001015, 1470004001016, 1470004001017, 1470004001018; VTD 1507B, VTD 1508A, VTD 1512A, VTD 1512B.

District 9: Pitt County: VTD 0501, VTD 0601, VTD 1101, VTD 1102A, VTD 1102B, VTD 1201, VTD 1301, VTD 1402A, VTD 1402B, VTD 1403A: Block(s) 1470012001047,

1470013011040, 1470013011041, 1470013011042, 1470013011043, 1470013011044, 1470013011045, 1470013011046, 1470013011047, 1470013011048, 1470013011049, 1470013011050, 1470013011051, 1470013011052, 1470013011053, 1470013011054, 1470013011075, 1470013011076, 1470013011077, 1470013011078, 1470013011079, 1470013012000, 1470013012001, 1470013012002, 1470013012003, 1470013012004, 1470013012005, 1470013012006, 1470013012007, 1470013012008, 1470013012009, 1470013012010, 1470013012011, 1470013012012, 1470013012013, 1470013012014, 1470013012015, 1470013012016, 1470013012017, 1470013012018, 1470013012019, 1470013012020, 1470013012021, 1470013012022, 1470013012023, 1470013012024, 1470013012025, 1470013012026, 1470013012027, 1470013012028, 1470013012029, 1470013012030, 1470013012031, 1470013012032, 1470013012033, 1470013012034, 1470013012035, 1470013012036, 1470013012037, 1470013021000, 1470013021001, 1470013021002, 1470013021003, 1470013021004, 1470013021005, 1470013021006, 1470013021007, 1470013021008, 1470013021009, 1470013021010, 1470013021011, 1470013021012, 1470013021013, 1470013021014, 1470013021015, 1470013021016, 1470013021017, 1470013021018, 1470013021019, 1470013021020, 1470013021021, 1470013021022, 1470013021023, 1470013021024, 1470013021025, 1470013021026, 1470013021027, 1470013021028, 1470013021029, 1470013021030, 1470013021031, 1470013021032, 1470013021033, 1470013021034, 1470013021035, 1470013021036, 1470013021037, 1470013021038, 1470013021039, 1470013021040, 1470013021041, 1470013021042, 1470013021043, 1470013021044, 1470013021045, 1470013021046, 1470013021047, 1470013021048, 1470013021049, 1470013021050, 1470013021051, 1470013021052, 1470013021053, 1470013021054, 1470013031044, 1470013031048, 1470013031049, 1470013031050, 1470013031051, 1470013031052, 1470013031055, 1470014011000, 1470014011001, 1470014011002, 1470014011003, 1470014011067, 1470014011068, 1470014022000, 1470014022001, 1470014022002, 1470014022003, 1470014022004, 1470014022005, 1470014022006, 1470014022007, 1470014022024, 1470014022026; VTD 1403B, VTD 1507: Block(s) 1470002011000, 1470002011001, 1470002011002, 1470002011003, 1470002011004; VTD 1508B, VTD 1509, VTD 1510A, VTD 1510B, VTD 1511A, VTD 1511B.

District 10: Greene County, Johnston County: VTD PR04: Block(s) 1010405003018, 1010405003025, 1010413001006, 1010413001007, 1010413001008, 1010413001009, 1010413001010, 1010413001013, 1010413001014, 1010413001015, 1010413001016, 1010413001029, 1010413001030, 1010413001031, 1010413001032, 1010413001033, 1010413001034, 1010413001035, 1010413001036, 1010413001037, 1010413001041, 1010413001042, 1010413001043, 1010413001044, 1010413001045, 1010413001046, 1010413001047, 1010413001048, 1010413001049, 1010413001050, 1010413001051, 1010413001052, 1010413001053, 1010413001054, 1010413002000, 1010413002027; VTD PR07, VTD PR08; Wayne County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 05, VTD 06, VTD 07, VTD 08, VTD 09: Block(s) 1910011011000, 1910011011001, 1910011011002, 1910011011003, 1910011011004, 1910011011015, 1910011011016, 1910011011017, 1910011011018, 1910011011025, 1910011013003, 1910011013006, 1910011013007, 1910011013033, 1910011013034, 1910011013035, 1910011013036, 1910011013037, 1910011013038, 1910011013039, 1910011013040, 1910011013049, 1910011013052, 1910011021000, 1910011021001, 1910011021002, 1910011021003, 1910011021004, 1910011021005, 1910011021006, 1910011021007, 1910011021008, 1910011021009, 1910011021010, 1910011021011, 1910011021012, 1910011021013, 1910011021014, 1910011021015, 1910011021016, 1910011021017, 1910011021028, 1910011021029, 1910011022000, 1910011022001, 1910011022002, 1910011022003, 1910011022004, 1910011022005, 1910011022006, 1910011022007, 1910011022008, 1910011022009, 1910011022010, 1910011022011, 1910011022012, 1910011022013, 1910011022014, 1910011022015, 1910011022016, 1910011022017, 1910011022018, 1910011022019, 1910011022020, 1910011022021, 1910011022022, 1910011022023, 1910011022024,

1910011022025, 1910011022026, 1910011022027, 1910011023000, 1910011023001, 1910011023002, 1910011023003, 1910011023004, 1910011023005, 1910011023006, 1910011023007, 1910011023008, 1910011023009, 1910011023010, 1910011023011, 1910011023012, 1910011023013, 1910011023014, 1910011023015, 1910011023016; VTD 14, VTD 15.

District 11: Wake County: VTD 01-31, VTD 01-32, VTD 01-41, VTD 01-48, VTD 01-49, VTD 04-01, VTD 04-02, VTD 04-03, VTD 04-04, VTD 04-06, VTD 04-10, VTD 04-11, VTD 04-12, VTD 04-14, VTD 04-15, VTD 04-16, VTD 04-20, VTD 18-01, VTD 18-06, VTD 18-08: Block(s) 1830530031012, 1830530031013, 1830530031014, 1830530031015, 1830530031016, 1830530031017, 1830530031018, 1830530031019, 1830530031020, 1830530031021, 1830530031022, 1830530031023, 1830530031024, 1830530031025, 1830530031026, 1830530031027, 1830530031028, 1830530031029, 1830530031030, 1830530031031, 1830530031032, 1830530031033, 1830530031034, 1830530031035, 1830530031036, 1830530031037, 1830530031038, 1830530031039, 1830530031040, 1830530031041, 1830530031042, 1830530031043, 1830530031044, 1830530031045, 1830530031046, 1830530031047, 1830530031048, 1830530031049, 1830530031050, 1830530031051, 1830530031052, 1830530031053, 1830530031054, 1830530031055, 1830530031056, 1830530031057, 1830530031067, 1830530031074, 1830530031080.

District 12: Lenoir County, Pitt County: VTD 0200A, VTD 0200B, VTD 1001, VTD 1403A: Block(s) 1470006032029, 1470006032037, 1470013011000, 1470013011001, 1470013011002, 1470013011003, 1470013011004, 1470013011005, 1470013011006, 1470013011007, 1470013011008, 1470013011009, 1470013011010, 1470013011011, 1470013011012, 1470013011013, 1470013011014, 1470013011015, 1470013011016, 1470013011017, 1470013011018, 1470013011019, 1470013011020, 1470013011021, 1470013011022, 1470013011023, 1470013011024, 1470013011025, 1470013011026, 1470013011027, 1470013011028, 1470013011029, 1470013011030, 1470013011031, 1470013011032, 1470013011033, 1470013011034, 1470013011035, 1470013011036, 1470013011037, 1470013011038, 1470013011039, 1470013011055, 1470013011056, 1470013011057, 1470013011058, 1470013011059, 1470013011060, 1470013011061, 1470013011062, 1470013011063, 1470013011064, 1470013011065, 1470013011066, 1470013011069, 1470013011070, 1470013011071, 1470013011072, 1470013011073, 1470013011074, 1470013011080, 1470013011081, 1470013011082, 1470016003019, 1470016003020, 1470016003021, 1470016003027, 1470016003028, 1470016003029, 1470016003030, 1470016003031, 1470016003032, 1470016003033, 1470016003034, 1470016003035, 1470016003036, 1470016003037, 1470016003042, 1470016003047, 1470016003048, 1470016003049, 1470016003050, 1470016003051, 1470016003052, 1470016003053, 1470016003054, 1470016004000, 1470016004001, 1470016004002, 1470016004003, 1470016004004, 1470016004006, 1470016004007, 1470016004008.

District 13: Carteret County, Jones County.

District 14: Onslow County: VTD BC21, VTD BM08, VTD EN03, VTD GB12: Block(s) 1330002021006, 1330002021007, 1330002021008, 1330002021014, 1330002021016, 1330002021017, 1330012001007, 1330012001008, 1330012001009, 1330012001010, 1330012001011, 1330012001012, 1330012001013, 1330012001014, 1330012001035; VTD HM05: Block(s) 1330001031016, 1330001031061, 1330002021012, 1330002021013, 1330012001001, 1330012001002, 1330012001003, 1330012001004, 1330012001005, 1330012001006, 1330012001017, 1330012001018, 1330012001019, 1330012001020, 1330012001021, 1330012001022, 1330012001023, 1330012001024, 1330012001025, 1330012001026, 1330012001027, 1330012001028, 1330012001029, 1330012001030, 1330012001031, 1330012001032, 1330012001033, 1330012001034, 1330012002000, 1330012002001, 1330012002002, 1330012002003, 1330012002004, 1330012002005, 1330012002006, 1330012002007, 1330012002008, 1330012002009, 1330012002010, 1330012002011, 1330012002012, 1330012002013, 1330012002014, 1330012002015, 1330012002016, 1330012002017, 1330012002018, 1330012002019, 1330012002020,

1330012002021, 1330012002022, 1330012002023, 1330012002024, 1330012002025, 1330012002026, 1330012002027, 1330012002028, 1330012002029, 1330012002030, 1330012002031, 1330012003001, 1330012005000, 1330012005001, 1330012005003, 1330012005004, 1330012005005; VTD HU20, VTD ML23, VTD MT24, VTD NE22, VTD SW19.

District 15: Onslow County: VTD CR07, VTD FS16, VTD HM05: Block(s) 1330012003002, 1330012003003, 1330012003005, 1330012003006, 1330012003007, 1330012003008, 1330012003009, 1330012003011, 1330012003012, 1330012003013, 1330012003014, 1330012003016, 1330012004000, 1330012004001, 1330012004002, 1330012004003, 1330012004004, 1330012004005, 1330012004006, 1330012004007, 1330012004008, 1330012004009, 1330012004010, 1330012004011, 1330012004012, 1330012004013, 1330012004014, 1330012004015, 1330012005002, 1330012005006; VTD HR17, VTD JA01, VTD NR02, VTD SF18, VTD TL06, VTD VR15, VTD WN04.

District 16: Columbus County: VTD P01, VTD P02, VTD P11, VTD P14, VTD P16, VTD P17, VTD P18, VTD P19, VTD P20, VTD P21, VTD P22, VTD P23; Pender County.

District 17: Brunswick County: VTD 04: Block(s) 0190202021024, 0190202021026, 0190202021027, 0190202021028, 0190202021029, 0190202021030, 0190202021031, 0190202021032, 0190202021033, 0190202021034, 0190202021035, 0190202021036, 0190202021037, 0190202021038, 0190202021039, 0190202021040, 0190202021041, 0190202021042, 0190202021043, 0190202021044, 0190202021045, 0190202021046, 0190202021047, 0190202021048, 0190202021049, 0190202021050, 0190202021051, 0190202021052, 0190202021053, 0190202021054, 0190202021055, 0190202021056, 0190202021057, 0190202021058, 0190202021059, 0190202021060, 0190202021061, 0190202021062, 0190202021063, 0190202021064, 0190202021065, 0190202021066, 0190202021067, 0190202021068, 0190202021069, 0190202021070, 0190202021071, 0190202021072, 0190202021073, 0190202021074, 0190202021075, 0190202021076, 0190202021077, 0190202021078, 0190202021079, 0190202021080, 0190202021081, 0190202021082, 0190202021083, 0190202021084, 0190202021085, 0190202021086, 0190202021087, 0190202021088, 0190202021089, 0190202021090, 0190202021091, 0190202021092, 0190202021093, 0190202021094, 0190202021095, 0190202021096, 0190202021097, 0190202021098, 0190202021099, 0190202021100, 0190202021101, 0190202021102, 0190202021103, 0190202021104, 0190202021105, 0190202021106, 0190202021108, 0190202021109, 0190202021110, 0190202021113, 0190202021114, 0190202021117, 0190202021120, 0190202021121, 0190202022000, 0190202022001, 0190202022002, 0190202022003, 0190202022004, 0190202022005, 0190202022006, 0190202022007, 0190202022008, 0190202022009, 0190202022010, 0190202022011, 0190202022012, 0190202022013, 0190202022014, 0190202022015, 0190202022016, 0190202022017, 0190202022018, 0190202022019, 0190202022030, 0190202022037, 0190202022047, 0190202022048, 0190202022054, 0190202022055, 0190202022056, 0190202022057, 0190202022058, 0190202022059, 0190202022087, 0190202022088, 0190202022089, 0190202022090, 0190202022091, 0190202022092, 0190202022248, 0190202022249; VTD 07, VTD 08, VTD 09, VTD 10, VTD 11, VTD 12, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 18, VTD 19, VTD 20, VTD 21, VTD 22, VTD 23.

District 18: Brunswick County: VTD 01, VTD 02, VTD 03, VTD 04: Block(s) 0190201031016, 0190201031017, 0190201031029, 0190201031030, 0190201031031, 0190201031032, 0190201031033, 0190201031034, 0190201031035, 0190201031036, 0190201031037, 0190201031038, 0190201031039, 0190201031040, 0190201031041, 0190201031042, 0190201031043, 0190201031044, 0190201031045, 0190201031046, 0190201031047, 0190201031048, 0190201031049, 0190201031050, 0190201031051, 0190201031052, 0190201031055, 0190201031058, 0190201031059, 0190201031060, 0190201031061, 0190201031062, 0190201031063, 0190201031064, 0190201032002, 0190201032003, 0190201032004, 0190201032007, 0190201032008, 0190201032009, 0190201032010, 0190201032011, 0190201032012, 0190201032013, 0190201032014,

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District 19: New Hanover County: VTD FP01, VTD FP02, VTD FP03, VTD FP04, VTD FP05, VTD H03, VTD M02, VTD M03, VTD M04, VTD M05, VTD W21, VTD W26, VTD W30, VTD WB: Block(s) 1290118001001, 1290118001002, 1290118001003, 1290118001004, 1290118001005, 1290118001006, 1290118001007, 1290118001008, 1290118001009, 1290118001010, 1290118001011, 1290118001012, 1290118001013, 1290118001014, 1290118001015, 1290118001016, 1290118001024, 1290118001025, 1290118001026, 1290118001027, 1290118001028, 1290118001029, 1290118001030, 1290118001031, 1290118001032, 1290118001033, 1290118001034, 1290118001035, 1290118001036, 1290118001037, 1290118001038, 1290118001039, 1290118001040, 1290118001041, 1290118001042, 1290118001043, 1290118001044, 1290118001045, 1290118001046, 1290118001047, 1290118001048, 1290118001071, 1290118001072, 1290118001073, 1290118001074, 1290118001075, 1290118001080, 1290118001081, 1290118001082, 1290118001083, 1290118001092, 1290118002000, 1290118002001, 1290118002002, 1290118002003, 1290118002004, 1290118002006, 1290118002007, 1290118002008, 1290118002009, 1290118002010, 1290118002011, 1290118002012, 1290118002013, 1290118002014, 1290118002015, 1290118002016, 1290118002017, 1290118002018, 1290118002019, 1290118002020, 1290118002021, 1290118002022, 1290118002023, 1290118002024, 1290118002025, 1290118002026, 1290118002027, 1290118002028, 1290118002029, 1290118003000, 1290118003001, 1290118003003, 1290118003004, 1290118003005, 1290118003006, 1290118003007, 1290118003008, 1290118003009, 1290118003010, 1290118003011, 1290118003012, 1290118003013, 1290118003014, 1290118003016, 1290118003017, 1290118003018, 1290118003019, 1290118003020, 1290118003021, 1290118003022, 1290118003023, 1290118003024, 1290118003025, 1290118003026, 1290118003027, 1290123001071, 1299901000005, 1299901000006, 1299901000007, 1299901000009, 1299901000010, 1299901000011, 1299901000012, 1299901000013, 1299901000014.

District 20: New Hanover County: VTD CF02, VTD CF03: Block(s) 1290116032004, 1290116032005, 1290116032006, 1290116032007, 1290116032008, 1290116032009, 1290116032010, 1290116032011, 1290116032012, 1290116032013, 1290116032014, 1290116032015, 1290116032016, 1290116032017, 1290116032018, 1290116032019, 1290116032020, 1290116032021, 1290116032022, 1290116032023, 1290116032024, 1290116033000, 1290116033001, 1290116033002, 1290116033003, 1290116033004, 1290116033005, 1290116033006, 1290116033007, 1290116033008, 1290116033009, 1290116033010, 1290116033011, 1290116033012, 1290116033013, 1290116033014, 1290116033015, 1290116033016, 1290116033017, 1290116033018, 1290116033019, 1290116033020, 1290116033021, 1290116033022, 1290116033023, 1290116033024, 1290116033025, 1290116033026, 1290116033027, 1290116033028, 1290116033029, 1290116033030, 1290116034000, 1290116034001, 1290116034002, 1290116034003, 1290116034004, 1290116034005, 1290116034006, 1290116034007, 1290116034008, 1290116034009, 1290116034010, 1290116034011, 1290116034013, 1290116034022, 1290116034023, 1290116034024, 1290116035000, 1290116035001, 1290116035002, 1290116035003, 1290116035004, 1290116035005, 1290116035006, 1290116035007, 1290116035008, 1290116035009, 1290116035010, 1290116035011, 1290116035012, 1290116035013, 1290116035014, 1290116035015, 1290116035016, 1290116035017, 1290116035018, 1290116035019, 1290116035023, 1290116035024, 1290116035025, 1290116035026, 1290116051025, 1290116071008, 1290116073011, 1290116081000, 1290116081001, 1290116081002, 1290116081003, 1290116081004, 1290116081005,

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District 21: Sampson County: VTD CLCE, VTD CLEA, VTD CLSW, VTD GIDD, VTD ROWA: Block(s) 1639708004000, 1639708004001, 1639708004002, 1639708004003, 1639708004004, 1639708004008, 1639708004009, 1639708004010, 1639708004012, 1639708004013, 1639708004027, 1639708005001, 1639708005002, 1639708005003, 1639708005004, 1639708005005, 1639708005006, 1639708005007, 1639708005008, 1639708005009, 1639708005010, 1639708005011, 1639708005012, 1639708005013, 1639708005014, 1639708005015, 1639708005016, 1639708005017, 1639708005018, 1639708005021, 1639708005022, 1639708005026, 1639710001005, 1639710001007, 1639710001008, 1639710001009, 1639710001013, 1639710002006; VTD TURK; Wayne County: VTD 09: Block(s) 1910011011019, 1910011011020, 1910011011021, 1910011011022, 1910011011023, 1910011011024, 1910011021018, 1910011021019, 1910011021020, 1910011021021, 1910011021022, 1910011021023, 1910011021024, 1910011021025, 1910011021026, 1910011021027, 1910011021030, 1910011021031, 1910011021032, 1910011021033, 1910011021034, 1910011021035, 1910011021036, 1910011021037, 1910011021038, 1910011021039; VTD 10, VTD 11, VTD 12, VTD 13, VTD 16, VTD 17, VTD 18, VTD 19, VTD 20, VTD 21, VTD 22, VTD 23, VTD 24, VTD 25, VTD 26, VTD 27, VTD 28, VTD 29, VTD 30.

District 22: Bladen County, Sampson County: VTD AUTR, VTD CLEM, VTD CLNE, VTD CLWE, VTD GARL, VTD HARR, VTD HERR, VTD INGO, VTD KEEN, VTD KFRK, VTD LAKE, VTD MING, VTD NGRV, VTD PLVW, VTD ROSE, VTD ROWA: Block(s) 1639708004005, 1639708004006, 1639708004007, 1639708005023, 1639708005024, 1639708005025, 1639710001000, 1639710001001, 1639710001002, 1639710001003, 1639710001004, 1639710001006, 1639710001010, 1639710001011, 1639710001012, 1639710001014, 1639710001015, 1639710001016, 1639710001017, 1639710001020, 1639710001025, 1639710001026, 1639710001027, 1639710001059, 1639710002000, 1639710002001, 1639710002002, 1639710002003, 1639710002004, 1639710002005, 1639710002007, 1639710002012, 1639710002014, 1639710002015, 1639710002073, 1639710002074; VTD SBRG, VTD WBRK.

District 23: Edgecombe County, Martin County.

District 24: Wilson County.

District 25: Nash County: VTD 0002, VTD 0003, VTD 0007, VTD 0011, VTD 0012, VTD 0015, VTD 0021, VTD 0022, VTD 0025, VTD 0026, VTD 0031, VTD 0032, VTD 0033, VTD 0034, VTD 0035, VTD 0036, VTD 0037, VTD 0038, VTD 0039, VTD 0040, VTD 0041.

District 26: Johnston County: VTD PR09, VTD PR10, VTD PR11A, VTD PR11B, VTD PR12, VTD PR20, VTD PR21, VTD PR26: Block(s) 1010408001004, 1010408001009, 1010408001010, 1010408001011, 1010408001012, 1010408001013, 1010408001027, 1010408001039; VTD PR28, VTD PR29A, VTD PR29B, VTD PR31A, VTD PR31B, VTD PR32, VTD PR34.

District 27: Halifax County, Northampton County.

District 28: Harnett County: VTD PR08: Block(s) 0850709011000, 0850709011001, 0850709011002, 0850709011003, 0850709011004, 0850709011005, 0850709011006, 0850709011007, 0850709011008, 0850709011009, 0850709011010, 0850709011011, 0850709011012, 0850709011013, 0850709011014, 0850709011015, 0850709011016, 0850709011017, 0850709011018, 0850709011019, 0850709011020, 0850709011021, 0850709011022, 0850709011023, 0850709011024, 0850709011025, 0850709011026, 0850709011027, 0850709011028, 0850709011029, 0850709011030, 0850709011031, 0850709011032, 0850709011033, 0850709011034, 0850709011035, 0850709011036, 0850709011037, 0850709011038, 0850709011039, 0850709011040, 0850709011041, 0850709011042, 0850709011043, 0850709011044, 0850709011045, 0850709011046, 0850709011047, 0850709011048, 0850709011049, 0850709011050, 0850709011051, 0850709011052, 0850709011053, 0850709011054, 0850709011055, 0850709011056, 0850709011057, 0850709011058, 0850709011059, 0850709011060, 0850709011061, 0850709011062, 0850709011063, 0850709011064, 0850709011065, 0850709011066, 0850709011067, 0850709021000, 0850709021001, 0850709021002, 0850709021003, 0850709021004, 0850709021005, 0850709021006, 0850709021007, 0850709021008, 0850709021009, 0850709021010, 0850709021011, 0850709021012, 0850709021013, 0850709021014, 0850709021015, 0850709021016, 0850709021017, 0850709021018, 0850709021019, 0850709021020, 0850709021021, 0850709021022, 0850709021023, 0850709021024, 0850709021025, 0850709021026, 0850709021027, 0850709021028, 0850709021029, 0850709021030, 0850709021031, 0850709021032, 0850709021033, 0850709021034, 0850709021035, 0850709021036, 0850709021037, 0850709021038, 0850709021039, 0850709021040, 0850709021041, 0850709021042, 0850709021043, 0850709021044, 0850709021045, 0850709021046, 0850709021047, 0850709021048, 0850709021051, 0850709021052, 0850709021053, 0850709021069, 0850709021072, 0850709021073, 0850709031000, 0850709031001, 0850709031002, 0850709031003, 0850709031004, 0850709031005, 0850709031006, 0850709031007, 0850709031008, 0850709031009, 0850709031010, 0850709031011, 0850709031012, 0850709031014, 0850709031015, 0850709031023, 0850709031024, 0850709041000, 0850709041001, 0850709041002, 0850709041010, 0850709041011, 0850709041012, 0850709041013, 0850709041014, 0850709041015, 0850709041016, 0850709041020, 0850709041021, 0850709041022, 0850709042000, 0850709042001, 0850709042002, 0850709042003, 0850709042005, 0850709042008; Johnston County: VTD PR01, VTD PR02, VTD PR03, VTD PR04: Block(s) 1010412023044, 1010412023045, 1010412023052, 1010413001024, 1010413001025, 1010413001026, 1010413001038, 1010413001039, 1010413001040, 1010413002001, 1010413002002, 1010413002003, 1010413002015, 1010413002016, 1010413002018, 1010413002019, 1010413002020, 1010413002021, 1010413002022, 1010413002023, 1010413002024, 1010413002025, 1010413002026, 1010413002028, 1010413002029, 1010413002030, 1010413002031, 1010413002032, 1010413002033, 1010413002034, 1010413002035, 1010413002036, 1010413002037, 1010413002038, 1010413002039, 1010413002044, 1010413002046; VTD PR05, VTD PR06, VTD PR13, VTD PR14, VTD PR15, VTD PR16, VTD PR17, VTD PR18, VTD PR19, VTD PR22, VTD PR23, VTD PR24, VTD PR25, VTD PR26: Block(s) 1010406001000, 1010406001001, 1010406001002, 1010406001003, 1010406001004, 1010406001005, 1010406001006, 1010406001007, 1010406001008, 1010406001009, 1010406001010, 1010406001011, 1010406001012, 1010406001013, 1010406001014, 1010406001015, 1010406001016, 1010406001017, 1010406001018, 1010406001019, 1010406001020,

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District 29: Durham County: VTD 02, VTD 05, VTD 06, VTD 07, VTD 08, VTD 09, VTD 10, VTD 12, VTD 16, VTD 27, VTD 34: Block(s) 0630020251000, 0630020251001, 0630020251002, 0630020251003, 0630020251004, 0630020251005, 0630020251006, 0630020251007, 0630020251008, 0630020251009, 0630020251010, 0630020251011, 0630020251012, 0630020251013, 0630020251014, 0630020251015, 0630020251016, 0630020251017, 0630020251018, 0630020251019, 0630020251020, 0630020252000, 0630020252001, 0630020252002, 0630020252003, 0630020252004, 0630020252005, 0630020252006, 0630020252007, 0630020252008, 0630020252009, 0630020252010, 0630020252011, 0630020252012, 0630020253001, 0630020253002, 0630020253003, 0630020253004, 0630020253005, 0630020253006, 0630020253007, 0630020253008, 0630020253009, 0630020253010, 0630020261000, 0630020261001, 0630020261002, 0630020261003, 0630020261004, 0630020261005, 0630020261006, 0630020261007, 0630020262017, 0630020262024, 0630020262027, 0630020262028, 0630020262029, 0630020262030, 0630020262031, 0630020262032, 0630020262033, 0630020262034, 0630020262035; VTD 36, VTD 38, VTD 39, VTD 40, VTD 41, VTD 42, VTD 48, VTD 51, VTD 55.

District 30: Durham County: VTD 03, VTD 04, VTD 21, VTD 22, VTD 23, VTD 24, VTD 25, VTD 26, VTD 28, VTD 29, VTD 37, VTD 43, VTD 44, VTD 45, VTD 46, VTD 50.

District 31: Durham County: VTD 01, VTD 13, VTD 14, VTD 15, VTD 17, VTD 18, VTD 19, VTD 20, VTD 30-1, VTD 30-2, VTD 31, VTD 32, VTD 33, VTD 34: Block(s) 0630020262004, 0630020262005, 0630020262006, 0630020262007, 0630020262008,

0630020262009, 0630020262010, 0630020262011, 0630020262012, 0630020262013, 0630020262014, 0630020262015, 0630020262016, 0630020262018, 0630020262019, 0630020262020, 0630020262021, 0630020262022, 0630020262023, 0630020262025, 0630020262026, 0630020262036; VTD 47, VTD 52, VTD 54.

District 32: Granville County: VTD ANTI, VTD CRDL, VTD EAOX, VTD SALM, VTD SASS, VTD SOOX, VTD WOEL; Vance County, Warren County.

District 33: Wake County: VTD 01-21, VTD 01-22, VTD 01-23, VTD 01-25, VTD 01-26, VTD 01-27, VTD 01-35, VTD 01-50, VTD 16-02, VTD 16-03, VTD 16-04, VTD 16-05, VTD 16-06, VTD 16-07, VTD 16-08, VTD 16-09: Block(s) 1830528082000, 1830528082001, 1830528082002, 1830528082017, 1830528082018, 1830528082019, 1830528082020, 1830528082021, 1830528082022, 1830528082023, 1830528082024, 1830528082025, 1830528082026, 1830528082027, 1830528082028, 1830528082029, 1830528082031, 1830528082032, 1830528082033, 1830528082034, 1830528082035, 1830528082036, 1830528082037, 1830528082038, 1830528082039, 1830528082040, 1830528082041, 1830528082042, 1830528082043, 1830528082044, 1830528082045, 1830528082046, 1830528082047, 1830528082048, 1830528082049, 1830528082050, 1830528082051, 1830528082052, 1830528082053, 1830528082054, 1830528082055, 1830528082056, 1830528082057, 1830528082058, 1830528084026, 1830528084027, 1830528084028, 1830528084029, 1830528084030, 1830528084031, 1830528084032, 1830528084033, 1830528084034, 1830528084035, 1830528084037, 1830528084038, 1830528084039, 1830528084040, 1830528084051, 1830528084052, 1830528084053.

District 34: Wake County: VTD 01-04, VTD 01-05, VTD 01-06, VTD 01-07, VTD 01-09, VTD 01-10, VTD 01-11, VTD 01-12, VTD 01-15, VTD 01-17, VTD 01-18, VTD 01-30, VTD 01-36, VTD 01-37, VTD 01-39, VTD 01-43, VTD 01-44, VTD 01-45, VTD 01-51, VTD 07-02, VTD 07-03, VTD 07-04, VTD 07-09, VTD 07-12, VTD 08-06, VTD 08-09, VTD 08-10.

District 35: Wake County: VTD 09-01, VTD 09-03, VTD 10-02: Block(s) 1830544031000, 1830544031001, 1830544031002, 1830544031003, 1830544031004, 1830544031006, 1830544031007, 1830544031012; VTD 13-06, VTD 13-10, VTD 13-11, VTD 19-03, VTD 19-04, VTD 19-05, VTD 19-06, VTD 19-07, VTD 19-09, VTD 19-10, VTD 19-11, VTD 19-12, VTD 19-16.

District 36: Wake County: VTD 04-07, VTD 12-05: Block(s) 1830531111000, 1830531111001, 1830531111002, 1830531111003, 1830531111004, 1830531111005, 1830531111006, 1830531111007, 1830531111008, 1830531111009, 1830531111010, 1830531111011, 1830531111012, 1830531111013, 1830531113000, 1830531113001, 1830531113002, 1830531113003, 1830531113004, 1830531113005, 1830531113006, 1830531113007, 1830531113008, 1830531113009, 1830531113010, 1830531113011, 1830531113012, 1830531113013, 1830531113014, 1830531113015, 1830531113016, 1830531113017, 1830531113018, 1830531113019, 1830531113020, 1830531113021, 1830531113022, 1830531113023, 1830531113024, 1830532011000, 1830532011001, 1830532011002, 1830532011003, 1830532011004, 1830532011005, 1830532011006, 1830532011007, 1830532011008, 1830532011009, 1830532011010, 1830532011011, 1830532011012, 1830532011013, 1830532011014, 1830532011015, 1830532011016, 1830532011017, 1830532011018, 1830532011019, 1830532011020, 1830532011021, 1830532011022, 1830532011023, 1830532011024, 1830532011028, 1830532011059, 1830532011060, 1830532011062; VTD 12-07, VTD 15-01, VTD 15-02, VTD 15-03, VTD 15-04, VTD 16-01, VTD 16-09: Block(s) 1830528082059, 1830528084025, 1830528084036, 1830528084041, 1830528084042, 1830528084043, 1830528084045, 1830528084046, 1830528084047, 1830528084048, 1830528084049, 1830528084050, 1830528084055, 1830528084056, 1830528091000, 1830528091001, 1830528091002, 1830528091003, 1830528091004, 1830528091005, 1830528091006, 1830528091007, 1830528091008; VTD 18-02, VTD 18-03, VTD 18-04, VTD 18-05, VTD 18-07, VTD 18-08: Block(s) 1830530031058, 1830530031059, 1830530031060, 1830530031062,

1830530031063, 1830530031064, 1830530031065, 1830530031066, 1830530031068, 1830530031069, 1830530031070, 1830530031071, 1830530031072, 1830530031073, 1830530031075, 1830530031076, 1830530031081, 1830530031082, 1830530031083, 1830530031086, 1830530031087, 1830530032000, 1830530032001, 1830530032002, 1830530032003, 1830530032004, 1830530032005, 1830530032006, 1830530032007, 1830530032008, 1830530032009, 1830530032010, 1830530032011, 1830530071001, 1830530071002, 1830530071003, 1830530071004, 1830530071005, 1830530071006; VTD 20-03, VTD 20-05, VTD 20-09.

District 37: Wake County: VTD 03-00, VTD 06-01, VTD 06-04, VTD 06-05, VTD 06-06, VTD 06-07, VTD 12-01, VTD 12-02, VTD 12-04, VTD 12-05: Block(s) 1830532011025, 1830532011026, 1830532011027, 1830532011029, 1830532011030, 1830532011031, 1830532011032, 1830532011033, 1830532011034, 1830532011035, 1830532011036, 1830532011037, 1830532011038, 1830532011039, 1830532011040, 1830532011041, 1830532011042, 1830532011043, 1830532011044, 1830532011045, 1830532011046, 1830532011047, 1830532011048, 1830532011049, 1830532011050, 1830532011051, 1830532011052, 1830532011053, 1830532011054, 1830532011055, 1830532011056, 1830532011057, 1830532011058, 1830532011061, 1830532011063; VTD 12-06, VTD 12-08, VTD 12-09, VTD 20-01, VTD 20-11.

District 38: Wake County: VTD 01-13, VTD 01-14, VTD 01-19, VTD 01-20, VTD 01-28, VTD 01-34, VTD 01-38, VTD 01-40, VTD 01-46, VTD 13-01, VTD 13-05, VTD 13-07, VTD 13-08, VTD 13-09, VTD 17-01, VTD 17-10, VTD 17-11.

District 39: Wake County: VTD 09-02, VTD 10-01, VTD 10-02: Block(s) 1830544031005, 1830544031008, 1830544031009, 1830544031010, 1830544031011, 1830544031013, 1830544031014, 1830544031015, 1830544031016, 1830544032000, 1830544032001, 1830544032002, 1830544032003, 1830544032004, 1830544032008, 1830544032009, 1830544032011, 1830544041000, 1830544041001, 1830544041002, 1830544041003, 1830544041004, 1830544041005, 1830544041006, 1830544041007, 1830544041008, 1830544041013, 1830544041014, 1830544041015, 1830544041016, 1830544041017, 1830544041018, 1830544041019, 1830544041020, 1830544041021, 1830544041022, 1830544041023, 1830544041024, 1830544041025, 1830544041026, 1830544041027, 1830544041028, 1830544041029, 1830544041030, 1830544041031, 1830544041032, 1830544041040, 1830544041041, 1830544041042, 1830544041043, 1830544041044, 1830544041045, 1830544041046, 1830544041047, 1830544041048, 1830544041053, 1830544041054, 1830544041071, 1830544041072, 1830544041073, 1830544042000, 1830544042001, 1830544042002, 1830544042003, 1830544042004, 1830544042005, 1830544042006, 1830544042007, 1830544042008, 1830544042009, 1830544042010, 1830544042011, 1830544042012, 1830544042013, 1830544042014, 1830544042015, 1830544042016, 1830544042017, 1830544042018, 1830544042019, 1830544042020, 1830544042021, 1830544042022, 1830544042023, 1830544042024, 1830544042025, 1830544042026, 1830544043000, 1830544043001, 1830544043002, 1830544043003, 1830544043005, 1830544043006, 1830544043013, 1830544043014, 1830544043015, 1830544043016, 1830544043017, 1830544043018, 1830544043019, 1830544043020, 1830544043021, 1830544043022, 1830544043023, 1830544043024, 1830544043025, 1830544043026, 1830544043029, 1830544043031, 1830544043032, 1830544043033, 1830544043034, 1830544043035, 1830544043036, 1830544043075, 1830544043076, 1830544043077, 1830544043078, 1830544043079, 1830544043090; VTD 10-03, VTD 10-04, VTD 17-02, VTD 17-03, VTD 17-04, VTD 17-05, VTD 17-06, VTD 17-07, VTD 17-08, VTD 17-09, VTD 19-17.

District 40: Wake County: VTD 01-42, VTD 01-47, VTD 02-01, VTD 02-02, VTD 02-03, VTD 02-04, VTD 02-05, VTD 02-06, VTD 07-05, VTD 07-06, VTD 07-07, VTD 07-11, VTD 07-13, VTD 08-02, VTD 08-03, VTD 08-04, VTD 08-05, VTD 08-07, VTD 08-08, VTD 13-02, VTD 14-01, VTD 14-02.

District 41: Wake County: VTD 04-13, VTD 04-19, VTD 05-04, VTD 05-06, VTD 20-02, VTD 20-04, VTD 20-06, VTD 20-08, VTD 20-10, VTD 20-12.

District 42: Cumberland County: VTD AH49, VTD CL57, VTD G11, VTD G5, VTD LR63, VTD MB62, VTD MR02.

District 43: Cumberland County: VTD CC03, VTD CC05, VTD CC06, VTD CC13, VTD CC16, VTD CC17, VTD CC21, VTD CC24, VTD CC25, VTD CC26, VTD CC27, VTD CC32, VTD CC33, VTD G2: Block(s) 0510012001000, 0510012001001, 0510012001002, 0510012001003, 0510012001004, 0510012001005, 0510012001006, 0510012001007, 0510012001008, 0510012001009, 0510012001010, 0510012004001, 0510012004002, 0510012004003, 0510012004004, 0510012004021, 0510012004022, 0510012004023, 0510012004024, 0510012004025, 0510012004026, 0510012004027, 0510012004028, 0510024011000, 0510024011001, 0510024011002, 0510024011003, 0510024011004, 0510024011005, 0510024011006, 0510024011007, 0510024011008, 0510024011009, 0510024011010, 0510024011011, 0510024011013, 0510024011014, 0510024011015, 0510024011016, 0510024011017, 0510024011018, 0510024011019, 0510024011022, 0510024011024, 0510024011025, 0510024011026, 0510024011027, 0510024011028, 0510024011029, 0510024011030, 0510024011034, 0510024011035, 0510024011036, 0510024011038, 0510024011041, 0510024011042, 0510024011043, 0510024012004, 0510024012007, 0510024012025, 0510024021000, 0510024021005, 0510024022000, 0510024022001, 0510024022002, 0510024022003, 0510024022004, 0510024022005, 0510024022006, 0510024022007, 0510024023000, 0510024023001, 0510024023002, 0510024023003, 0510024023004, 0510024023005, 0510024023006, 0510024023007, 0510024023008, 0510024023009, 0510024023011, 0510024023012, 0510024023013, 0510025011000, 0510025011001, 0510025011002, 0510025011003, 0510025011004, 0510025011005, 0510025011006, 0510025011007, 0510025011008, 0510025011009, 0510025011010, 0510025011011, 0510025011012, 0510025011013, 0510025011014, 0510025011015, 0510025011016, 0510025011017, 0510025011018, 0510025011019, 0510025011020, 0510025011021, 0510025011022, 0510025011023, 0510025012000, 0510025012001, 0510025012002, 0510025012003, 0510025012004, 0510025012005, 0510025012006, 0510025012007, 0510025012008, 0510025012009, 0510025012010, 0510025012011, 0510025012012, 0510025012013, 0510025012014, 0510025013000, 0510025013001, 0510025013002, 0510025013003, 0510025013004, 0510025013005, 0510025013006, 0510025013007, 0510025013008, 0510025013009, 0510025013010, 0510025013011, 0510025013012, 0510025013013, 0510025013014, 0510025013015, 0510025013016, 0510025013017, 0510025013018, 0510025013019, 0510025013020, 0510025013021, 0510025013022, 0510025013023, 0510025013024, 0510025013025, 0510025013026, 0510025013027, 0510025013028, 0510025013029, 0510025013030, 0510025013031, 0510025013032, 0510025013033, 0510025013034, 0510025013035, 0510025013036, 0510025013037, 0510025013038, 0510025013039, 0510025013040, 0510025013041, 0510025013042, 0510025013043, 0510025013044, 0510025013045, 0510025013046, 0510025013047, 0510025013048, 0510025013049, 0510025013050, 0510025013051, 0510025013052, 0510025013053, 0510025013054, 0510025013055, 0510025013056, 0510025013057, 0510025013058, 0510025013059, 0510025013060, 0510025013061, 0510025013062, 0510025013063, 0510025013064, 0510025013065, 0510025013066, 0510025013067, 0510025013068, 0510025013069, 0510025013070, 0510025013071, 0510025013072, 0510025013073, 0510025013074, 0510025013075, 0510025013076, 0510025013077, 0510025013078, 0510025013079, 0510025013080, 0510025013081, 0510025021013, 0510025021014, 0510025021015, 0510025021016, 0510025021017, 0510025021018, 0510025021019, 0510025021020, 0510025021021, 0510025021022, 0510025021023, 0510025021024, 0510025021025, 0510025021026, 0510025021027, 0510025021028, 0510025021029, 0510025021030, 0510025021031, 0510025021032, 0510025021033, 0510025021034, 0510025021035, 0510025021036, 0510025021037, 0510025021038, 0510025021039, 0510025021040, 0510025021041,

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District 44: Cumberland County: VTD CC01, VTD CC04, VTD CC07, VTD CC08, VTD CC10, VTD CC12, VTD CC14, VTD CC15, VTD CC18, VTD CC19, VTD CC29, VTD CC31, VTD CC34, VTD CU02, VTD G3, VTD G4, VTD G8.

District 45: Cumberland County: VTD AL51, VTD EO61-1, VTD EO61-2, VTD G1, VTD G10, VTD G2: Block(s) 0510025021000, 0510025021001, 0510025021002, 0510025021003, 0510025021004, 0510025021005, 0510025021006, 0510025021007, 0510025021008, 0510025021009, 0510025021010, 0510025021011, 0510025021012, 0510025021067, 0510025043000, 0510025043001, 0510025043002, 0510025043003, 0510025043004, 0510025043005, 0510025043006, 0510025043007, 0510025043008, 0510025043009, 0510025043010, 0510025043011, 0510025043012, 0510025043013, 0510025043014, 0510025043015, 0510025043016, 0510025043017, 0510025043018, 0510025043019, 0510025043020, 0510025043021, 0510025043022, 0510025043023, 0510025043024, 0510025043025, 0510025043026, 0510025043027, 0510025043028, 0510025043029, 0510025043030, 0510025043031, 0510025043032, 0510025043033, 0510025043034, 0510025043035, 0510025043036, 0510025043037, 0510025043038, 0510037001001, 0510037001002, 0510037001004, 0510037001005, 0510037001006, 0510037001010, 0510037001011, 0510037001012, 0510037001013, 0510037001014, 0510037001015, 0510037001016, 0510037001017, 0510037001018, 0510037001019, 0510037001020, 0510037001021, 0510037001022, 0510037001025, 0510037001026, 0510037003088, 0510037003089, 0510037003090, 0510037003098, 0510037003099, 0510037003100, 0510037003101, 0510037003104, 0510037003105, 0510037003106, 0510037003107, 0510037003114; VTD G6, VTD G7, VTD G9, VTD LI65, VTD SH77.

District 46: Columbus County: VTD P03, VTD P04, VTD P05, VTD P06, VTD P07, VTD P08, VTD P09, VTD P10, VTD P12, VTD P13, VTD P15, VTD P24, VTD P25, VTD P26; Robeson County: VTD 03, VTD 08, VTD 09, VTD 10, VTD 13, VTD 14, VTD 20, VTD 21, VTD 28, VTD 30, VTD 31, VTD 32, VTD 33, VTD 36, VTD 37, VTD 40, VTD 41.

District 47: Robeson County: VTD 01, VTD 02, VTD 04, VTD 05, VTD 06, VTD 07, VTD 11, VTD 12, VTD 15, VTD 16, VTD 17, VTD 18A, VTD 19, VTD 22, VTD 23, VTD 24, VTD 25, VTD 26, VTD 27, VTD 29, VTD 34, VTD 35, VTD 38, VTD 39.

District 48: Hoke County, Scotland County.

District 49: Wake County: VTD 01-01, VTD 01-02, VTD 01-03, VTD 01-16, VTD 01-29, VTD 01-33, VTD 04-05, VTD 04-08, VTD 04-09, VTD 04-17, VTD 04-18, VTD 04-21, VTD 05-01, VTD 05-03, VTD 05-05, VTD 07-01, VTD 07-10, VTD 08-11, VTD 11-01, VTD 11-02.

District 50: Caswell County, Orange County: VTD CA, VTD CG, VTD CP, VTD CS1, VTD CW, VTD CX, VTD EF, VTD ENO, VTD GB, VTD H, VTD OG, VTD PA, VTD SJ, VTD SM, VTD TO, VTD WC, VTD WH.

District 51: Harnett County: VTD PR07: Block(s) 0850712031002, 0850713011001, 0850713011002, 0850713011003, 0850713011004, 0850713011005, 0850713011006, 0850713011007, 0850713011008, 0850713011009, 0850713011010, 0850713011011, 0850713011012, 0850713011013, 0850713011014, 0850713011015, 0850713011016, 0850713011017, 0850713011018, 0850713011019, 0850713011020, 0850713011021, 0850713011022, 0850713011023, 0850713011024, 0850713011025, 0850713011026, 0850713011027, 0850713011028, 0850713011029, 0850713011030, 0850713011031, 0850713011032, 0850713011033, 0850713011034, 0850713011035, 0850713011036,

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District 52: Moore County: VTD BEN, VTD CAM, VTD EAB, VTD EUR, VTD EWD, VTD KWD, VTD LTR, VTD NSP, VTD PBF, VTD PDN, VTD PHA, VTD PHB1, VTD PHB2, VTD PHC, VTD RBN: Block(s) 1259502001038, 1259502001043, 1259502001044, 1259502001045, 1259502001046, 1259502001050, 1259502001053, 1259502001056, 1259502001057, 1259502001058, 1259502001059, 1259502001060, 1259502001061, 1259502001062, 1259502001063, 1259502001064, 1259502001065, 1259502001066, 1259502001067, 1259502001068, 1259502001069, 1259502001070, 1259502001071, 1259502001072, 1259502001073, 1259502001074, 1259502001075, 1259502001076, 1259502001077, 1259502001078, 1259502001080, 1259502001081, 1259502001082, 1259502001083, 1259502003000, 1259502003001, 1259502003003, 1259502003005, 1259502003006, 1259502003007, 1259502003010, 1259502003011, 1259502003012, 1259502003013, 1259502003014, 1259502003015, 1259502003017, 1259502003018, 1259502003028, 1259502004000, 1259502004001, 1259502004002, 1259502004003, 1259502004004, 1259502004005, 1259502004006, 1259502004007, 1259502004008, 1259502004009, 1259502004010, 1259502004011, 1259502004012, 1259502004013, 1259502004014, 1259502004015, 1259502004016, 1259502004019, 1259502004020, 1259502004023, 1259502004024, 1259502004025, 1259502004026, 1259502004027, 1259502004028, 1259502004029, 1259502004030, 1259502004031, 1259502004032, 1259502005003, 1259502005004, 1259502005005, 1259502005006, 1259502005007, 1259502005008, 1259502005009, 1259502005010, 1259502005011, 1259502005012,

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District 53: Harnett County: VTD PR01, VTD PR07: Block(s) 0850713011000, 0850713012000, 0850713012001, 0850713012002, 0850713012003, 0850713012004, 0850713012005, 0850713012006, 0850713012007, 0850713012008, 0850713012009, 0850713012010, 0850713012011, 0850713012012, 0850713012013, 0850713012014, 0850713012015, 0850713012016, 0850713012017, 0850713012018, 0850713012019, 0850713012020, 0850713012021, 0850713012022, 0850713012023, 0850713012024, 0850713012025, 0850713012026, 0850713012027, 0850713012028, 0850713012029, 0850713012030, 0850713012031, 0850713012032, 0850713022000, 0850713022001, 0850713022002, 0850713022003, 0850713022004, 0850713022005, 0850713022006, 0850713022007, 0850713022013, 0850713022014, 0850713022015, 0850713022016, 0850713033011, 0850713034000, 0850713034001, 0850713034002, 0850713034003, 0850713034008, 0850713034009, 0850713034010, 0850713034011, 0850713034012, 0850713034015, 0850713034016, 0850713034017, 0850713034018, 0850713034019, 0850713034020, 0850713034021; VTD PR08: Block(s) 0850708011000, 0850708011001, 0850708011002, 0850708011017, 0850708011018, 0850708011019, 0850709021054, 0850709021055, 0850709021059, 0850709021060, 0850709021061, 0850709021062, 0850709021068, 0850709021071, 0850709031013, 0850709031016, 0850709031017, 0850709031018, 0850709031019, 0850709031020, 0850709031021, 0850709031022, 0850709031025, 0850709031026, 0850709031027, 0850709031029, 0850709031041, 0850709031042, 0850709031043, 0850709041003, 0850709041004, 0850709041005, 0850709041006, 0850709041007, 0850709041008, 0850709041009, 0850709041017, 0850709041018, 0850709041019, 0850709042004, 0850709042006, 0850709042007, 0850709042009, 0850709042010, 0850709042011, 0850709042012, 0850709042013, 0850709042014, 0850709042015, 0850709042016, 0850709042017, 0850709042018, 0850709042019, 0850710011018, 0850710012021; VTD PR17, VTD PR20, VTD PR23, VTD PR24, VTD PR25, VTD PR26, VTD PR27, VTD PR28, VTD PR29.

District 54: Chatham County, Durham County: VTD 35, VTD 53-1, VTD 53-2.

District 55: Anson County, Union County: VTD 007, VTD 009, VTD 011, VTD 012, VTD 019: Block(s) 1790210051004, 1790210051023, 1790210051024, 1790210051025, 1790210051026, 1790210051029, 1790210051030, 1790210051031, 1790210051032, 1790210051033, 1790210051034, 1790210051035, 1790210051036, 1790210051037, 1790210051038, 1790210051041, 1790210051042, 1790210052021, 1790210052022,

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District 56: Orange County: VTD BC, VTD BP, VTD CB, VTD CC, VTD CF, VTD CH, VTD CO, VTD DA, VTD DM, VTD EA, VTD EH, VTD ES, VTD GL, VTD GR, VTD HF, VTD KM, VTD LC, VTD LI, VTD MF, VTD NC, VTD NS, VTD OW, VTD RF, VTD TH, VTD WD, VTD WW.

District 57: Guilford County: VTD G01, VTD G02, VTD G03, VTD G04, VTD G05, VTD G06, VTD G07, VTD G08, VTD G09, VTD G10, VTD G11, VTD G12, VTD G13, VTD G14, VTD G15, VTD G44, VTD G45, VTD G46, VTD G47, VTD G67, VTD G68, VTD G69, VTD G70, VTD G71, VTD G72, VTD G73, VTD G74, VTD MON1.

District 58: Guilford County: VTD G36, VTD G37, VTD G38, VTD G48, VTD G49, VTD G50, VTD G51, VTD G52, VTD G53, VTD G54, VTD G55, VTD G56, VTD G57, VTD G58, VTD G59, VTD G60, VTD G61, VTD G62, VTD G63, VTD G65, VTD G66, VTD G75, VTD JAM3, VTD SUM1, VTD SUM2.

District 59: Guilford County: VTD FEN1, VTD FEN2, VTD GIB, VTD GR, VTD JAM4, VTD JAM5, VTD JEF1, VTD JEF2, VTD JEF3, VTD JEF4, VTD MON2, VTD MON3, VTD NCLAY1, VTD NCLAY2, VTD NMAD, VTD NWASH, VTD PG1, VTD PG2, VTD RC1, VTD RC2, VTD SCLAY, VTD SMAD, VTD SUM3, VTD SUM4, VTD SWASH.

District 60: Guilford County: VTD FR1, VTD FR2, VTD G43, VTD G64, VTD H01, VTD H03, VTD H04, VTD H05, VTD H06, VTD H07, VTD H08, VTD H09, VTD H10, VTD H11, VTD H12, VTD H17, VTD H18, VTD H19A, VTD H19B, VTD HP, VTD JAM1, VTD JAM2.

District 61: Guilford County: VTD FR4, VTD FR5, VTD G16, VTD G17, VTD G30, VTD G31, VTD G32, VTD G33, VTD G34, VTD G35, VTD G39, VTD G40A1, VTD G40B, VTD G41, VTD G42, VTD H02, VTD H13, VTD H14, VTD H15, VTD H16, VTD H20A, VTD H20B, VTD H21, VTD H22, VTD H23, VTD H24, VTD H25, VTD H26, VTD H27, VTD NDRI, VTD SDRI.

District 62: Guilford County: VTD CG1, VTD CG2, VTD CG3A, VTD CG3B, VTD FR3, VTD G18, VTD G19, VTD G20, VTD G21, VTD G22, VTD G23, VTD G24, VTD G25, VTD G26, VTD G27, VTD G28, VTD G29, VTD G40A2, VTD NCGR1, VTD NCGR2, VTD OR1, VTD OR2, VTD SF1, VTD SF2, VTD SF3, VTD SF4, VTD STOK.

District 63: Alamance County: VTD 03C: Block(s) 0010205011046, 0010205011052, 0010205012008, 0010205012009, 0010205012010, 0010205012011, 0010205012012, 0010205012018, 0010205012019, 0010205012020, 0010205012021, 0010205012022, 0010205012023, 0010205012024, 0010205012025, 0010205012026, 0010205012027, 0010205012028, 0010205012029, 0010205012037, 0010205012038, 0010206011000, 0010206011001, 0010206011002, 0010206011007, 0010206011008, 0010206011009, 0010206011010, 0010206011011, 0010206011013, 0010206011014, 0010206011015, 0010206011016, 0010206011021, 0010206011022, 0010206011023, 0010206011025, 0010206011026, 0010206011032, 0010206011033, 0010206011034, 0010206011035, 0010206011036, 0010206011037, 0010206012000, 0010206012001, 0010206012002,

0010206012003, 0010206012010, 0010206012011, 0010206012012, 0010206012013, 0010206012014, 0010206012015, 0010206012016, 0010206012017, 0010206012018, 0010206012020, 0010206012021, 0010206012022, 0010206012023, 0010206012024, 0010206012025, 0010206012026, 0010206012027, 0010206012028, 0010206012029, 0010206012030, 0010217021000, 0010217021001, 0010217022021, 0010217022022, 0010217022041, 0010217022042, 0010217022043, 0010217022044, 0010217022045; VTD 063: Block(s) 0010203003005, 0010203003007, 0010203003008, 0010203003009, 0010203003010, 0010203003011, 0010203003012, 0010203003013, 0010203003014, 0010203003015, 0010203003016, 0010203003017, 0010203003018, 0010203003019, 0010203003020, 0010203003021, 0010203003022, 0010203003023, 0010203003024, 0010203003025, 0010203003026, 0010203003027, 0010203003028, 0010203003029, 0010203003030, 0010203003031, 0010203003032, 0010203003033, 0010203003034, 0010203003035, 0010203003036, 0010203003037, 0010203004005, 0010203004006, 0010203004007, 0010203004008, 0010203004009, 0010203004010, 0010203004011, 0010203004012, 0010203004013, 0010203004014, 0010203004015, 0010203004016, 0010203004017, 0010203004018, 0010203004019, 0010203004020, 0010203004021, 0010203004022, 0010203004023, 0010203005001, 0010203005005, 0010203005007, 0010203005008, 0010203005012, 0010203005013, 0010203005014, 0010203005015, 0010203005020, 0010203005022, 0010203005023, 0010203005026, 0010203005029, 0010203005030, 0010203005031, 0010203005032, 0010203005033, 0010203005034, 0010203005035, 0010203005037, 0010203005071, 0010203005072; VTD 064, VTD 06E, VTD 06N, VTD 06S, VTD 06W: Block(s) 0010208011000, 0010208011001, 0010208011002, 0010208011003, 0010208011004, 0010208011005, 0010208011006, 0010208011007, 0010208011017, 0010208025000, 0010208025001, 0010208025010, 0010208025011, 0010208025017, 0010208025018, 0010208025019, 0010208025023, 0010208025024, 0010208025025, 0010208025026, 0010208025027, 0010208026000, 0010208026001, 0010208026003, 0010208026004, 0010208026005, 0010208026006, 0010208026007, 0010208026012, 0010208026013, 0010208026014, 0010208026015, 0010208026016, 0010208026017, 0010208026018, 0010208026019, 0010208026020; VTD 09N, VTD 09S, VTD 103, VTD 10N, VTD 10S, VTD 11, VTD 1210, VTD 124, VTD 125, VTD 126, VTD 129, VTD 12W, VTD 13.

District 64: Alamance County: VTD 01, VTD 02, VTD 035, VTD 03C: Block(s) 0010217013020, 0010217022030, 0010217022031, 0010217022032, 0010217022033, 0010217022036, 0010217022037, 0010217022038, 0010217022040, 0010217022046, 0010217022047, 0010217022048, 0010217023017; VTD 03N, VTD 03S, VTD 03W, VTD 04, VTD 05, VTD 063: Block(s) 0010203001000, 0010203001001, 0010203001002, 0010203001003, 0010203001004, 0010203001006, 0010203001007, 0010203001008, 0010203001015, 0010203003000, 0010203003001, 0010203003002, 0010203003003, 0010203003004, 0010203003006, 0010203004000, 0010203004001, 0010203004002, 0010203004003, 0010203004004; VTD 06W: Block(s) 0010208026002, 0010208026008, 0010208026011; VTD 07, VTD 08N, VTD 08S, VTD 127, VTD 128, VTD 12E, VTD 12N, VTD 12S.

District 65: Rockingham County: VTD CO, VTD DR, VTD EC, VTD ED-1, VTD HO, VTD HU: Block(s) 1570410011021, 1570410011025, 1570410011026, 1570410011027, 1570410011028, 1570410011029, 1570410011038, 1570410011039, 1570410011044, 1570410011045, 1570410011046, 1570410011048, 1570410011049, 1570410012000, 1570410012001, 1570410012002, 1570410012003, 1570410012004, 1570410012005, 1570410012011, 1570410012012, 1570410012013, 1570410012014, 1570410012015, 1570410012016, 1570410012017, 1570410012018, 1570410012019, 1570410012020, 1570410012021, 1570410012022, 1570410012023, 1570410012024, 1570410012025, 1570410012026, 1570410012027, 1570410012028, 1570410012029, 1570410012030, 1570410012031, 1570410012032, 1570410013000, 1570410013001, 1570410013002, 1570410013003, 1570410013004, 1570410013005, 1570410013006, 1570410013007,

1570410013008, 1570410013009, 1570410013010, 1570410013011, 1570410013012, 1570410013013, 1570410013014, 1570410013015, 1570410013016, 1570410013017, 1570410013018, 1570410013019, 1570410013020, 1570410013021, 1570410013022, 1570410013023, 1570410013024, 1570410013025, 1570410013026, 1570410013027, 1570410013028, 1570410013029, 1570410013030, 1570410013032, 1570410013034, 1570410013035, 1570410013036, 1570410013037, 1570410013038, 1570410013039, 1570410013040, 1570410013041, 1570410013042, 1570410013043, 1570410013044, 1570410013045, 1570410013046, 1570410013047, 1570410013048, 1570410013049, 1570410013050, 1570410013051, 1570410013052, 1570410013053, 1570410013054, 1570410013055, 1570410013056, 1570410013057, 1570410014000, 1570410014002, 1570410014003, 1570410014004, 1570410014005, 1570410014006, 1570410014007, 1570410014008, 1570410014009, 1570410014010, 1570410014011, 1570410014012, 1570410014013, 1570410014014, 1570410014015, 1570410014016, 1570410014017, 1570410014018, 1570410014019, 1570410014020, 1570410014021, 1570410014022, 1570410014023, 1570410014024, 1570410014025, 1570410014026, 1570410014027, 1570410014028, 1570410014029, 1570410014030, 1570410014031, 1570410014032, 1570410014033, 1570410014034, 1570410014035, 1570410014036, 1570410014037, 1570410014038, 1570410014039, 1570410014040; VTD IR, VTD LI, VTD LK-2, VTD MA, VTD MC, VTD NB, VTD RC, VTD RD-1, VTD VA, VTD WM.

District 66: Montgomery County, Richmond County, Stanly County: VTD 0003, VTD 0014, VTD 0015, VTD 0016.

District 67: Cabarrus County: VTD 01-02, VTD 01-04, VTD 01-07, VTD 06-00, VTD 07-00, VTD 08-00, VTD 09-00, VTD 10-00; Stanly County: VTD 0002, VTD 0007, VTD 0008, VTD 0010, VTD 0011, VTD 0012, VTD 0013, VTD 0017, VTD 0018, VTD 0019, VTD 0020, VTD 0021, VTD 0022, VTD 0023, VTD 0024, VTD 0025, VTD 0026, VTD 0027, VTD 0028.

District 68: Union County: VTD 001, VTD 002, VTD 003, VTD 010, VTD 017A: Block(s) 1790203081006, 1790203081007, 1790203081008, 1790203081009, 1790203081010, 1790203081011, 1790203081012, 1790203081013, 1790203081014, 1790203081015, 1790203081016, 1790203081017, 1790203081018, 1790203081019, 1790203081032, 1790203081035, 1790203173031, 1790203173032, 1790203173033, 1790210111052, 1790210111053, 1790210111054, 1790210113000, 1790210113001, 1790210113094, 1790210113095, 1790210113096, 1790210113097; VTD 017B, VTD 018, VTD 019: Block(s) 1790210041000, 1790210041001, 1790210041002, 1790210041003, 1790210041004, 1790210041005, 1790210041006, 1790210041007, 1790210041008, 1790210041009, 1790210041010, 1790210041011, 1790210041012, 1790210041013, 1790210041014, 1790210041015, 1790210041016, 1790210041017, 1790210041018, 1790210041019, 1790210041020, 1790210041021, 1790210041022, 1790210041023, 1790210041024, 1790210041025, 1790210041026, 1790210041027, 1790210041028, 1790210041029, 1790210041030, 1790210041031, 1790210041032, 1790210041033, 1790210041034, 1790210041035, 1790210041036, 1790210041038, 1790210041039, 1790210041040, 1790210041041, 1790210041042, 1790210041043, 1790210041046, 1790210041047, 1790210041048, 1790210042000, 1790210042002, 1790210042007, 1790210042009, 1790210042010, 1790210042013, 1790210042016, 1790210042017, 1790210042018, 1790210042019, 1790210042020, 1790210042021, 1790210042026, 1790210042027, 1790210042028, 1790210042029, 1790210042030, 1790210042037, 1790210051005, 1790210051006, 1790210051007, 1790210051008, 1790210051009, 1790210051010, 1790210051011, 1790210051012, 1790210051013, 1790210051014, 1790210051015, 1790210051016, 1790210051017, 1790210051018, 1790210051019, 1790210051020, 1790210051021, 1790210051022, 1790210051040; VTD 020A, VTD 020B, VTD 028, VTD 029A: Block(s) 1790203161028, 1790203171004, 1790203171005, 1790203171006, 1790203171007, 1790203171008, 1790203171009, 1790203171010, 1790203171011, 1790203171012, 1790203171013, 1790203171014, 1790203172000,

1790203172001, 1790203172002, 1790203172003, 1790203172004, 1790203172005, 1790203172006, 1790203172007, 1790203172008, 1790203172009, 1790203172010, 1790203172011, 1790203172012, 1790203172013, 1790203172014, 1790203172015, 1790203172016, 1790203172017, 1790203172018, 1790203172019, 1790203172020, 1790203172021, 1790203172022, 1790203172023, 1790203172024, 1790203172025, 1790203172026, 1790203172027, 1790203172028, 1790203172029, 1790203172030, 1790203172031, 1790203173000, 1790203173001, 1790203173002, 1790203173003, 1790203173004, 1790203173005, 1790203173006, 1790203173007, 1790203173008, 1790203173009, 1790203173010, 1790203173011, 1790203173012, 1790203173013, 1790203173014, 1790203173015, 1790203173016, 1790203173017, 1790203173018, 1790203173019, 1790203173020, 1790203173021, 1790203173022; VTD 029B, VTD 029C: Block(s) 1790203161004, 1790203161005, 1790203161006, 1790203161008, 1790203161009, 1790203161010, 1790203161011, 1790203161012, 1790203161013, 1790203161014, 1790203161015, 1790203161016, 1790203161017, 1790203161018, 1790203161019, 1790203161020, 1790203161021, 1790203161022, 1790203161023, 1790203161024, 1790203161025, 1790203161026, 1790203161027, 1790203161029, 1790203161030, 1790203161031, 1790203161032, 1790203161033, 1790203161034, 1790203161035, 1790203161036, 1790203161037, 1790203161038, 1790203161041, 1790203162017, 1790203162018, 1790203173023, 1790203173024, 1790203173025, 1790203173026, 1790203173028, 1790203173029, 1790203173030; VTD 031, VTD 040: Block(s) 1790203152020, 1790203152021, 1790203152022, 1790203152023, 1790203152024, 1790203152025, 1790203152026, 1790203152027, 1790203152028, 1790203152029, 1790203152030, 1790203152031, 1790203152032, 1790203152033, 1790203152034, 1790203152035, 1790203152036, 1790203152040, 1790210101021, 1790210101022, 1790210101023, 1790210101024, 1790210101049, 1790210101050, 1790210101058, 1790210101059, 1790210101060, 1790210101061, 1790210101062, 1790210101063, 1790210101064, 1790210101065, 1790210101066, 1790210101067; VTD 041, VTD 042.

District 69: Union County: VTD 004, VTD 005, VTD 006, VTD 008, VTD 013, VTD 014, VTD 015, VTD 016, VTD 017A: Block(s) 1790203072000, 1790203072001, 1790203072002, 1790203072003, 1790203072004, 1790203072005, 1790203072006, 1790203072007, 1790203072009, 1790203072010, 1790203072017, 1790203072018, 1790203072019, 1790203072020, 1790203072021, 1790203072022, 1790203072023, 1790203072024, 1790203072025, 1790203072026, 1790203072028, 1790203073010, 1790203073011, 1790203073017, 1790203073018, 1790203073019, 1790203073023, 1790203073024, 1790203073025; VTD 029A: Block(s) 1790203071042, 1790203071044, 1790203071045, 1790203071071; VTD 029C: Block(s) 1790203142023, 1790203142025, 1790203142026, 1790203142027, 1790203142028, 1790203152000, 1790203152001, 1790203152002, 1790203152003, 1790203152004, 1790203152005, 1790203152039; VTD 030, VTD 032: Block(s) 1790202032001, 1790202032002, 1790202032003, 1790202032004, 1790202032005, 1790202032011, 1790202032012, 1790202032013, 1790202032014, 1790202032015, 1790202032016, 1790202032017, 1790202032018, 1790202032019, 1790202032020, 1790202032021, 1790202032022, 1790202032024, 1790202032025, 1790202032026, 1790202032027, 1790202032028, 1790202032029, 1790202032030, 1790202032031, 1790202032032, 1790202032033, 1790202032034, 1790202032035, 1790202032036, 1790202032037, 1790202032038; VTD 035, VTD 037A, VTD 037B, VTD 038A, VTD 038B, VTD 039, VTD 040: Block(s) 1790203141031, 1790203141032, 1790203141033, 1790203141034, 1790203141035, 1790203141036, 1790203141037, 1790203141038, 1790203141039, 1790203141043, 1790203141046, 1790203141049, 1790203141050, 1790203141051, 1790203141052, 1790203142040, 1790203142042, 1790203142043, 1790203142045, 1790203142049, 1790203151000, 1790203151001, 1790203151002, 1790203151003, 1790203151004, 1790203151005, 1790203151006, 1790203151007, 1790203151008, 1790203151009, 1790203151010,

1790203151011, 1790203151012, 1790203151013, 1790203151014, 1790203151015, 1790203151016, 1790203151017, 1790203151018, 1790203151019, 1790203151020, 1790203151021, 1790203151022, 1790203151023, 1790203151024, 1790203151025, 1790203151026, 1790203151027, 1790203151028, 1790203151029, 1790203151030, 1790203151031, 1790203151032, 1790203151033, 1790203151034, 1790203151035, 1790203151036, 1790203151037, 1790203151038, 1790203151039, 1790203152006, 1790203152007, 1790203152008, 1790203152009, 1790203152010, 1790203152011, 1790203152012, 1790203152013, 1790203152014, 1790203152015, 1790203152016, 1790203152017, 1790203152018, 1790203152019, 1790203152037, 1790203152038, 1790203152041, 1790203152042; VTD 043.

District 70: Randolph County: VTD 01, VTD 02, VTD 03, VTD 05, VTD 06, VTD 07, VTD 08, VTD 09, VTD 10, VTD 12, VTD 13, VTD 22, VTD 25, VTD 26, VTD 28, VTD 32, VTD 33, VTD 37, VTD 38, VTD 39.

District 71: Forsyth County: VTD 404, VTD 405, VTD 501, VTD 502, VTD 503, VTD 504, VTD 505, VTD 507, VTD 601, VTD 602, VTD 603, VTD 604, VTD 605, VTD 606, VTD 607, VTD 701, VTD 702, VTD 703, VTD 704, VTD 705, VTD 706, VTD 707, VTD 806.

District 72: Forsyth County: VTD 081, VTD 083, VTD 201, VTD 203, VTD 204, VTD 205, VTD 206, VTD 207, VTD 301, VTD 302, VTD 303, VTD 304, VTD 305, VTD 306, VTD 401, VTD 402, VTD 403, VTD 801, VTD 802, VTD 803, VTD 901, VTD 902, VTD 903, VTD 904, VTD 905, VTD 907.

District 73: Forsyth County: VTD 071, VTD 072, VTD 073, VTD 074, VTD 075, VTD 123, VTD 133, VTD 807, VTD 808; Yadkin County.

District 74: Forsyth County: VTD 021, VTD 031, VTD 032, VTD 033, VTD 034, VTD 062, VTD 063, VTD 066, VTD 068, VTD 082, VTD 091, VTD 092, VTD 101, VTD 111, VTD 112, VTD 131, VTD 132, VTD 804, VTD 805, VTD 809, VTD 906, VTD 908, VTD 909.

District 75: Forsyth County: VTD 011, VTD 012, VTD 013, VTD 014, VTD 015, VTD 042, VTD 043, VTD 051, VTD 052, VTD 053, VTD 054, VTD 055, VTD 061, VTD 064, VTD 065, VTD 067, VTD 122, VTD 506, VTD 708, VTD 709.

District 76: Rowan County: VTD 01, VTD 03, VTD 08, VTD 10, VTD 13, VTD 14, VTD 15, VTD 18, VTD 22, VTD 23, VTD 25, VTD 26, VTD 28, VTD 30, VTD 31, VTD 34, VTD 35, VTD 36, VTD 38, VTD 39, VTD 40, VTD 41, VTD 42, VTD 45, VTD 46.

District 77: Davie County, Rowan County: VTD 02, VTD 04, VTD 07, VTD 09, VTD 11, VTD 12, VTD 16, VTD 19, VTD 21, VTD 24, VTD 27, VTD 29, VTD 32, VTD 44.

District 78: Moore County: VTD CAR, VTD DHR, VTD RBN: Block(s) 1259501001042, 1259501001045, 1259501001046, 1259501001047, 1259501001048, 1259501001057, 1259501001058, 1259501001059, 1259501001060, 1259502001022, 1259502001023, 1259502001024, 1259502001027, 1259502001028, 1259502001029, 1259502001032, 1259502001033, 1259502001034, 1259502001035, 1259502001036, 1259502001037, 1259502001039, 1259502001040; VTD WEM: Block(s) 1259501001043, 1259501001044, 1259502001000, 1259502001001, 1259502001002, 1259502001003, 1259502001004, 1259502001005, 1259502001006, 1259502001007, 1259502001008, 1259502001009, 1259502001010, 1259502001011, 1259502001012, 1259502001013, 1259502001014, 1259502001015, 1259502001016, 1259502001017, 1259502001018, 1259502001019, 1259502001020, 1259502001021, 1259502001025, 1259502001026; Randolph County: VTD 04, VTD 11, VTD 14, VTD 15, VTD 16, VTD 17, VTD 18, VTD 19, VTD 20, VTD 21, VTD 23, VTD 24, VTD 27, VTD 29, VTD 30, VTD 31, VTD 34, VTD 35, VTD 36, VTD 40.

District 79: Beaufort County, Craven County: VTD 06, VTD 07, VTD 08, VTD 09, VTD 10, VTD 11, VTD 12, VTD 13, VTD 14, VTD 15, VTD 20, VTD N4: Block(s) 0499605002007, 0499605002038, 0499605002039, 0499605002040, 0499605003019, 0499605003020, 0499605003021, 0499605003022, 0499605003023, 0499605003024, 0499605003025, 0499605003041, 0499605003043, 0499605003044, 0499605003050, 0499605003055, 0499605003061, 0499605003062, 0499605003063, 0499605003064,

0499605003066, 0499605003067, 0499605003068, 0499605003069, 0499605003070, 0499605003071, 0499605003074.

District 80: Davidson County: VTD 02, VTD 12, VTD 14, VTD 16, VTD 18, VTD 20, VTD 42, VTD 44, VTD 46, VTD 54, VTD 56, VTD 60, VTD 62, VTD 64, VTD 66, VTD 68, VTD 72, VTD 74, VTD 76, VTD 80.

District 81: Davidson County: VTD 04, VTD 06, VTD 08, VTD 10, VTD 22, VTD 24, VTD 26, VTD 28, VTD 30, VTD 32, VTD 34, VTD 36, VTD 38, VTD 40, VTD 48, VTD 50, VTD 52, VTD 58, VTD 70, VTD 78, VTD 82, VTD 84.

District 82: Cabarrus County: VTD 01-06, VTD 01-09, VTD 01-10, VTD 02-01, VTD 02-02, VTD 02-03, VTD 02-05, VTD 02-06, VTD 02-07, VTD 02-08, VTD 02-09, VTD 03-00, VTD 04-04, VTD 04-05, VTD 04-06, VTD 04-07, VTD 04-08, VTD 04-09, VTD 04-10.

District 83: Cabarrus County: VTD 01-08, VTD 04-01, VTD 04-02, VTD 04-03, VTD 05-00, VTD 11-01, VTD 11-02, VTD 12-01, VTD 12-02, VTD 12-03, VTD 12-04, VTD 12-05, VTD 12-06, VTD 12-07, VTD 12-08, VTD 12-09, VTD 12-10, VTD 12-11, VTD 12-12; Rowan County: VTD 05, VTD 06, VTD 17, VTD 20, VTD 33.

District 84: Iredell County: VTD BE, VTD CD, VTD CH-A, VTD CS, VTD EM, VTD FT, VTD NH, VTD OL, VTD SB, VTD SH-A, VTD SH-B, VTD ST1, VTD ST2, VTD ST3, VTD ST4, VTD ST5, VTD TB, VTD UG.

District 85: Avery County, McDowell County, Mitchell County.

District 86: Burke County: VTD 0001, VTD 0003, VTD 0011, VTD 0012, VTD 0013, VTD 0014, VTD 0015, VTD 0018, VTD 0019, VTD 0020, VTD 0021, VTD 0022, VTD 0024, VTD 0031, VTD 0034, VTD 0035, VTD 0036, VTD 0038, VTD 0039, VTD 0040, VTD 0047, VTD 0048, VTD 0051, VTD 0052, VTD 0062, VTD 0066, VTD 0070.

District 87: Caldwell County.

District 88: Mecklenburg County: VTD 009, VTD 010, VTD 020, VTD 021, VTD 022, VTD 023, VTD 031, VTD 038, VTD 039, VTD 050, VTD 051, VTD 052, VTD 053, VTD 059, VTD 078.1, VTD 079, VTD 098, VTD 200, VTD 230.

District 89: Catawba County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 05, VTD 06, VTD 09, VTD 10, VTD 12, VTD 20, VTD 21, VTD 22, VTD 25, VTD 27, VTD 31, VTD 32, VTD 34, VTD 35, VTD 40, VTD 41.

District 90: Alleghany County, Surry County: VTD 01, VTD 02, VTD 03, VTD 06, VTD 07, VTD 08, VTD 09, VTD 12, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 18, VTD 19, VTD 25, VTD 26, VTD 33; Wilkes County: VTD 101, VTD 105, VTD 106, VTD 109, VTD 110, VTD 113, VTD 114, VTD 119, VTD 121, VTD 123, VTD 125, VTD 126.

District 91: Rockingham County: VTD AV, VTD HU: Block(s) 1570410011000, 1570410011001, 1570410011002, 1570410011003, 1570410011004, 1570410011016, 1570410011017, 1570410011018, 1570410011019, 1570410011020, 1570410011022, 1570410011023, 1570410011024, 1570410011030, 1570410011031, 1570410011032, 1570410011033, 1570410011034, 1570410011035, 1570410011036, 1570410011037, 1570410011040, 1570410011041, 1570410011042, 1570410011043, 1570410011047, 1570410014001; VTD MD; Stokes County, Surry County: VTD 04, VTD 05, VTD 10, VTD 11, VTD 20, VTD 21, VTD 22, VTD 23, VTD 24, VTD 27, VTD 28.

District 92: Mecklenburg County: VTD 058, VTD 077, VTD 087, VTD 097, VTD 120, VTD 122, VTD 129, VTD 138, VTD 147, VTD 225, VTD 228, VTD 229, VTD 231, VTD 243.

District 93: Ashe County, Watauga County.

District 94: Alexander County, Wilkes County: VTD 102, VTD 103, VTD 104, VTD 107, VTD 108, VTD 111, VTD 112, VTD 115A, VTD 117, VTD 118, VTD 120, VTD 122, VTD 124, VTD 127, VTD 128, VTD 129.

District 95: Iredell County: VTD BA, VTD CC1, VTD CC2, VTD CC3, VTD CC4, VTD CH-B, VTD DV1-A, VTD DV1-B, VTD DV2-A, VTD DV2-B, VTD ST6.

District 96: Catawba County: VTD 07, VTD 08, VTD 11, VTD 13, VTD 14, VTD 15, VTD 16, VTD 17, VTD 19, VTD 23, VTD 24, VTD 26, VTD 28, VTD 29, VTD 30, VTD 33, VTD 36, VTD 37, VTD 38, VTD 39.

District 97: Lincoln County.

District 98: Mecklenburg County: VTD 127, VTD 133, VTD 134: Block(s) 1190062102016, 1190062122003, 1190062122004, 1190062122005, 1190062122006, 1190062122007, 1190062122008, 1190062122009, 1190062122010, 1190062122011, 1190062122012, 1190062122013, 1190062122014, 1190062122015, 1190062122016, 1190062122017, 1190062122018, 1190062122019, 1190062122020, 1190062122021, 1190062122022, 1190062122023, 1190062122024, 1190062122025, 1190062122026, 1190062122027, 1190062122028, 1190062132003, 1190062132004, 1190062132005, 1190062132021, 1190062132022, 1190062132023, 1190062132024, 1190062132025, 1190062132026, 1190062132028, 1190062132032, 1190062132033, 1190062132052, 1190062142000, 1190062142001, 1190062142002, 1190062142003, 1190062142004, 1190062142005, 1190062142006, 1190062142007, 1190062142008, 1190062142009, 1190062142010, 1190062142011, 1190062142012, 1190062142013, 1190062142014, 1190062142015, 1190062142016, 1190062142017, 1190062142019, 1190062142020, 1190062142021, 1190062142022, 1190062142029, 1190062142030, 1190062142033, 1190062151003, 1190062151004, 1190062151005, 1190062151006, 1190062151007, 1190062151008, 1190062151009, 1190062151010, 1190062151015, 1190062151016, 1190062151017, 1190062151018, 1190062151019, 1190062151020, 1190062151021, 1190062151022, 1190062151023, 1190062151024, 1190062151025, 1190062151026, 1190062151027, 1190062151028, 1190062151029, 1190062151040, 1190062151041, 1190062151042, 1190062151043, 1190062151044, 1190062151054, 1190062151055, 1190062151072, 1190062151084, 1190062151085; VTD 142, VTD 143, VTD 202, VTD 206, VTD 207, VTD 208, VTD 240, VTD 241, VTD 242.

District 99: Mecklenburg County: VTD 004, VTD 060, VTD 084, VTD 095, VTD 104, VTD 108, VTD 116, VTD 123, VTD 124, VTD 149, VTD 201, VTD 203, VTD 204.1, VTD 205, VTD 237.

District 100: Mecklenburg County: VTD 006, VTD 007, VTD 034, VTD 035, VTD 062, VTD 063, VTD 064, VTD 066, VTD 083, VTD 085, VTD 094, VTD 099, VTD 102, VTD 106, VTD 115, VTD 117, VTD 125, VTD 130, VTD 234, VTD 235.

District 101: Mecklenburg County: VTD 011, VTD 012, VTD 024, VTD 040, VTD 041, VTD 080, VTD 081, VTD 089, VTD 150, VTD 210, VTD 222, VTD 223.1, VTD 224.

District 102: Mecklenburg County: VTD 001: Block(s) 1190024003005, 1190027012000, 1190027012001, 1190027012002, 1190027012004; VTD 002, VTD 003, VTD 005, VTD 013, VTD 014, VTD 015, VTD 017, VTD 027, VTD 028, VTD 029, VTD 030, VTD 033, VTD 043, VTD 044, VTD 045, VTD 046, VTD 054, VTD 056, VTD 061, VTD 109.

District 103: Mecklenburg County: VTD 090, VTD 091, VTD 096, VTD 103, VTD 113, VTD 118, VTD 136, VTD 215, VTD 216, VTD 217, VTD 218, VTD 219, VTD 220, VTD 221, VTD 227, VTD 233, VTD 236.

District 104: Mecklenburg County: VTD 001: Block(s) 1190024003006, 1190024003009, 1190024003010, 1190024003011, 1190024003012, 1190024003013, 1190024003014, 1190024003015, 1190024003016, 1190024003017, 1190026001031, 1190027012003, 1190027012005, 1190027012006, 1190027012007, 1190027012008, 1190027012009, 1190027012010, 1190027012011, 1190027012012, 1190027012013, 1190027012014, 1190027012015, 1190027012016, 1190027012017, 1190028001000, 1190028001001, 1190028001005, 1190028003000, 1190028003003, 1190028003004; VTD 008, VTD 018, VTD 019, VTD 032, VTD 036, VTD 037, VTD 047, VTD 048, VTD 049, VTD 057, VTD 065, VTD 067, VTD 068, VTD 069: Block(s) 1190030131000, 1190030131001, 1190030131002, 1190030131003, 1190030131004, 1190030131005, 1190030131006, 1190030131007, 1190030131008, 1190030131009, 1190030131010, 1190030131011, 1190030132000, 1190030132001, 1190030132002, 1190030132003, 1190030132004, 1190030132005, 1190030132006, 1190030132007, 1190030132008, 1190030132009, 1190030132010, 1190030132011, 1190030132012, 1190030132013, 1190030132014, 1190030132015, 1190030132016, 1190030132017, 1190030132018, 1190030132019,

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District 105: Mecklenburg County: VTD 069: Block(s) 1190030131012, 1190030131013, 1190030131014, 1190030131015, 1190030131016, 1190030131017, 1190030131018, 1190030131019, 1190030131020, 1190030131021, 1190030131022, 1190030131023, 1190030131024, 1190030131025, 1190030131026, 1190030131027, 1190030131028; VTD 088, VTD 093, VTD 100, VTD 101, VTD 112, VTD 121, VTD 131, VTD 137, VTD 139.1, VTD 140, VTD 144, VTD 148, VTD 226, VTD 232.

District 106: Mecklenburg County: VTD 042, VTD 082, VTD 105, VTD 126, VTD 128, VTD 132, VTD 141, VTD 145, VTD 212, VTD 214, VTD 239.

District 107: Mecklenburg County: VTD 016, VTD 025, VTD 026, VTD 055, VTD 107.1, VTD 134: Block(s) 1190062132006, 1190062132007, 1190062132008, 1190062132009, 1190062132010, 1190062132011, 1190062132012, 1190062132013, 1190062132014, 1190062132015, 1190062132016, 1190062132017, 1190062132018, 1190062132019, 1190062132020, 1190062132027, 1190062132029, 1190062132030, 1190062132031, 1190062132034, 1190062132035, 1190062132036, 1190062132037, 1190062132038, 1190062132039, 1190062132040, 1190062132041, 1190062132042, 1190062132043, 1190062132044, 1190062132045, 1190062132046, 1190062132047, 1190062132048, 1190062132049, 1190062132050, 1190062132051, 1190062132053, 1190062132054, 1190062141000, 1190062141001, 1190062141002, 1190062141003, 1190062141004, 1190062141005, 1190062141006, 1190062141007, 1190062141008, 1190062141009, 1190062141010, 1190062141011, 1190062141012, 1190062141013, 1190062141014, 1190062141015, 1190062141016, 1190062141017, 1190062141018, 1190062141019, 1190062141020, 1190062141021, 1190062141022, 1190062141023, 1190062141024, 1190062142018, 1190062142023, 1190062142024, 1190062142025, 1190062142026, 1190062142027, 1190062142028, 1190062142034, 1190062151030, 1190062151031, 1190062151032, 1190062151033, 1190062151034, 1190062151035, 1190062151036, 1190062151037, 1190062151038, 1190062151039, 1190062151045, 1190062151046, 1190062151047, 1190062151048, 1190062151049, 1190062151050, 1190062151051, 1190062151052, 1190062151053, 1190062151056, 1190062151057, 1190062151058, 1190062151059, 1190062151060, 1190062151061, 1190062151062, 1190062151063, 1190062151064, 1190062151065, 1190062151066, 1190062151067, 1190062151068, 1190062151069, 1190062151070, 1190062151071, 1190062151073, 1190062151074, 1190062151075, 1190062151078, 1190062151080, 1190062151081, 1190062151082, 1190062151083, 1190062151100, 1190062151101; VTD 135, VTD 146, VTD 151, VTD 209, VTD 211, VTD 213, VTD 238.1.

District 108: Gaston County: VTD 07, VTD 08, VTD 09, VTD 10, VTD 12, VTD 13, VTD 14, VTD 18, VTD 24, VTD 25, VTD 26, VTD 30, VTD 32, VTD 42, VTD 43, VTD 44, VTD 45, VTD 46.

District 109: Gaston County: VTD 01, VTD 02, VTD 03, VTD 04, VTD 05: Block(s) 0710315001000, 0710315001001, 0710315001002, 0710315001003, 0710315001004, 0710315001005, 0710315001006, 0710315001007, 0710315001008, 0710315001009, 0710315001010, 0710315001011, 0710315001012, 0710315001014, 0710315002000, 0710315002001, 0710315002002, 0710315002003, 0710315002004, 0710315002005, 0710315002006, 0710315002007, 0710315002008, 0710315002009, 0710315002010, 0710315003000, 0710315003001, 0710315003002, 0710315003003, 0710315003004, 0710315003005, 0710315003006, 0710315003007, 0710315003008, 0710315003009, 0710315003010, 0710315003011, 0710315003012, 0710315003013, 0710315003014, 0710315003015, 0710315003016, 0710315003017, 0710315003018, 0710315004000, 0710315004001, 0710315004002, 0710315004003, 0710315004004, 0710315004005, 0710315004006, 0710315004007, 0710315004008, 0710315004009, 0710315005019,

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District 110: Cleveland County: VTD S1, VTD S2, VTD S4, VTD S5, VTD S8, VTD WACO; Gaston County: VTD 05: Block(s) 0710308023000, 0710308023001, 0710308023002, 0710308023006, 0710308023009, 0710308023010, 0710308023012, 0710308023013, 0710308023018, 0710308023022, 0710308023023, 0710308023028, 0710308023029, 0710308023030, 0710308023032, 0710308023033, 0710308023035, 0710308023036, 0710308023037, 0710308023038, 0710308023039, 0710308023040, 0710315005002, 0710315005003, 0710315005004, 0710315005005, 0710315005006, 0710315005007, 0710315005008, 0710315005009, 0710315005011, 0710315005012, 0710315005013, 0710315005014, 0710315005015, 0710315005016, 0710315005041, 0710316004000; VTD 20, VTD 21, VTD 22, VTD 33, VTD 34, VTD 35, VTD 36, VTD 37, VTD 38, VTD 39, VTD 40, VTD 41.

District 111: Cleveland County: VTD BETHWR, VTD BSPGS, VTD CASAR, VTD FALSTN, VTD GROVER, VTD H-SPGS, VTD KINGST, VTD KM1, VTD KM2, VTD KM3, VTD KM4, VTD LATT, VTD LAWNDL, VTD MRB-YO, VTD MULLS, VTD OAKGR, VTD POLKVL, VTD RIPPY, VTD S3, VTD S6, VTD S7, VTD SHANGI.

District 112: Burke County: VTD 0029, VTD 0053, VTD 0064, VTD 0065; Rutherford County.

District 113: Henderson County: VTD AR, VTD AT, VTD CB, VTD EF, VTD ES, VTD EV, VTD FR, VTD GR, VTD HS, VTD RR; Polk County, Transylvania County.

District 114: Buncombe County: VTD 01.1, VTD 02.1, VTD 03.1, VTD 04.1, VTD 05.1: Block(s) 0210016001004, 0210016001005, 0210016001022, 0210016001024, 0210016001025, 0210016001026, 0210016001027, 0210016001028, 0210016001029, 0210016001030, 0210016001031, 0210016001032, 0210016001033, 0210016001041, 0210016001042, 0210016001043, 0210016001044, 0210016001045, 0210016001047, 0210016002000, 0210016002001, 0210016002002, 0210016002003, 0210016002005, 0210016002007, 0210016002010, 0210016002011, 0210016002012, 0210016002015, 0210016002016, 0210016002017, 0210016002018, 0210016002019, 0210016002020, 0210016002023, 0210016002024, 0210016002025, 0210016002026, 0210016002027, 0210016002028, 0210016002029, 0210016002030, 0210016002031, 0210016002032, 0210016002033, 0210016002035, 0210016002036; VTD 06.1, VTD 07.1, VTD 09.1, VTD 10.1, VTD 100.1: Block(s) 0210020003000, 0210020003001, 0210020003002, 0210020003003, 0210020003004, 0210020003005, 0210020003006, 0210020003007, 0210020003008, 0210020003009, 0210020003010, 0210020003011, 0210020003012, 0210020003013, 0210020003014, 0210020003015, 0210020003016, 0210020003017, 0210020003018, 0210020003019, 0210020003020, 0210020003021, 0210020003022, 0210020003023, 0210020003024, 0210020003025, 0210020003026, 0210020003027, 0210020003028, 0210020003029, 0210020003030, 0210020003031, 0210020003032, 0210020003033, 0210020003034, 0210020003035, 0210020003036, 0210020003037, 0210020003038, 0210020003039, 0210020003040, 0210020003041, 0210020003042, 0210020003043, 0210020003044, 0210020003045, 0210020003046, 0210020003047, 0210020003048, 0210020003049, 0210020004000, 0210020004001, 0210020004002, 0210020004003, 0210020004004, 0210020004005, 0210020004006, 0210020004007, 0210020004008, 0210020004009, 0210020004010, 0210020004011, 0210020004012, 0210020004013, 0210020004014, 0210020004015, 0210020004016, 0210020004017, 0210020004018, 0210020004019, 0210020004020, 0210020004021, 0210020004022,

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District 115: Buncombe County: VTD 05.1: Block(s) 0210016001000, 0210016001001, 0210016001002, 0210016001003, 0210016001006, 0210016001007, 0210016001008, 0210016001009, 0210016001010, 0210016001011, 0210016001012, 0210016001013, 0210016001014, 0210016001015, 0210016001016, 0210016001017, 0210016001018, 0210016001019, 0210016001020, 0210016001021, 0210016001023, 0210016001034, 0210016001035, 0210016001036, 0210016001037, 0210016001038, 0210016001039, 0210016001040, 0210016001048, 0210016001049, 0210016001050, 0210016003057,

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District 116: Buncombe County: VTD 101.1, VTD 102.1: Block(s) 0210022051007, 0210022051008, 0210022052000, 0210022052001, 0210022052002, 0210022052010, 0210022052011, 0210022052012, 0210022052013, 0210022052015, 0210022052017, 0210022052018, 0210022052019, 0210022052020, 0210022052021, 0210022052022, 0210022052023, 0210022052024, 0210022052025, 0210022052026, 0210022052027, 0210022052028, 0210022052029, 0210022052030, 0210022052031, 0210022052032, 0210022052037, 0210022052038, 0210022052039, 0210022052040, 0210022052041, 0210022052042, 0210022052043, 0210022052044, 0210022052045, 0210022052047, 0210022053000, 0210022053001, 0210022053002, 0210022053003, 0210022053004, 0210022053005, 0210022053006, 0210022053007, 0210022053008, 0210022053009, 0210022053010, 0210022053011, 0210022053012, 0210022053013, 0210022053014, 0210022053015, 0210022053016, 0210022053017, 0210022053018, 0210022053019, 0210022053020, 0210022053021, 0210022053022, 0210022053023, 0210022062000, 0210022062001, 0210022062002, 0210022062003, 0210022062004, 0210022062005, 0210022062006, 0210022062007, 0210022062008, 0210022062009, 0210022062010, 0210022062011, 0210022062012, 0210022062013, 0210022062014, 0210022062015, 0210022062016, 0210022062017, 0210022062018, 0210022062019, 0210022062020, 0210022062021, 0210022062022, 0210022062023, 0210022062024, 0210022062025; VTD 19.1: Block(s) 0210022042027, 0210022043000, 0210022043001, 0210022043008, 0210022043009, 0210022043010, 0210022043023, 0210022043024, 0210022043025, 0210022043030, 0210022043031, 0210022043032, 0210022043033, 0210022044016; VTD 24.1: Block(s) 0210023021000, 0210023021016, 0210023021017, 0210023021036, 0210023024009, 0210023024010, 0210023024011, 0210023024017, 0210023024018, 0210023024019, 0210023024020, 0210023024021, 0210023024043, 0210023024044, 0210023024045, 0210023024046, 0210023024047, 0210023024048, 0210023024049, 0210023024050, 0210023024051, 0210023024052, 0210023024056, 0210023024057, 0210023024058, 0210023024060, 0210025051018, 0210025051019, 0210025052002, 0210025052003, 0210025052015, 0210025052016, 0210025052017, 0210025052049, 0210025052050, 0210025052051, 0210025052052, 0210025052053, 0210025052054, 0210025052055, 0210025052067, 0210025061015, 0210025061020, 0210025061021, 0210025061024, 0210025061025, 0210025061026, 0210025061027, 0210025061030, 0210025061032, 0210025061033, 0210025061038, 0210025061039, 0210025061041, 0210025061042, 0210025061043; VTD 30.1, VTD 31.1, VTD 44.1, VTD 45.1, VTD 46.1, VTD 47.1, VTD 48.1, VTD 49.1, VTD 52.1: Block(s) 0210026032005, 0210026041054, 0210026041055, 0210026041056, 0210026041057, 0210026041058, 0210026041059, 0210026041060, 0210026041061, 0210026041062, 0210026041063, 0210026041068, 0210026042024, 0210026042025, 0210026061010, 0210026062000, 0210026062001, 0210026062002, 0210026062003, 0210026062004, 0210026062005, 0210026062006, 0210026062007, 0210026062008, 0210026062009, 0210026062010, 0210026062011, 0210026062012, 0210026062013, 0210026062014, 0210026062015, 0210026062016,

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District 117: Henderson County: VTD BC, VTD BK, VTD CC, VTD ED, VTD FL, VTD GM, VTD HC, VTD HV-1, VTD HV-2, VTD HV-3, VTD LJ, VTD LP, VTD MG, VTD NB, VTD NE, VTD NM, VTD NW, VTD PR, VTD PV, VTD RG, VTD SB, VTD SE, VTD SM, VTD SW.

District 118: Haywood County: VTD BC, VTD BE-1, VTD BE-2, VTD BE-3, VTD BE-4, VTD BE56, VTD BE-7, VTD CE, VTD CL-N, VTD CL-S, VTD CR, VTD EF, VTD FC-1, VTD FC-2, VTD IH: Block(s) 0879201013038, 0879201013039, 0879201013058, 0879201013076, 0879206002037, 0879206002041, 0879206002101, 0879206002102, 0879206002103, 0879206002104, 0879206002105, 0879206002112, 0879206002113, 0879206002114, 0879206002115, 0879206002116, 0879206002117, 0879206002118, 0879206002131, 0879207001000, 0879207001001, 0879207001002, 0879207001003, 0879207001004, 0879207001005, 0879207001006, 0879207001007, 0879207001008, 0879207001009, 0879207001010, 0879207001011, 0879207001012, 0879207001013, 0879207001014, 0879207001015, 0879207001016, 0879207001017, 0879207001018, 0879207001019, 0879207001020, 0879207001021, 0879207001022, 0879207001023, 0879207001024, 0879207001025, 0879207001026, 0879207001027, 0879207001028, 0879207001029, 0879207001030, 0879207001031, 0879207001032, 0879207001033, 0879207001034, 0879207001035, 0879207001036, 0879207001037, 0879207001038, 0879207001039, 0879207001040, 0879207001041, 0879207001042, 0879207001043, 0879207001044, 0879207001045, 0879207001046, 0879207001047, 0879207001048, 0879207001049, 0879207001050, 0879207001051, 0879207001052, 0879207001053, 0879207001054, 0879207001055, 0879207001056, 0879207001057, 0879207001058, 0879207001059, 0879207001060, 0879207001061, 0879207001062, 0879207001063, 0879207001064, 0879207001065, 0879207001066, 0879207001067, 0879207001068, 0879207001069, 0879207001070, 0879207001071, 0879207001072, 0879207001073, 0879207001074, 0879207001075, 0879207001076, 0879207001077, 0879207001078, 0879207001079, 0879207001080, 0879207001081, 0879207001082, 0879207001083, 0879207001084, 0879207001085, 0879207001086, 0879207001087, 0879207001088, 0879207001089, 0879207001090, 0879207001091, 0879207001092, 0879207001093, 0879207001094, 0879207001095, 0879207002000, 0879207002001, 0879207002002, 0879207002003, 0879207002004, 0879207002005, 0879207002006, 0879207002007, 0879207002008, 0879207002009, 0879207002010, 0879207002011, 0879207002012, 0879207002013, 0879207002014, 0879207002015, 0879207002016, 0879207002017, 0879207002018, 0879207002019, 0879207002020, 0879207002021, 0879207002022, 0879207002023, 0879207002024, 0879207002025, 0879207002026, 0879207002027, 0879207002028, 0879207002029, 0879207002030, 0879207002031, 0879207002032, 0879207002033, 0879207002034, 0879207002035, 0879207002036, 0879207002037, 0879207002038, 0879207002039, 0879207002040, 0879207002041, 0879207002042, 0879207002043, 0879207002044, 0879207002045, 0879207002046, 0879207002047, 0879207002048, 0879207002049, 0879207002050, 0879207002051, 0879207002052, 0879207002053, 0879207002054, 0879207002055, 0879207002056, 0879207002057, 0879207002058, 0879207002059, 0879207002060, 0879207002061, 0879207002062, 0879207002063, 0879207002064, 0879207002065, 0879207002066, 0879207002067, 0879207002068, 0879207002069, 0879207002070, 0879207002071, 0879207002072,

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0879207003126, 0879207003127, 0879208001046; VTD JC, VTD P, VTD PC, VTD WO; Madison County, Yancey County.

District 119: Haywood County: VTD AC, VTD HA, VTD ID, VTD IH: Block(s) 0879206002084, 0879206002085, 0879206002086, 0879206002087, 0879206002088, 0879206002089, 0879206002090, 0879206002091, 0879206002092, 0879206002093, 0879206002094, 0879206002095, 0879206002096, 0879206002097, 0879206002098, 0879206002100, 0879206002109, 0879206002110, 0879206002111, 0879206002119, 0879206002120, 0879206002121, 0879206002122, 0879206002123, 0879206002124, 0879206002136, 0879206003011, 0879206003012, 0879206003015, 0879206003016, 0879206003017, 0879206003018, 0879206003019, 0879206003020, 0879206003021, 0879206003022, 0879206003048, 0879206003049, 0879206003050, 0879206003051, 0879206003052, 0879206003053, 0879206003054, 0879206003055, 0879206003056, 0879206003057, 0879206003058, 0879206003059, 0879206003060, 0879206003061, 0879206003062, 0879206003063, 0879206003064, 0879206003065, 0879206003066, 0879206003097, 0879206003100, 0879206003101, 0879208001034, 0879208001036, 0879208001037, 0879208001038; VTD LJ, VTD SA, VTD WC, VTD WE, VTD WS-1, VTD WS-2, VTD WW; Jackson County, Swain County.

District 120: Cherokee County, Clay County, Graham County, Macon County."

SECTION 2. This act is effective when it becomes law and applies to elections held on or after January 1, 2018.

In the General Assembly read three times and ratified this the 31st day of August, 2017.

Session Law 2017-209 **H.B. 56**

AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

The General Assembly of North Carolina enacts:

FINANCIAL ASSURANCE MODIFICATIONS FOR RISK-BASED CLEANUPS

SECTION 1. G.S. 130A-310.72 reads as rewritten:

"**§ 130A-310.72. Financial assurance requirement.**

The person conducting remediation of a contaminated ~~industrial~~ site pursuant to the provisions of this Part shall establish financial assurance that will ensure that sufficient funds are available to implement and maintain the actions or controls specified in the remedial action plan for the site. The person conducting remediation of a site may establish financial assurance through one of the following mechanisms, or any combination of the following mechanisms, in a form specified or approved by the Department: insurance products issued from entities having no corporate or ownership association with the person conducting the remediation; funded trusts; surety bonds; certificates of deposit; letters of credit; corporate financial tests; local government financial tests; corporate guarantees; local government guarantees; capital reserve funds; or any other financial mechanism authorized for the demonstration of financial assurance under (i) 40 Code of Federal Regulations Part 264, Subpart H (July 1, 2010 Edition) and (ii) Section .1600 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code. Proof of financial assurance shall be provided in the remedial action plan and annually thereafter on the anniversary date of the approval of the plan. The Department may waive the requirement for a person conducting remediation of a contaminated site pursuant to the provisions of this Part to establish or maintain financial assurance if the Department finds that the only actions or controls to be implemented or maintained as part of the remedial action plan for the site include either or both of the following:

(1) Annual reporting of land-use controls.

(2) The maintenance of durable or low-maintenance covers for contaminated soil."

REPEAL OBSOLETE HAZARDOUS WASTE PROVISIONS

SECTION 2.(a) G.S. 130A-294(k) is repealed.

SECTION 2.(b) G.S. 130A-309.17 is repealed.

LAND-USE RESTRICTIONS FOR PROPERTY CONTAMINATED BY A NON-UST PETROLEUM DISCHARGE OR RELEASE

SECTION 3.(a) G.S. 143B-279.9(b) reads as rewritten:

"(b) The definitions set out in G.S. 143-215.94A apply to this subsection. A remedial action plan for the cleanup of environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General ~~Statutes~~ Statutes, other petroleum sources, or from an aboveground storage tank pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes must include an agreement by the owner, operator, or other party responsible for the discharge or release of petroleum to record a notice of any applicable land-use restrictions that meet the requirements of this subsection as provided in G.S. 143B-279.11. All of the provisions of this section shall apply except as specifically modified by this subsection and G.S. 143B-279.11. Any restriction on the current or future use of real property pursuant to this subsection shall be enforceable only with respect to: (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. No restriction on the current or future use of real property shall apply to any portion of any parcel or tract of land on which contamination is not located. This subsection shall not be construed to require any person to record any notice of restriction on the current or future use of real property other than the real property described in this subsection. For purposes of this subsection and G.S. 143B-279.11, the Secretary may restrict current or future use of real property only as set out in any one or more of the following subdivisions:

(1) Where soil contamination will remain in excess of unrestricted use standards, the property may be used for a primary or secondary residence, school, daycare center, nursing home, playground, park, recreation area, or other similar use only with the approval of the Department.

(2) Where soil contamination will remain in excess of unrestricted use standards and the property is used for a primary or secondary residence that was constructed before the release of petroleum that resulted in the contamination is discovered or reported, the Secretary may approve alternative restrictions that are sufficient to reduce the risk of exposure to contaminated soils to an acceptable level while allowing the real property to continue to be used for a residence.

(3) Where groundwater contamination will remain in excess of unrestricted use standards, installation or operation of any well usable as a source of water shall be prohibited.

(4) Any restriction on the current or future use of the real property that is agreed upon by both the owner of the real property and the Department.

Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the imposition of restrictions on the current or future use of real property on sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), shall only be allowed as provided in G.S. 143-215.104AA or G.S. 130A-310.73A, as applicable."

SECTION 3.(b) G.S. 143B-279.11 reads as rewritten:

"**§ 143B-279.11. Recordation of residual petroleum from ~~an~~ underground or aboveground storage ~~tank.~~tanks or other sources.**

(a) The definitions set out in G.S. 143-215.94A and G.S. 143B-279.9 apply to this section. This section applies only to a cleanup pursuant to a remedial action plan that addresses

environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General ~~Statutes.~~Statutes or from an aboveground storage tank or other petroleum source pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes.

(b) The owner, operator, or other person responsible for a discharge or release of petroleum from an underground storage ~~tank~~ tank, aboveground storage tank, or other petroleum source shall prepare and submit to the Department a proposed Notice that meets the requirements of this section. The proposed Notice shall be submitted to the Department (i) before the property is conveyed, or (ii) when the owner, operator, or other person responsible for the discharge or release requests that the Department issue a determination that no further action is required under the remedial action plan, whichever first occurs. The Notice shall be entitled "NOTICE OF RESIDUAL PETROLEUM". The Notice shall include a description that would be sufficient as a description in an instrument of conveyance of the (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage ~~tank~~ tank, aboveground storage tank, or other petroleum source, or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. The Notice shall identify the location of any residual petroleum known to exist on the real property at the time the Notice is prepared. The Notice shall also identify the location of any residual petroleum known, at the time the Notice is prepared, to exist on other real property that is a result of the discharge or release. The Notice shall set out any restrictions on the current or future use of the real property that are imposed by the Secretary pursuant to G.S. 143B-279.9(b) to protect public health, the environment, or users of the property.

(c) If the contamination is located on more than one parcel or tract of land, the Department may require that the owner, operator, or other person responsible for the discharge or release prepare a composite map or plat that shows all parcels or tracts. If the contamination is located on one parcel or tract of land, the owner, operator, or other person responsible for the discharge or release may prepare a map or plat that shows the parcel but is not required to do so. A map or plat shall be prepared and certified by a professional land surveyor, shall meet the requirements of G.S. 47-30, and shall be submitted to the Department for approval. When the Department has approved a map or plat, it shall be recorded in the office of the register of deeds and shall be incorporated into the Notice by reference.

(d) The Department shall review the proposed Notice to determine whether the Notice meets the requirements of this section and rules adopted to implement this section and shall provide the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage ~~tank~~ tank, aboveground storage tank, or other petroleum source with a notarized copy of the approved Notice. After the Department approves the Notice, the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage ~~tank~~ tank, aboveground storage tank, or other petroleum source shall file a notarized copy of the approved Notice in the register of deeds office in the county or counties in which the real property is located (i) before the property is conveyed or (ii) within 30 days after the owner, operator, or other person responsible for the discharge or release receives notice from the Department that no further action is required under the remedial action plan, whichever first occurs. If the owner, operator, or other person responsible for the discharge or release fails to file the Notice as required by this section, any determination by the Department that no further action is required is void. The owner, operator, or other person responsible for the discharge or release, may record the Notice required by this section without the agreement of the owner of the real property. The owner, operator, or other person responsible for the discharge or release shall submit a certified copy of the Notice as filed in the register of deeds office to the Department.

(e) Repealed by Session Laws 2012-18, s. 1.23, effective July 1, 2012.

(f) In the event that the owner, operator, or other person responsible for the discharge or release fails to submit and file the Notice required by this section within the time specified, the Secretary may prepare and file the Notice. The costs thereof may be recovered by the Secretary from any responsible party. In the event that an owner of the real property who is not a responsible party submits and files the Notice required by this section, the owner may recover the reasonable costs thereof from any responsible party.

(g) A Notice filed pursuant to this section shall, at the request of the owner of the real property, be cancelled by the Secretary after the residual petroleum has been eliminated or remediated to unrestricted use standards. If requested in writing by the owner of the land, the Secretary shall send to the register of deeds of each county where the Notice is recorded a statement that the residual petroleum has been eliminated, or that the residual petroleum has been remediated to unrestricted use standards, and request that the Notice be cancelled of record. The Secretary's statement shall contain the names of the owners of the land as shown in the Notice and reference the plat book and page where the Notice is recorded.

(h) Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the provisions of this section shall only apply to sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), in compliance with the requirements of G.S. 143-215.104AA or G.S. 130A-310.73A, as applicable."

CONSOLIDATE VARIOUS WATER RESOURCES AND WATER QUALITY REPORTS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 4.(a) G.S. 143-355(m) is repealed.

SECTION 4.(b) G.S. 143-355(p) reads as rewritten:

"(p) Report. – The Department of Environmental Quality shall report to the Environmental Review Commission on the implementation of this section, including ~~the development of the State water supply plan and~~ the development of basinwide hydrologic models, no later than November 1 of each year. The Department shall submit the report required by this subsection with the report on basinwide water ~~quality~~ management plans required by G.S. 143-215.8B(d) as a single report."

COASTAL AREA MANAGEMENT ACT MODIFICATIONS

SECTION 5.(a) G.S. 113A-124(c) is amended by adding a new subdivision to read:

"(c) The Commission shall have the following additional powers and duties under this Article:

(1) To recommend to the Secretary the acceptance of donations, gifts, grants, contributions and appropriations from any public or private source to use in carrying out the provisions of this Article.

(2) To recommend to the Secretary of Administration the acquisition by purchase, gift, condemnation, or otherwise, lands or any interest in any lands within the coastal area.

(3) To hold such public hearings as the Commission deems appropriate.

(4) To delegate the power to conduct a hearing, on behalf of the Commission, to any member of the Commission or to any qualified employee of the Department. Any person to whom a delegation of power is made to conduct a hearing shall report his recommendations with the evidence and the record of the hearing to the Commission for decision or action.

(5) Repealed by Session Laws 1987, c. 827, s. 141.

(6) To delegate the power to determine whether a contested case hearing is appropriate in accordance with G.S. 113A-121.1(b).

(7) To delegate the power to grant or deny requests for declaratory rulings under G.S. 150B-4 in accordance with standards adopted by the Commission.

(8) To adopt rules to implement this Article.

(9) To delegate the power to approve land-use plans in accordance with G.S. 113A-110(f) to any qualified employee of the Department."

SECTION 5.(b) G.S. 113A-119 reads as rewritten:

"**§ 113A-119. Permit applications generally.**

(a) Any person required to obtain a permit under this Part shall file with the Secretary and (in the case of a permit sought from a city or county) with the designated local official an application for a permit in accordance with the form and content designated by the Secretary and approved by the Commission. The applicant must submit with the application a check or money order payable to the Department or the city or county, as the case may be, constituting a fee set by the Commission pursuant to G.S. 113A-119.1.

(b) Upon receipt of any application, a significant modification to an application for a major permit, or an application to modify substantially a previously issued major permit, the Secretary shall issue public notice of the proposed development (i) by mailing a copy of the application or modification, or a brief description thereof together with a statement indicating where a detailed copy of the proposed development may be inspected, to any citizen or group which has filed a request to be notified of the proposed development, and to any interested State agency; (ii) with the exception of minor permit applications, by posting or causing to be posted a notice at the location of the proposed development stating that an application, a modification of an application for a major permit, or an application to modify a previously issued major permit for development has been made, where the application or modification may be inspected, and the time period for comments; and (iii) with the exception of minor permit applications, by publishing notice of the application or modification at least once in one newspaper of general circulation in the county or counties wherein the development would be located at least 20 days before final action on a major permit or before the beginning of the hearing on a permit under G.S. 113A-122. The notice shall set out that any comments on the development should be submitted to the Secretary by a specified date, not less than 15 days from the date of the newspaper publication of the notice or 15 days after mailing of the mailed notice, whichever is later.

(c) Within the meaning of this Part, the "designated local official" is the official who has been designated by the local governing body to receive and consider permit applications under this Part."

ESTABLISH COASTAL STORM DAMAGE MITIGATION FUND

SECTION 6. Article 21 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 8D. Coastal Storm Damage Mitigation Fund.

"**§ 143-215.73M. Coastal Storm Damage Mitigation Fund.**

(a) Fund Established. – The Coastal Storm Damage Mitigation Fund is established as a special revenue fund. The Fund consists of General Fund appropriations, gifts, grants, devises, monies contributed by a non-State entity for a particular beach nourishment or damage mitigation project or group of projects, and any other revenues specifically allocated to the Fund by an act of the General Assembly.

(b) Uses of the Fund. – Revenue credited to the Fund may only be used for costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.

(c) Conditions on Funding. – Any project funded by revenue from the Fund must be cost-shared with non-State dollars on a basis of at least one non-State dollar for every one dollar from the Fund.

(d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a particular project or group of projects may make a written request to the Secretary that the contribution be returned if the contribution has not been spent or encumbered within two years of receipt of the contribution by the Fund. If the written request is made prior to the funds being

spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i) receiving the request or (ii) the expiration of the two-year period described by this subsection."

CLARIFY SETBACK DETERMINATION FOR PERMITTED DISPOSAL SYSTEMS

SECTION 7. G.S. 143-215.1(i) reads as rewritten:

"(i) Any person subject to the requirements of this section who is required to obtain an individual permit from the Commission for a disposal system under the authority of G.S. 143-215.1 or Chapter 130A of the General Statutes shall have a compliance boundary as may be established by rule or permit for various categories of disposal systems and beyond which groundwater quality standards may not be exceeded. Multiple contiguous properties under common ownership and permitted for use as a disposal system shall be treated as a single property with regard to determination of a compliance ~~boundary.~~boundary and setbacks to property lines."

AMEND THE RULE FOR POOL LIGHTING

SECTION 8.(a) Definitions. – "Pool Lighting and Ventilation Rule" means 15A NCAC 18A .2524 (Lighting and Ventilation) for purposes of this section and its implementation.

SECTION 8.(b) Pool Lighting and Ventilation Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (d) of this section, the Commission and local inspectors shall implement the Pool Lighting and Ventilation Rule, as provided in subsection (c) of this section.

SECTION 8.(c) Implementation. – The Commission shall require pool illumination sufficient to illuminate the main drains of a pool. The Commission shall require pool illumination sufficient to illuminate the deck area of a pool so that it is visible at all times the pool is in use but shall not require specific foot candles of illumination for the deck area.

SECTION 8.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Pool Lighting and Ventilation Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 8.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

AMEND THE PROTECTION OF EXISTING BUFFERS RULES TO EXEMPT CERTAIN APPLICABILITY REQUIREMENTS FOR PUBLIC SAFETY

SECTION 9.(a) Definitions. – "Protection of Existing Buffers Rules" means all of the following rules for purposes of this section and its implementation:

(1) Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0233).

(2) Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0259).

(3) Randleman Lake Water Supply Watershed: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0250).

(4) Jordan Water Supply Nutrient Strategy: Protection of Existing Riparian Buffers (15A NCAC 02B .0267).

(5) Goose Creek Watershed Water Quality Management Plan (15A NCAC 02B .0605, 15A NCAC 02B .0606, 15A NCAC 02B .0607, 15A NCAC 02B .0608).

(6) Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers (15A NCAC 02B .0295).

(7) Catawba River Basin: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0243).

SECTION 9.(b) Protection of Existing Buffers Rules. – Until the effective date of the revised permanent rules that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Protection of Existing Buffers Rules, as provided in subsection (c) of this section.

SECTION 9.(c) Implementation. – The Commission shall exempt from the applicability requirements of the Protection of Existing Buffers Rules any publicly owned spaces where it has been determined by the head of the local law enforcement agency with jurisdiction over that area that the buffers pose a risk to public safety.

SECTION 9.(d) Additional Rule-Making Authority. – The Commission shall adopt rules to amend the Protection of Existing Buffers Rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 9.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

AMEND THE RULE FOR PROTECTION AND MAINTENANCE OF EXISTING BUFFERS IN THE CATAWBA RIVER BASIN TO EXEMPT CERTAIN APPLICABILITY REQUIREMENTS FOR PUBLIC WALKING TRAILS

SECTION 10.(a) Definitions. – "Protection and Maintenance of Existing Riparian Buffers Rule" means 15A NCAC 02B .0243 (Catawba River Basin: Protection and Maintenance of Existing Riparian Buffers) for purposes of this section and its implementation.

SECTION 10.(b) Protection and Maintenance of Existing Riparian Buffers Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Protection and Maintenance of Existing Riparian Buffers Rule, as provided in subsection (c) of this section.

SECTION 10.(c) Implementation. – The Commission shall exempt from the applicability requirements of the Protection and Maintenance of Existing Riparian Buffers Rule any publicly owned property that will be used for walking trails.

SECTION 10.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Protection and Maintenance of Existing Riparian Buffers Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 10.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

RIPARIAN BUFFER TAX EXCLUSION STUDY

SECTION 11.(a) The Fiscal Research Division of the North Carolina General Assembly is directed to estimate the value of property that is subject to the following riparian buffer rules and the value of property that is being used as a riparian buffer under these rules for each county within the affected river basins:

(1) Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0233).

(2) Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0259).

(3) Randleman Lake Water Supply Watershed: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0250).

(4) Jordan Water Supply Nutrient Strategy: Protection of Existing Riparian Buffers (15A NCAC 02B .0267).

(5) Goose Creek Watershed Water Quality Management Plan (15A NCAC 02B .0605, 15A NCAC 02B .0606, 15A NCAC 02B .0607, 15A NCAC 02B .0608).

(6) Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers (15A NCAC 02B .0295).

(7) Catawba River Basin: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0243).

SECTION 11.(b) No later than May 1, 2018, the Fiscal Research Division shall report its estimates and analysis to the Environmental Review Commission and the Revenue Laws Study Committee.

WATER QUALITY TESTING

SECTION 12. The Division of Water Resources of the Department of Environmental Quality shall conduct a water quality sampling program for nutrients along the mainstem of the Catawba River, which includes sampling for nutrients above, in, and below each major tributary of the Catawba River. No later than October 1, 2018, the Division shall report the results of the study to the Environmental Review Commission.

MINING PERMITTING REVISIONS

SECTION 13.(a) G.S. 74-50(d) reads as rewritten:

"(d) ~~An operating permit shall be granted for a period not exceeding 10 years. If~~Except as provided in subsection (d1) of this section, permits for mining operations shall be issued for the life-of-site of the operation unless revoked as otherwise provided under this Article. For purposes of this section, "life-of-site" means the period from the initial receipt of a permit from the operation until the mining operation terminates and the reclamation required under the approved reclamation plan is ~~completed prior to the end of the period, the permit shall terminate.~~completed. Termination of a permit shall not have the effect of relieving the operator of any obligations that the operator has incurred under an approved reclamation plan or otherwise. Where the mining operation itself has terminated, no permit shall be required in order to carry out reclamation measures under the reclamation plan.

(d1) Permits for mining operations conducted on real property that is leased from a public entity shall be issued for the life-of-lease. For purposes of this subsection, the following terms apply: (i) "life-of-lease" means the duration of the lease between the owner or operator of the mining operation and a public entity and (ii) "public entity" means the State, any State agency, State college or university, county, municipal corporation, local board of education, community college, special district, or other political subdivision of the State. Termination of a permit shall not have the effect of relieving the operator of any obligations that the operator has incurred under an approved reclamation plan or otherwise. Where the mining operation itself

has terminated, no permit shall be required in order to carry out reclamation measures under the reclamation plan."

SECTION 13.(b) G.S. 74-51 reads as rewritten:

"**§ 74-51. Permits – Application, granting, conditions.**

…

(c) If the Department determines, based on public comment relevant to the provisions of this Article, that significant public interest exists, the Department shall conduct a public hearing on any application for a new mining permit or for a modification of a mining permit to add land to the permitted area, as defined in G.S. 74-50(b). The hearing shall be held before the Department reaches a final decision on the application, and in making its determination, the Department shall give full consideration to all comments submitted at the public hearing. The public hearing shall be held within 60 days of the end of the 30-day period within which any requests for the public hearing shall be made. A public hearing shall not be required for a modification of a mining permit to extend the duration of the permit to a life-of-site, or life-of-lease, pursuant to G.S. 74-50(d) or (d1), respectively.

(d) The Department may deny the permit upon finding:

…

(7) That the applicant or any parent, subsidiary, or other affiliate of the applicant or parent has not been in substantial compliance with this Article, rules adopted under this Article, or other laws or rules of this State for the protection of the environment or has not corrected all violations that the applicant or any parent, subsidiary, or other affiliate of the applicant or parent may have committed under this Article or rules adopted under this Article and that resulted in:

a. Revocation of a permit,

b. Forfeiture of part or all of a bond or other security,

c. Conviction of a misdemeanor under G.S. 74-64,

d. Any other court order issued under G.S. 74-64, or

e. Final assessment of a civil penalty under G.S. 74-64.

f. Failure to pay the application processing fee required under G.S. 74-54.1.

…."

SECTION 13.(c) G.S. 74-52 reads as rewritten:

"**§ 74-52. ~~Permits – Modification, renewal.~~Permit modifications.**

(a) Any operator engaged in mining under an operating permit may apply at any time for modification of the permit. ~~A permittee may apply for renewal of the permit at any time during the two years prior to the expiration of the permit.~~ The application shall be in writing upon forms furnished by the Department and shall fully state the information called for. The applicant must provide the Department with any additional information necessary to satisfy application requirements. ~~The applicant is not required to resubmit information that remains unchanged since the time of the prior application.~~ In addition, the applicant may be required to furnish any other information as may be deemed necessary by the Department in order adequately to enforce the Article.

~~(b) The procedure to be followed and standards to be applied in renewing a permit shall be the same as those for issuing a permit; provided, however, that in the absence of any changes in legal requirements for issuance of a permit since the date on which the prior permit was issued, the only basis for denying a renewal permit shall be an uncorrected violation of the type listed in G.S. 74-51(7), or failure to submit an adequate reclamation plan in light of conditions then existing.~~

(c) A modification under this section may affect the land area covered by the permit, the approved reclamation plan coupled with the permit, or other terms and conditions of the permit. A permit may be modified to include land neighboring the affected land, but not other lands. The reclamation plan may be modified in any manner, so long as the Department

determines that the modified plan fully meets the standards set forth in G.S. 74-53 and that the modifications would be generally consistent with the bases for issuance of the original permit. Other terms and conditions may be modified only where the Department determines that the permit as modified would meet all requirements of G.S. 74-50 and [G.S.] 74-51. ~~No modification shall extend the expiration date of any permit issued under this Article.~~

(d) No modification ~~or renewal~~ of a permit shall become effective until any required changes have been made in the performance bond or other security posted under the provisions of G.S. 74-54, so as to assure the performance of obligations assumed by the operator under the permit and reclamation plan."

SECTION 13.(d) G.S. 74-54 reads as rewritten:

"**§ 74-54. Bonds.**

(a) Each applicant for an operating permit, or for the ~~renewal of a~~modification of an existing permit shall, following the approval of the application, file and maintain in force a bond in favor of the State of North Carolina, executed by a surety approved by the Commissioner of Insurance, in the amount set forth below. The bond herein provided for must be continuous in nature and shall remain in force until cancelled by the surety. Cancellation by the surety shall be effectuated only upon 60 days written notice thereof to the Department and to the operator.

(b) The applicant shall have the option of filing a separate bond for each operating permit or of filing a blanket bond covering all mining operations within the State for which the applicant holds a permit. The amount of each bond shall be based upon the area of affected land to be reclaimed under the approved reclamation plan or plans to which the bond pertains, less any area where reclamation has been completed and released from coverage by the Department, pursuant to G.S. 74-56, or based on any other criteria established by the ~~Commission.~~ Commission, but shall not exceed one million dollars ($1,000,000). The Department shall set the amount of the required bond in all cases, based upon a schedule established by the Commission.

…."

SECTION 13.(e) G.S. 74-54.1 reads as rewritten:

"**§ 74-54.1. Permit fees.**

(a) The fee schedule for the processing of permit ~~applications and permit renewals~~ applications, transfers, and modifications is as follows:

	0-25 acres	26+ acres
New Permit Applications	$3,750.00	$5,000.00
Permit Modifications	$750.00	$1,000.00
~~Permit Renewals~~	~~$750.00~~	~~$1,000.00~~
Permit Transfers	$100.00	$100.00

(a1) In addition to the fees set forth in subsection (a) of this section, permittees shall pay an annual operating fee of four hundred dollars ($400.00) per permit per year as set forth in G.S. 74-55. The Department may charge a late fee of fifty dollars ($50.00) per month per permit for every month or partial month that payment of the annual operating fee is delinquent.

…."

SECTION 13.(f) G.S. 74-55 reads as rewritten:

"**§ 74-55. Reclamation report.**

(a) ~~Within 30 days after completion or termination of mining on an area under permit or within 30 days after each anniversary of the issuance of the operating permit, whichever is earlier, or at such later date as may be provided by rules of the Department, and each year thereafter until reclamation is completed and approved, the~~By July 1 of each year, the operator shall file a report of activities completed during the preceding year on a form prescribed by the Department, which ~~shall:~~includes all of the following:

(1) Identify the mine, the operator and the permit ~~number;~~number.

(2) State acreage disturbed by mining in the last 12-month ~~period;~~period.

(3) State and describe amount and type of reclamation carried out in the last 12-month ~~period;~~period.

(4) Estimate acreage to be newly disturbed by mining in the next 12-month ~~period;~~period.

(5) Provide such maps as may be specifically requested by the ~~Department.~~Department.

(6) Include the annual operating fee pursuant to G.S. 74-54.1(a1).

(b) When filing the annual report, the permittee shall pay the annual operating fee for the permit to the Department until the permit has been terminated by the Department. The Department may assess and collect a monthly penalty for each annual report or annual operating fee not filed by July 31 of each year until the annual report and annual operating fee are filed with the Department. If the required annual report and operating fee, including any late payment penalties, are not filed by December 31 of each year, the Department shall give written notice to the operator and shall then initiate permit revocation proceedings in accordance with G.S. 74-58."

SECTION 13.(g) G.S. 74-58 reads as rewritten:

"**§ 74-58. Suspension or revocation of permit.**

(a) Whenever the Department shall have reason to believe that a violation of (i) this Article, (ii) any rules adopted under this Article, or (iii) the terms and conditions of a permit, including the approved reclamation plan, has taken place, it shall serve written notice of the apparent violation upon the operator, specifying the facts constituting the apparent violation and informing the operator of the operator's right to an informal conference with the Department. The date for an informal conference shall be not less than 15 nor more than 30 days after the date of the notice, unless the Department and the operator mutually agree on another date. If the operator or the operator's representative does not appear at the informal conference, or if the Department following the informal conference finds that there has been a violation, the Department may suspend the permit until the violation is corrected or may revoke the permit where the violation appears to be ~~willful.~~willful, or where the permittee has failed to pay the fee or late payment penalties required by G.S. 74-55(b).

(b) The effective date of any suspension or revocation shall be 30 days following the date of the decision. The filing of a petition for a contested case under G.S. 74-61 shall stay the effective date until issuance of a final decision. If the Department finds at the time of its initial decision that any delay in correcting a violation would result in imminent peril to life or danger to property or to the environment, it shall promptly initiate a proceeding for injunctive relief under G.S. 74-64 hereof and Rule 65 of the Rules of Civil Procedure. The pendency of any appeal from a suspension or revocation of a permit shall have no effect upon an action for injunctive relief.

(c) Any operator whose permit has been suspended or revoked shall be denied a new permit or ~~a renewal of an existing~~ reinstatement of the suspended permit to engage in mining until the operator gives evidence satisfactory to the Department of the operator's ability and intent to fully comply with the provisions of this Article and rules adopted under this Article, and the terms and conditions of the permit, including the approved reclamation plan, and that the operator has satisfactorily corrected all previous violations."

SECTION 13.(h) G.S. 74-60 reads as rewritten:

"**§ 74-60. Notice.**

Whenever in this Article written notice is required to be given by the Department, such notice shall be mailed by registered or certified mail to the permanent address of the operator set forth in his most recent application for an operating permit or for a modification ~~or renewal~~ of such permit. No other notice shall be required."

SECTION 13.(i) Notwithstanding G.S. 74-55(b), as enacted by subsection (f) of this section, the initial annual operating fee imposed by G.S. 74-54.1(a1), as enacted by subsection (e) of this section, shall be due December 31, 2017.

SECTION 13.(j) This section is effective when it becomes law and applies to (i) valid permits for existing mining operations issued before the date this act becomes effective and (ii) any permit application for a mining operation pending or submitted on or after that date. No later than December 1, 2017, the Department shall issue life-of-site permits or life-of-lease permits, as applicable, to replace valid permits for existing mining operations issued before the date this act becomes effective in compliance with the provisions of this act. Until such time as life-of-site permits or life-of-lease permits, as applicable, have been issued to replace valid permits for existing mining operations issued before the date this act becomes effective, any valid permit and its terms and conditions shall remain in effect and govern the operations of the facility notwithstanding any termination date that may be included in such permit.

AMEND MITIGATION SERVICES LAW

SECTION 14. G.S. 143-214.12 reads as rewritten:

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

(a) Ecosystem Restoration Fund. – The Ecosystem Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Ecosystem Restoration Fund shall provide a repository for monetary contributions and donations or dedications of interests in real property to promote projects for the restoration, enhancement, preservation, or creation of wetlands and riparian areas and for payments made in lieu of compensatory mitigation as described in subsection (b) of this section. No funds shall be expended from this Fund for any purpose other than those directly contributing to the acquisition, perpetual maintenance, enhancement, restoration, or creation of ~~wetlands and~~wetlands, streams, and riparian areas in accordance with the basinwide plan as described in G.S. 143-214.10. The cost of acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3 when the Department is the State agency making the acquisition.

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

(b) Authorized Methods of Payment. – A person subject to a permit or authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 may contribute to the Division of Mitigation Services in order to comply with conditions to, or terms of, the permit or authorization if participation in the Division of Mitigation Services will meet the mitigation requirements of the United States Army Corps of Engineers. The Department shall,

at the discretion of the applicant, accept payment into the Ecosystem Restoration Fund in lieu of other compensatory mitigation requirements of any authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 if the contributions will meet the mitigation requirements of the United States Army Corps of Engineers. Payment may be made in the form of monetary contributions according to a fee schedule established by the Environmental Management Commission or in the form of donations of real property provided that the property is approved by the Department as a suitable site consistent with the basinwide wetlands restoration plan.

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

ENERGY POLICY COUNCIL CLARIFICATION

SECTION 15. G.S. 113B-4(a) reads as rewritten:

"(a) The Lieutenant Governor or the Lieutenant Governor's designee shall serve as chair of the Council."

SOLID WASTE MODIFICATIONS

SECTION 16. If Senate Bill 16, 2017 Regular Session, becomes law, then Section 16 of that act is amended by adding the following new subsection:

"**SECTION 16.(d)** G.S. 130A-294(a3), as enacted by subsection (c) of this section, only applies to valid and operative franchise agreements in effect on October 1, 2015."

SECTION 17.(a) G.S. 130A-291 reads as rewritten:

"**§ 130A-291. Division of Waste Management.**

(a) For the purpose of promoting and preserving an environment that is conducive to public health and welfare, and preventing the creation of nuisances and the depletion of our natural resources, the Department shall maintain a Division of Waste Management to promote sanitary processing, treatment, disposal, and statewide management of solid waste and the greatest possible recycling and recovery of resources, and the Department shall employ and retain qualified personnel as may be necessary to effect such purposes. It is the purpose and intent of the State to be and remain cognizant not only of its responsibility to authorize and establish a statewide solid waste management program, but also of its responsibility to monitor and supervise, through the Department, the activities and operations of units of local government implementing a permitted solid waste management facility serving a specified geographic area in accordance with a solid waste management plan.

(b) In furtherance of this purpose and intent, it is hereby determined and declared that it is necessary for the health and welfare of the inhabitants of the State that solid waste management facilities permitted hereunder and serving a specified geographic area shall be used by public or private owners or occupants of all lands, buildings, and premises within the geographic ~~area, and a unit of local government may, by ordinance, require that all solid waste generated within the geographic area and placed in the waste stream for disposal, shall be delivered to the permitted solid waste management facility or facilities serving the geographic~~ area. Actions taken pursuant to this Article shall be deemed to be acts of the sovereign power of the State of North Carolina, and to the extent reasonably necessary to achieve the purposes of this section, a unit of local government may displace competition with public service for solid waste management and disposal. It is further determined and declared that no person, firm, corporation, association or entity within the geographic area shall engage in any activities which would be competitive with this purpose or with ordinances, rules adopted pursuant to the authority granted herein.

(c) Except as provided in subsections (d) and (e) of this section, a unit of local government may, by ordinance, franchise, business license, contract, or otherwise, require that all solid waste generated within the geographic area and placed in the waste stream for disposal be delivered to the permitted solid waste management facility or facilities serving the geographic area only under one of the following conditions:

(1) If the unit of local government has debt associated with solid waste management facilities and equipment outstanding on September 1, 2017, the unit of local government may adopt and enforce such an ordinance until the date that such debt has matured.

(2) If the unit of local government incurs debt after September 1, 2017, and the issuance of the debt will be conditioned upon the unit of local government requiring that all waste collected within the county be disposed of within the landfill, for expansion of a landfill or construction of a new landfill after all necessary approvals for issuance of the debt have been obtained from the Local Government Commission in compliance with Chapter 159 of the General Statutes, including the demonstration of need and cost required by G.S. 159-211, the unit of local government may adopt and enforce such an ordinance until the date the debt associated with expansion of the landfill, or construction of the new landfill, has matured.

(3) If the unit of local government is a party to an exclusive franchise agreement with a private entity governing the management or disposal of waste within the jurisdiction in effect on September 1, 2017, the unit of local government may adopt and enforce such an ordinance until the date that such franchise has expired.

(d) Notwithstanding any limitations set forth in subsection (c) of this section, and except as provided in subsection (e) of this section, a regional solid waste management authority established under Article 22 of Chapter 153A of the General Statutes, and a unit of local government that is a member of an authority, may, by ordinance, require that all solid waste generated within its jurisdiction and placed in the waste stream for disposal be delivered to the permitted solid waste management facility or facilities operated by the regional solid waste management authority.

(e) Notwithstanding authority given to local governments to manage solid waste generated or disposed of within their jurisdiction pursuant to subsection (c) or (d) of this section, or otherwise, units of local government shall not, by ordinance or otherwise, prohibit the disposal of construction and demolition debris in any sanitary landfill permitted for the disposal of construction and demolition debris, which landfill has a valid and operative franchise agreement and is otherwise properly permitted pursuant to G.S. 130A-294."

SECTION 17.(b) G.S. 130A-294(a) reads as rewritten:

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

(a) The Department is authorized and directed to engage in research, conduct investigations and surveys, make inspections and establish a statewide solid waste management program. In establishing a program, the Department shall have authority to:

…

(5b) ~~Authorize~~ Subject to the limitations of G.S. 130A-291, authorize units of local government to require by ordinance, that all solid waste generated within the designated geographic area that is placed in the waste stream for disposal be collected, transported, stored and disposed of at a permitted solid waste management facility or facilities serving such area. The provisions of such ordinance shall not be construed to prohibit the source separation of materials from solid waste prior to collection of such solid waste for disposal, or prohibit collectors of solid waste from recycling materials or limit access to such materials as an incident to collection of such solid waste; provided such prohibitions do not authorize the construction and operation of a resource recovery facility unless specifically permitted pursuant to an approved solid waste management plan. If a private solid waste landfill shall be substantially affected by such ordinance then the unit of local government adopting the ordinance shall be required to give the operator of the affected

landfill at least two years written notice prior to the effective date of the proposed ordinance.

…."

SECTION 17.(c) G.S. 153A-292(a) reads as rewritten:

"**§ 153A-292. County collection and disposal facilities.**

(a) The board of county commissioners of any county may establish and operate solid waste collection and disposal facilities in areas outside the corporate limits of a city. The board may by ordinance regulate the use of a disposal facility provided by the ~~county,~~ county subject to the limitations of G.S. 130A-291, the nature of the solid wastes disposed of in a facility, and the method of disposal. The board may contract with any city, individual, or privately owned corporation to collect and dispose of solid waste in the area. Counties and cities may establish and operate joint collection and disposal facilities. A joint agreement shall be in writing and executed by the governing bodies of the participating units of local government."

SECTION 17.(d) Chapter 159 of the General Statutes is amended by adding a new Article to read:

"Article 15.

"Borrowing for expansion of existing landfills and construction of new landfills in certain circumstances.

"**§ 159-211. Borrowing authority for landfills.**

(a) Whenever a unit of local government applies to the Commission for approval to enter debt by any method authorized by this Chapter for the purpose of expansion of an existing landfill within their jurisdiction, or construction of a new landfill within their jurisdiction, and to support the repayment of the new debt by requiring by ordinance, franchise, or otherwise that all waste collected within the county must be delivered to the county facility exclusively, in addition to any other criteria the Commission is required to consider in approving such debt, the unit of local government shall demonstrate all of the following to the satisfaction of the Commission:

(1) The proposed expansion of the existing landfill, or construction of the new landfill, for which debt is to be incurred is necessary to ensure reliable, convenient, and affordable solid waste disposal service is provided consistently to all citizens under its jurisdiction for the protection of public health, safety, and welfare.

(2) The proposed expansion of the existing landfill, or construction of the new landfill, will result in lower overall costs per ton of waste disposed for the jurisdiction's citizens and businesses within the jurisdiction than would be available through privately funded and operated disposal facilities. The analysis shall take into account all direct, indirect, asset retirement, closure, post-closure, and capital costs divided by tons disposed per year to establish a "tip fee" required to support the operation and repayment of the debt. State or federal subsidies shall be disregarded for purposes of this analysis.

(3) The requirements of subdivisions (1) and (2) of this subsection have been confirmed by way of a bid or request for proposals process in which private businesses have been invited to compete for the right to provide the services subject only to compliance with State and federal law. Private company proposals will be on a "tip fee" basis for comparison to the unit of local government landfill tip fee calculated pursuant to subdivision (2) of this subsection.

(b) In determining whether debt for expansion of an existing landfill, or construction of a new landfill, shall be approved, the Commission shall consider the information submitted pursuant to subsection (a) of this section and shall approve an application only if it finds the information presented supports the need for, and cost-effectiveness of, the proposed project. If the Commission tentatively decides to deny the application because it is of the opinion that these criteria cannot be supported from the information presented to it, it shall so notify the unit

filing the application. Prior to final approval of the application, the Commission shall hold a public hearing on the application at which time any interested persons shall be heard, including any private business that has offered an alternative. The Commission may appoint a hearing officer to conduct the hearing and to present a summary of the testimony and associated recommendations for the Commission's consideration.

(c) The requirements of this section shall only apply to a unit of local government, which, at the time it submits an application to the Commission for approval to enter debt for expansion or construction of a landfill, has adopted an ordinance pursuant to G.S. 130A-291(c). Provided, however, where such debt is approved and the requirements of this section have not been satisfied, a unit of local government that later seeks to adopt an ordinance pursuant to G.S. 130A-291(c), must meet the requirements of this section prior to adopting and enforcing such an ordinance."

SECTION 17.(e) Nothing in this section shall be construed to impact the terms of a contract, franchise agreement, or other agreement between a unit of local government and another entity concerning the management of solid waste, or the financing of such services or related facilities or equipment, in effect on the date this section becomes law.

SECTION 17.(f) This section is effective when this act becomes law.

CLARIFY ROLES OF GEOLOGISTS AND SOIL SCIENTISTS IN WASTEWATER SYSTEM SITE EVALUATIONS

SECTION 18.(a) G.S. 130A-335(a1) reads as rewritten:

"(a1) Any proposed site for a residence, place of business, or a place of public assembly located in an area that is not served by an approved wastewater system for which a new wastewater system is proposed or repair is necessary for compliance may be evaluated for soil conditions and site features by a ~~licensed soil scientist or licensed geologist.~~ person licensed pursuant to Chapter 89F of the General Statutes as a licensed soil scientist. For purposes of this subsection, "site features" include topography and landscape position; soil characteristics (morphology); soil wetness; soil depth; restrictive horizons; available space; and other applicable factors that involve accepted public health principles. A person licensed pursuant to Chapter 89E of the General Statutes as a licensed geologist may evaluate the proposed site or repair area, as applicable, for geologic and hydrogeologic conditions."

SECTION 18.(b) G.S. 130A-336.1(e) reads as rewritten:

"(e) Site Design, Construction, and Activities.

(1) The professional engineer designing the proposed wastewater system shall use recognized principles and practices of engineering and applicable rules of the Commission in the calculations and design of the wastewater system. The investigations and findings of the professional engineer shall include, at a minimum, the information required in rules adopted by the Commission pursuant to G.S. 130A-335(e). The professional engineer may, at the engineer's discretion, employ pretreatment technologies not yet approved in this State.

(2) Notwithstanding G.S. 130A-335(a1), the owner of the proposed wastewater system shall employ ~~either a licensed soil scientist or a geologist, licensed pursuant to Chapter 89E of the General Statutes and who has applicable professional experience, to evaluate soil conditions and site features.~~a person licensed pursuant to Chapter 89F of the General Statutes as a licensed soil scientist to conduct soil and site evaluations and, as applicable, a person licensed pursuant to Chapter 89E of the General Statutes as a licensed geologist to evaluate geologic and hydrogeologic conditions.

…."

REPEAL PLASTIC BAG BAN

SECTION 19.(a) Part 2G of Article 9 of Chapter 130A of the General Statutes is repealed.

SECTION 19.(b) G.S. 130A-22(a) reads as rewritten:

"(a) The Secretary of Environmental Quality may impose an administrative penalty on a person who violates Article 9 of this Chapter, rules adopted by the Commission pursuant to Article 9, or any term or condition of a permit or order issued under Article 9. Each day of a continuing violation shall constitute a separate violation. The penalty shall not exceed fifteen thousand dollars ($15,000) per day in the case of a violation involving nonhazardous waste. The penalty shall not exceed thirty-two thousand five hundred dollars ($32,500) per day in the case of a first violation involving hazardous waste as defined in G.S. 130A-290 or involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State; and shall not exceed fifty thousand dollars ($50,000) per day for a second or further violation involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State. The penalty shall not exceed thirty-two thousand five hundred dollars ($32,500) per day for a violation involving a voluntary remedial action implemented pursuant to G.S. 130A-310.9(c) or a violation of the rules adopted pursuant to G.S. 130A-310.12(b). ~~The penalty shall not exceed one hundred dollars ($100.00) for a first violation; two hundred dollars ($200.00) for a second violation within any 12-month period; and five hundred dollars ($500.00) for each additional violation within any 12-month period for any violation of Part 2G of Article 9 of this Chapter.~~ For violations of Part 7 of Article 9 of this Chapter and G.S. 130A-309.10(m): (i) a warning shall be issued for a first violation; (ii) the penalty shall not exceed two hundred dollars ($200.00) for a second violation; and (iii) the penalty shall not exceed five hundred dollars ($500.00) for subsequent violations. If a person fails to pay a civil penalty within 60 days after the final agency decision or court order has been served on the violator, the Secretary of Environmental Quality shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or has his or its principal place of business to recover the amount of the assessment. Such civil actions must be filed within three years of the date the final agency decision or court order was served on the violator."

SECTION 19.(c) Section 13.10(c) of S.L. 2010-31 is repealed.

SECTION 19.(d) This section becomes effective September 1, 2017.

GENX RESPONSE MEASURES

SECTION 20.(a) The General Assembly finds that the discharge of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6) into the Cape Fear River demonstrates the need for supplemental funding for impacted local public utilities for the monitoring and treatment of GenX and to support the identification and characterization by scientists, engineers, and other professionals of GenX in the Cape Fear River.

Therefore, notwithstanding Section 6.1 of S.L. 2017-57, G.S. 143C-4-4, and G.S. 143C-6-4, of the funds appropriated to the Contingency and Emergency Fund, the sum of four hundred thirty-five thousand dollars ($435,000) shall be allocated and used as follows:

(1) One hundred thousand dollars ($100,000) to the Cape Fear Public Utility Authority, who shall, in coordination with Brunswick County Public Utilities, Pender County Utilities, and other entities that withdraw, treat, and subsequently distribute water originating from the Cape Fear River, study the identification and deployment of water treatment technology to remove GenX from the public water supply, and eighty-five thousand dollars ($85,000) to the Cape Fear Public Utility Authority for ongoing monitoring of water supplies withdrawn from the Cape Fear River. The Cape Fear Public Utility Authority shall provide an interim report to the Environmental Review Commission no later than December 1, 2017, regarding the progress in implementing this section, and a final report on or before April 1, 2018, to include any findings and recommendations for legislative action.

(2) Two hundred fifty thousand dollars ($250,000) to the University of North Carolina at Wilmington to identify and quantify GenX and measure the concentration of the chemicals in the sediments of the Cape Fear River, the extent to which the chemical biodegrades over time or bioaccumulates within local ecosystems, and what risk the contaminant poses to human health. The University of North Carolina at Wilmington shall not charge indirect facilities and administrative costs against the funding provided by this subdivision. The University of North Carolina at Wilmington shall provide an interim report to the Environmental Review Commission no later than December 1, 2017, regarding the progress in implementing this section, and a final report on or before April 1, 2018, to include any findings and recommendations for legislative action.

SECTION 20.(b) Funds allocated by this section for the 2017-2018 fiscal year shall not revert but shall remain available for nonrecurring expenses until the end of the 2018-2019 fiscal year. The entities funded by this section may establish time-limited positions for the biennium with the funds allocated by this section.

SECTION 20.1. Section 13.7 of S.L. 2017-57, 2017 Regular Session, reads as rewritten:

"**SECTION 13.7.** The North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall develop a ~~proposal~~ proposal (i) to identify and acquire digital data relevant to environmental monitoring and natural resource management, including, but not limited to, the digitization of analog ~~records.~~records and (ii) for the creation of an online database to provide National Pollutant Discharge Elimination System (NPDES) and other water quality permits, permit applications, and relevant supporting documents to the public in a searchable and user friendly format, as well as creation of a system for electronic filing of applications for such permits and relevant supporting documents. In developing the proposal, the Collaboratory shall consult with the Department of Environmental Quality and the Department of Information Technology. The Collaboratory shall assess the feasibility of transferring these data to a central, searchable, and publicly accessible digital database hosted by The University of North Carolina System. The Collaboratory shall provide an interim report to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division no later than December 1, 2017, regarding the progress in implementing this section, and shall provide its proposal no later than ~~March 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.~~April 1, 2018, to these entities."

SECTION 20.2. If by September 8, 2017, the Department of Environmental Quality has yet to issue a Notice of Violation to any company or person for the discharge of the chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6) to the Cape Fear River, and for the resulting contamination of the Cape Fear River, and public water supplies withdrawing water therefrom, the Department of Environmental Quality shall provide a detailed report, in writing, to the Environmental Review Commission on that date setting forth the reasons why a Notice of Violation has not been issued to a company or person that has discharged GenX to the Cape Fear River.

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 21.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 21.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of August, 2017.

Session Law 2017-210 **S.B. 181**

AN ACT TO ESTABLISH A PILOT PROGRAM AUTHORIZING CERTAIN LOCAL GOVERNMENTS TO PUBLISH REQUIRED NOTICES ELECTRONICALLY AND TO AUTHORIZE GUILFORD COUNTY TO PUBLISH LEGAL NOTICES VIA THE COUNTY-MAINTAINED WEB SITE FOR A FEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Part 3 of Article 4 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-52.2. Electronic notice for notices required to be published by the board.**

(a) Except as provided in this section, the governing board may adopt an ordinance providing that any notice it is required by law to publish or advertise, whether under G.S. 1-597, under Article 8 of Chapter 143 of the General Statutes, under any other general law, or under any local act, may be published electronically as provided by this section in lieu of or in addition to the required publication or advertisement. The ordinance may cover all notices required to be published or advertised or a clearly identified category of notices.

(b) Upon adoption of an ordinance under subsection (a) of this section, the governing board shall publish specific instructions as to how to access all notices published electronically under the ordinance adopted pursuant to this section at least once a month for 12 months in a newspaper having a general circulation for that jurisdiction, as provided in G.S. 1-597.

(c) Any notice published under an ordinance adopted pursuant to subsection (a) of this section shall comply with all of the following:

(1) The notice is published on the Web site of the governing board no later than the time that publication is required under the applicable statute or local act.

(2) The Web site contains, on its main page, links to all notices or a link to another page with links to all notices.

(3) Notices and links to all notices on the Web site shall be maintained on that Web site for at least one year after publication and shall be searchable.

(4) A copy of the notice shall be filed in a notice book maintained separate and apart from the ordinance book or minutes of the governing board. The notice book shall be appropriately indexed and maintained for public inspection in the office of the clerk or in the office of another individual who is an employee of the governing board, as designated in the ordinance adopted pursuant to this section.

(5) A copy of the notice shall be mailed or e-mailed to any person who has filed a written request for notice with the clerk or secretary of the governing board or with some other person designated by the governing board. The governing board may require each person submitting such a written request for notice to renew that request annually.

(d) Ordinances adopted pursuant to this section may not supersede any general law or local act that requires notice by mail to certain persons or classes of persons or the posting of signs on certain property.

(e) The ordinance adopted by the governing board may control notice given by any board appointed by the governing board, including the planning board, board of social services, and board of health.

(f) For purposes of this section, "governing board" means the body elected or appointed as the board of county commissioners, city council, or county board of elections."

SECTION 1.(b) G.S. 160A-1(7) reads as rewritten:

"(7) "Publish," "publication," and other forms of the verb "to publish" mean ~~insertion~~ any of the following:

a. Insertion in a newspaper qualified under G.S. 1-597 to publish legal advertisements in the county or counties in which the city is located.

b. Electronic notice, as provided in G.S. 153A-52.2, if an ordinance has been adopted by the governing board."

SECTION 1.(c) G.S. 153A-1(6) reads as rewritten:

"(6) "Publish," "publication," and other forms of the verb "to publish" mean ~~insertion~~ any of the following:

a. Insertion in a newspaper qualified under G.S. 1-597 to publish legal advertisements in the county.

b. Electronic notice, as provided in G.S. 153A-52.2, if an ordinance has been adopted by the governing board."

SECTION 1.(d) G.S. 159-1(b)(5) reads as rewritten:

"(5) "Publish," "publication," and other forms of the word "publish" mean ~~insertion~~ any of the following:

a. Insertion in a newspaper qualified under G.S. 1-597 to publish legal advertisements.

b. Electronic notice, as provided in G.S. 153A-52.2, if an ordinance has been adopted by that governing board."

SECTION 1.(e) G.S. 163-33(8) reads as rewritten:

"**§ 163-33. Powers and duties of county boards of elections.**

The county boards of elections within their respective jurisdictions shall exercise all powers granted to such boards in this Chapter, and they shall perform all the duties imposed upon them by law, which shall include the following:

…

(8) To provide for the issuance of all notices, advertisements, and publications concerning elections required by law. If the election is on a State bond issue, an amendment to the Constitution, or approval of an act submitted to the voters of the State, the State Board of Elections shall reimburse the county boards of elections for their reasonable additional costs in placing such notices, advertisements, and publications. In addition, the county board of elections shall give notice at least 20 days prior to the date on which the registration books or records are closed that there will be a primary, general or special election, the date on which it will be held, and the hours the voting places will be open for voting in that election. The notice also shall describe the nature and type of election, and the issues, if any, to be submitted to the voters at that election. Notice shall be given by advertisement at least once weekly during the 20-day period in a newspaper having general circulation in the county and by posting a copy of the notice at the courthouse door. Notice may additionally be made on a radio or television station or both, but such notice shall be in addition to the newspaper and other required notice. This subdivision shall not apply in the case of bond elections called under the provisions of Chapter 159. The county board may adopt a policy in accordance with G.S. 153A-52.2 to provide for notices, advertisements, and publications to be given electronically."

SECTION 1.(f) This section applies only to Guilford County and any municipality located wholly or partly in Guilford County.

SECTION 1.(g) This section becomes effective December 1, 2017, and applies to notices published on or after that date.

SECTION 2.(a) Article 50 of Chapter 1 of the General Statutes is amended by adding a new section to read:

"**§ 1-602. Publication via county-maintained Web site.**

(a) In lieu of publishing in a newspaper in accordance with this Article, publication of any notice permitted or required by law to be published in a newspaper may be accomplished by contracting with a county who has adopted an ordinance authorizing the county to publish such notice on the county-maintained Web site pursuant to this section. The board of commissioners may adopt an ordinance establishing the county Web site as a central location for publishing or advertising legal notices in accordance with this section, if the county complies with all of the following:

(1) The county maintains its own Web site, with sufficient staff to maintain that Web site.

(2) The county has sufficient staff to complete affidavits as needed for all legal notices as required by subsection (d) of this section.

(3) The county collects and remits fees as provided in subsections (b) and (c) of this section.

(b) The county may charge fees for the administrative costs to the county as follows for such publication:

(1) For foreclosures, except those initiated by that county, no more than four hundred fifty dollars ($450.00).

(2) For other notices, except those by the State or any other political subdivision thereof, no more than one hundred dollars ($100.00).

(3) For notices by the State or any other political subdivision thereof, other than that county, no more than ten dollars ($10.00).

(4) For notices by that county, no fee shall be charged.

(c) Whenever a county has published a notice or any other paper, document, or legal advertisement within the meaning of G.S. 1-597 and a county employee makes a written statement under oath taken before any notary public or other officer or person authorized by law to administer oaths, stating that the county placed such notice, paper, document, or legal advertisement upon its Web site, such sworn written statement shall be received in all courts in this State as prima facie evidence that the county placed the notice, paper, document, or legal advertisement upon its Web site for the stated period of time. When filed in the office of the clerk of the superior court of that county, any such sworn statement shall be deemed to be a record of the court and such record or a copy thereof duly certified by the clerk shall be prima facie evidence that the county placed the notice, paper, document, or legal advertisement upon its Web site for the stated period of time.

(d) Notwithstanding G.S. 1-595, when a statute or written instrument stipulates that an advertisement of a sale shall be made for any certain number of weeks, publication via the county Web site in accordance with this section for the number of weeks so indicated is a sufficient compliance with the requirement.

(e) Nothing in this section requires a county to adopt an ordinance authorizing the county to publish notices on a county-maintained Web site."

SECTION 2.(b) This section applies to Guilford County only.

SECTION 2.(c) This section becomes effective December 1, 2017, and applies to notices published on or after that date.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5th day of October, 2017.

Session Law 2017-211 **S.B. 16**

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

REQUIRE AGENCIES AND THE OFFICE OF ADMINISTRATIVE HEARINGS TO PROVIDE ADDITIONAL NOTICE OF PETITIONS FOR RULE MAKING

SECTION 1.(a) G.S. 150B-20(a) reads as rewritten:

"(a) Petition. – A person may petition an agency to adopt a rule by submitting to the agency a written rule-making petition requesting the adoption. A person may submit written comments with a rule-making petition. If a rule-making petition requests the agency to create or amend a rule, the person must submit the proposed text of the requested rule change and a statement of the effect of the requested rule change. Each agency must establish by rule the procedure for submitting a rule-making petition to it and the procedure the agency follows in considering a rule-making petition. An agency receiving a rule-making petition shall, within three business days of receipt of the petition, send the proposed text of the requested rule change and the statement of the effect of the requested rule change to the Office of Administrative Hearings. The Office of Administrative Hearings shall, within three business days of receipt of the proposed text of the requested rule change and the statement of the effect of the requested rule change, distribute the information via its mailing list and publish the information on its Web site."

SECTION 1.(b) This section becomes effective January 1, 2018.

WILDLIFE RESOURCES COMMISSION PRIVATE IDENTIFYING INFORMATION

SECTION 2. G.S. 143-254.5 reads as rewritten:

"**§ 143-254.5. Disclosure of personal identifying information.**

Social security numbers and identifying information obtained by the Commission shall be treated as provided in G.S. 132-1.10. For purposes of this section, "identifying information" also includes a person's mailing address, residence address, e-mail address, Commission-issued customer identification number, date of birth, information subject to G.S. 106-24.1 transferred to the Commission from the Department of Agriculture and Consumer Services, and telephone number."

PROVIDE FOR HEIGHTENED ENVIRONMENTAL MANAGEMENT COMMISSION OVERSIGHT OF CERTAIN REPORTS

SECTION 3. G.S. 143B-282(a)(1) is amended by adding a new sub-subdivision to read:

"w. To identify, review, and assess reports prepared by the Department of Environmental Quality that are required by an act of the General Assembly and that the Commission finds would have a significant public interest and to include that assessment in its report to the Environmental Review Commission under subsection (b) of this section."

ALLOW OPTIONAL MEALS FOR BED AND BREAKFAST GUESTS

SECTION 4.(a) G.S. 130A-247(5a) reads as rewritten:

"(5a) "Bed and breakfast home" means a business in a private home of not more than eight guest rooms that offers bed and breakfast accommodations for a period of less than one week and that meets all of the following criteria:

a. Does not serve food or drink to the general public for pay.

b. Serves the breakfast meal, the lunch meal, the dinner meal, or a combination of all or some of these three meals, only to overnight guests of the home.

c. Includes the price of ~~any meals served~~breakfast in the room rate. The price of additional meals served may be added to the room rate at the conclusion of the overnight guest's stay.

d. Is the permanent residence of the owner or the manager of the business."

SECTION 4.(b) G.S. 130A-247(6) reads as rewritten:

"(6) "Bed and breakfast inn" means a business of at least nine but not more than 12 guest rooms that offers bed and breakfast accommodations ~~to at least nine but not more than 23 persons per night~~ for a period of less than one week, and ~~that:~~that meets all of the following requirements:

a. Does not serve food or drink to the general public for ~~pay;~~pay.

b. Serves ~~only~~ the breakfast meal, ~~and that meal is served~~the lunch meal, the dinner meal, or a combination of all or some of these three meals only to overnight guests of the ~~business;~~business.

c. Includes the price of breakfast in the room ~~rate; and~~rate. The price of additional meals served may be added to the room rate at the conclusion of the overnight guest's stay.

d. Is the permanent residence of the owner or the manager of the business."

SECTION 4.(c) This section becomes effective January 1, 2018.

AMEND ALARM SYSTEM BUSINESS LICENSING STATUTES

SECTION 5.(a) G.S. 74D-2(c) reads as rewritten:

"(c) Qualifying Agent. – A business entity that engages in the alarm systems business is subject to all of the requirements listed in this subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent" is an individual in a management position who is licensed under this Chapter and whose name and address have been registered with the Board. The requirements are:

(1) The business entity shall employ a designated ~~resident~~ qualifying agent who meets the requirements for a license issued under and who is, in fact, licensed under the provisions of this Chapter, unless otherwise approved by the Board. ~~Provided, however, that this approval shall not be given unless the business entity has and continuously maintains in this State a registered agent who shall be an individual resident in this State.~~ Service upon the ~~registered~~ qualifying agent appointed by the business entity of any process, notice or demand required by or permitted by law to be served upon the business entity by the Alarm Systems Licensing Board shall be binding upon the licensed business ~~entity and the licensee.~~entity. Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a business entity in any other manner or hereafter permitted by law.

(2) Repealed by Session Laws 2009-328, s. 15, effective October 1, 2009.

(3) In the event that the qualifying agent upon whom the business entity relies in order to do business ceases to perform his duties as qualifying agent, the business entity shall notify the board in writing within 10 working days. The business entity must obtain a substitute qualifying agent within 90 days after the original qualifying agent ceases to serve as qualifying agent.

(4) The license certificate shall list the name of the qualifying agent. No licensee shall serve as the qualifying agent for more than one business entity without the prior approval of the Board.

(5) Repealed by Session Laws 2009-328, s. 15, effective October 1, 2009."

SECTION 5.(b) G.S. 74D-8 reads as rewritten:

"**§ 74D-8. Registration of persons employed.**

(a) (1) ~~All licensees~~A licensee of an alarm systems business shall register with the Board within 30 days after the employment begins, all of the ~~licensee's~~ following employees that are within the State, unless in the discretion of the Director, the time period is extended for good ~~cause.~~cause:

a. Any employee that has access to confidential information detailing the design, installation, or application of any location specific electronic security system or that has access to any code, number, or program that would allow the system to be modified, altered, or circumvented.

b. Any employee who installs or services an electronic security system in a personal residence.

Employees engaged only in sales or marketing that does not involve any of the above are not required to be registered.

(2) To register an employee, a licensee shall submit to the Board as to the employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards; recent color photograph(s) of acceptable quality for identification; and statements of any criminal records as deemed appropriate by the Board.

~~(2)~~(3) Except during the period allowed for registration in subdivision (a)(1) of this section, no alarm systems business may employ any employee unless the employee's registration has been approved by the Board as set forth in this section.

(b) The Director shall be notified in writing of the termination of any employee registered under this Chapter within 20 days after the termination.

(c) The Board shall issue a registration card to each employee of a licensee who is registered under this Chapter. The registration card shall expire two years after its date of issuance and shall be renewed before the expiration of the term of the registration. If a registered person changes employment to another licensee, the registration card may remain valid; however, persons changing employment must pay the fee authorized by G.S. 74D-7(e)(5).

(d) If all required documents, properly completed, have been submitted to the Board no later than 20 days after an employee begins employment, the employer of each applicant for registration shall give the applicant a copy of the complete application which the employee can use until a registration card issued by the Board is received."

ELIMINATE DUPLICATIVE AND UNNECESSARY ELECTRICAL EQUIPMENT AND APPLIANCE CERTIFICATION REQUIREMENTS

SECTION 6.(a) G.S. 66-25 reads as rewritten:

"**§ 66-25. Acceptable listings as to safety of goods.**

(a) All electrical materials, devices, appliances, and equipment shall be evaluated for safety and suitability for intended use. Except as provided in ~~subsection (b)~~subsections (b) and (c) of this section, this evaluation shall be conducted in accordance with nationally recognized standards and shall be conducted by a qualified testing laboratory. The Commissioner of Insurance, through the Engineering Division of the Department of Insurance, shall implement the procedures necessary to approve suitable national standards and to approve suitable qualified testing laboratories. The Commissioner may assign his authority to implement the procedures for specific materials, devices, appliances, or equipment to other agencies or bodies when they would be uniquely qualified to implement those procedures.

In the event that the Commissioner determines that electrical materials, devices, appliances, or equipment in question cannot be adequately evaluated through the use of approved national standards or by approved qualified testing laboratories, the Engineering Division of the Department of Insurance shall specify any alternative evaluations which safety requires.

The Engineering Division of the Department of Insurance shall keep in file, where practical, copies of all approved national standards and resumes of approved qualified testing laboratories.

(b) Electrical devices, appliances, or equipment used by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety in institutional kitchens and manufacturing equipment used by Correction Enterprises are exempt from the evaluation requirement of subsection (a) of this section.

(c) The Department of Administration, Division of Purchase and Contract, shall not seek to enforce the provisions of subsection (a) of this section by any means, including requiring acceptance inspections or additional testing of electrical materials, devices, appliances, or equipment purchased by State departments, agencies, and institutions."

SECTION 6.(b) Upon the effective date of this section, the Department of Administration, Division of Purchase and Contract, shall publish a notice on its Web site indicating that acceptance inspections and additional testing are no longer required for the purchase of electrical materials, devices appliances, or equipment by State departments, agencies, and institutions.

AUTHORIZE PRIVATE CONDEMNATION OF LAND FOR PIPELINES AND MAINS ORIGINATING OUTSIDE OF NORTH CAROLINA

SECTION 7. G.S. 40A-3(a)(1) reads as rewritten:

"(1) Corporations, bodies politic or persons have the power of eminent domain for the construction of railroads, power generating facilities, substations, switching stations, microwave towers, roads, alleys, access railroads, turnpikes, street railroads, plank roads, tramroads, canals, telegraphs, telephones, electric power lines, electric lights, public water supplies, public sewerage systems, flumes, bridges, and pipelines or mains ~~originating in North Carolina~~ for the transportation of petroleum products, coal, gas, limestone or minerals. Land condemned for any liquid pipelines shall:

a. Not be less than 50 feet nor more than 100 feet in width; and

b. Comply with the provisions of G.S. 62-190(b).

The width of land condemned for any natural gas pipelines shall not be more than 100 feet."

CLARIFY STORMWATER LAWS

SECTION 8. G.S. 143-214.7(b3) reads as rewritten:

"(b3) Stormwater runoff rules and programs shall not require private property owners to install new or increased stormwater controls for (i) preexisting development or (ii) redevelopment activities that do not remove or decrease existing stormwater controls. When a preexisting development is redeveloped, either in whole or in part, increased stormwater controls shall only be required for the amount of impervious surface being created that exceeds the amount of impervious surface that existed before the redevelopment."

AMEND THE THRESHOLD FOR COASTAL STORMWATER REQUIREMENTS FOR RESIDENTIAL PROJECTS

SECTION 9.(a) Definitions. – "Coastal Stormwater Rule" means 15A NCAC 02H .1019 (Coastal Counties) for purposes of this section and its implementation.

SECTION 9.(b) Coastal Stormwater Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Coastal Stormwater Rule, as provided in subsection (c) of this section.

SECTION 9.(c) Implementation. – The Commission and the Department shall not require a State stormwater permit for a residential project unless the residential project would cumulatively add more than 10,000 square feet of built upon area.

SECTION 9.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Coastal Stormwater Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 9.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

STUDY ELECTRICAL SAFETY FOR SWIMMING POOLS

SECTION 10. The Building Code Council shall review electrical safety requirements for swimming pools to determine if the requirements should be amended in order to better protect public safety. No later than December 1, 2017, the Council shall report its findings and recommendations, including any actions the Council has taken related to electrical safety requirements for swimming pools, to the Joint Legislative Oversight Committee on Justice and Public Safety.

STUDY USE OF UNGRADED LUMBER IN CERTAIN CIRCUMSTANCES

SECTION 11. The Building Code Council shall study under what circumstances it would be appropriate to use lumber that has not been grade stamped under the authority of a lumber grading bureau in construction in North Carolina. The Council shall consider cost, durability, public safety, and any other factors the Council deems necessary. No later than December 1, 2017, the Council shall report its findings and recommendations to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

REQUIRE ORIGINAL EQUIPMENT BACKUP LAMPS TO BE OPERABLE AND STUDY DECREASING THE FREQUENCY OF VEHICLE INSPECTIONS

SECTION 12.(a) G.S. 20-129 is amended by adding a new subsection to read:

"(h) Backup Lamps. – Every motor vehicle originally equipped with white backup lamps shall have those lamps in operating condition."

SECTION 12.(b) The Department of Transportation and the Department of Environmental Quality shall jointly study whether the frequency of vehicle safety inspections and vehicle emissions inspections should be decreased. The Departments shall consider public safety, air quality, savings to vehicle owners, impacts on State revenues, and any other factors the Departments deem necessary. No later than March 1, 2018, the Departments shall jointly report their findings and recommendations to the Joint Legislative Transportation Oversight Committee.

SECTION 12.(c) Subsection (a) of this section becomes effective March 1, 2018, and applies to offenses committed on or after that date.

STUDY EROSION AND SEDIMENTATION CONTROL PROGRAMS

SECTION 13. The Environmental Review Commission shall study the State sedimentation and erosion control program and locally delegated sedimentation and erosion control programs. The Commission shall specifically examine how the programs could be more efficient and streamlined. The Commission shall report the results of the study, including any findings and recommendations, to the 2018 Regular Session of the 2017 General Assembly.

DEPARTMENT OF LABOR TECHNICAL CHANGES

SECTION 14.(a) G.S. 95-25.5(a) reads as rewritten:

"(a) No youth under 18 years of age shall be employed by any employer in any occupation without a youth employment certificate unless specifically exempted. The Commissioner of Labor shall prescribe regulations for youths and employers concerning the issuance, maintenance and revocation of certificates. Certificates will be ~~issued, subject to~~

~~review by the Department of Labor, by county directors of social services and such of their designees as are approved by the Commissioner; provided, the Commissioner may also issue certificates,~~ issued by the Commissioner, both directly and electronically."

SECTION 14.(b) G.S. 95-117 reads as rewritten:

"**§ 95-117. Definitions.**

Each word or term defined in this Article has the meaning indicated in this section, unless a different meaning is plainly required by the context.

(1) Annual gross volume. – The gross receipts a person or passenger tramway receives from all types of sales made and business done during a 12-month period.

~~(1)~~(2) ~~"Commissioner" means the~~ Commissioner. – The Commissioner of Labor of the State of North Carolina.

~~(2)~~(3) ~~"Industry" means activities~~ Industry. – Activities of all those persons in the State who own, manage, or direct the operation of passenger tramways.

~~(3)~~(4) ~~"Operator" means any~~ Operator. – Any person, firm, corporation, or organization which owns, manages, or directs the operation of a passenger tramway. "Operator" may apply to the State or any political subdivision or instrumentality thereof.

(5) Owner. – Any person or authorized agent of such person who owns a passenger tramway or, in the event the passenger tramway is leased, the lessee. The term owner shall also include the State of North Carolina or any political subdivision thereof or any unit of local government.

~~(4)~~(6) ~~"Passenger tramway" means a~~ Passenger tramway. – A device used to transport passengers uphill on skis, or in cars on tracks, or suspended in the air by the use of steel cables, chains or belts, or by ropes, and usually supported by trestles or towers with one or more spans. ~~"Passenger tramway" shall include~~ The term includes any of the following devices:

a. ~~"Chairlift," a~~ Chairlift. – A type of transportation on which passengers are carried on chairs suspended in the air and attached to a moving cable, chain or link belt supported by trestles or towers with one or more spans, or similar ~~devices;~~devices.

a1. ~~"Conveyor," a~~ Conveyor. – A type of transportation on which passengers are transported uphill on a flexible moving element (conveyor belt) that travels uphill on one path and generally returns underneath the uphill portion.

a2. Funicular. – A system in which passengers are transported in or on carriers that are supported and guided by a level or inclined guideway and propelled by means of a haul rope or other flexible element that is driven by a power unit remaining essentially at a single location.

a3. Gondola. – An enclosed cabin attached to a cable that mechanically transports people or cargo.

b. ~~"J bar, T bar or platter pull, so-called and similar types of devices or means of transportation~~ J bar, T bar, or platter pull. – Devices which pull skiers riding on skis by means of an attachment to a main overhead cable supported by trestles or towers with one or more ~~spans;~~spans.

c. ~~"Multicar aerial passenger tramway," a~~ Multicar aerial passenger tramway. – A device used to transport passengers in several open or in closed cars attached to, and suspended from, a moving wire rope or attached to a moving wire rope and supported on a standing wire rope, or similar ~~device;~~device.

d. ~~"Rope tow," a~~ Rope tow. – A type of transportation which pulls the skiers, riding on skis as the skier grasps the rope manually, or similar ~~devices;~~device.

e. ~~"Skimobile," a~~ Skimobile. – A device in which a passenger car running on steel or wooden tracks is attached to and pulled by a steel cable, or similar ~~device;~~device.

f. ~~"Two-car aerial passenger tramway," a~~ Two-car aerial passenger tramway. – A device used to transport passengers in two open or enclosed cars attached to, and suspended from, a moving wire rope or attached to a moving wire rope and supported on a standing wire rope or similar device.

(7) Person. – Any individual, association, partnership, firm, corporation, private organization, or the State of North Carolina or any political subdivision thereof or any unit of local government."

SECTION 14.(c) Article 15 of Chapter 95 of the General Statutes is amended by adding the following new sections to read:

"**§ 95-125.1. Operation of unsafe device.**

No person shall operate, permit to be operated, or use any device subject to the provisions of this Article if the person knows or reasonably should know that the operation or use of the device will expose the public to an unsafe condition which is likely to result in personal injury or property damage.

"**§ 95-125.2. Reports required.**

(a) The owner of any device regulated under the provisions of this Article, or the owner's authorized agent, shall, within 24 hours, notify the Commissioner of each and every occurrence involving the device when either of the following occurs:

(1) Death or injury requiring medical treatment, other than first aid, by a physician. For the purposes of this section, "first aid" means (i) the one-time treatment or observation of scratches, cuts not requiring stitches, burns, splinters, or contusions or (ii) performing a diagnostic procedure, including examination and X rays, which does not ordinarily require medical treatment even though provided by a physician or other licensed personnel.

(2) Damage to the device indicating a substantial defect in design, mechanics, structure, or equipment that affects the future safe operation of the device. No reporting is required in the case of normal wear and tear.

(b) The Commissioner, without delay, after notification and determination that an occurrence involving injury or damage as specified in subsection (a) of this section has occurred, shall make a complete and thorough investigation of the occurrence. The report of the investigation shall be placed on file in the office of the division and shall give in detail all facts and information available. The owner may submit for inclusion in the file results of investigations independent of the department's investigation.

(c) No person, after an occurrence specified in subsection (a) of this section, shall do either of the following:

(1) Operate, attempt to operate, use, or move or attempt to move such device or part thereof without the approval of the Commissioner, unless so as to prevent injury to any person or persons.

(2) Remove or attempt to remove from the premises any damaged or undamaged part of such device or repair or attempt to repair any damaged part necessary to a complete and thorough investigation. The Department must initiate its investigation within 24 hours of being notified.

"**§ 95-125.3. Violations; civil penalties; appeal; criminal penalties.**

(a) Any person who violates G.S. 95-118 (Registration required; application procedures) is subject to a civil penalty not to exceed one thousand two hundred fifty dollars ($1,250) for each day each device is so operated or used.

(b) Any person who violates G.S. 95-120.1 (Liability insurance) or G.S. 95-125.2 (Reports required) is subject to a civil penalty not to exceed two thousand five hundred dollars ($2,500) for each day each device is so operated and used.

(c) Any person who violates G.S. 95-125.1 (Operation of unsafe device) is subject to a civil penalty not to exceed five thousand dollars ($5,000) for each day each device is so operated and used.

(d) In determining the amount of any penalty ordered under authority of this section, the Commissioner shall give due consideration to the appropriateness of the penalty with respect to the annual gross volume of the person being charged, the gravity of the violation, the good faith of the person, and the record of previous violations.

(e) The Commissioner's determination of the amount of the penalty is final, unless within 15 days after receipt of notice thereof by certified mail with return receipt, by signature confirmation as provided by the U.S. Postal Service, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery, the person charged with the violation takes exception to the determination, in which event final determination of the penalty shall be made in an administrative proceeding pursuant to Chapter 150B of the General Statutes, the Administrative Procedures Act.

(f) The Commissioner may file in the office of the clerk of the superior court of the county wherein the person, against whom a civil penalty has been ordered, resides or, if a corporation is involved, in the county wherein the violation occurred, a certified copy of a final order of the Commissioner unappealed form, or of a final order of the Commissioner affirmed upon appeal. Upon such filing, the clerk of said court shall enter judgment in accordance with the final order and notify the parties. The judgment shall have the same effect, and all proceedings in relation to the judgment shall thereafter be the same, as though the judgment had been rendered in a suit duly heard and determined by the superior court of the General Court of Justice.

(g) Any person who willfully violates any provision of this Article and that violation causes the serious injury or death of any person, then the person is guilty of a Class E felony, which shall include a fine.

(h) Nothing in this section prevents any prosecuting officer of the State of North Carolina from proceeding against a person who violates this Article on a prosecution charging any degree of willful or culpable homicide."

SECTION 14.(d) G.S. 95-174 reads as rewritten:

"**§ 95-174. Definitions.**

(a) "Chemical manufacturer" ~~shall mean~~ means a manufacturing facility classified in ~~Standard Industrial Classification (SIC) Codes 20 through 39~~ North American Industry Classification System (NAICS) Codes 31 through 33 where chemicals are produced for use or distribution in North Carolina.

(b) "Chemical name" ~~shall mean~~ means the scientific designation of a chemical in accordance with the nomenclature system developed by the International Union of Pure and Applied Chemistry (IUPAC), or the Chemical Abstracts Service (CAS) rules of nomenclature or a name which will clearly identify the chemical for the purpose of conducting a hazard evaluation.

(c) "Common name" ~~shall mean~~ means any designation or identification such as a code name, code number, trade name, brand name or generic name used to identify a chemical other than by its chemical name.

(d) "Distributor" ~~shall mean~~ means any business, other than a chemical manufacturer or importer, which supplies hazardous chemicals to other distributors or to purchasers.

(e) "Employee" ~~shall mean~~ means any person who is employed by an employer under normal operating conditions.

(f) "Employer" means a person engaged in business who has employees, including the State and its political subdivisions but excluding an individual whose only employees are domestic workers or casual laborers who are hired to work at the individual's residence.

(g) "Facility" ~~shall mean~~ means one or more establishments, factories, or buildings located at one contiguous site in North Carolina.

(h) "Fire Chief" ~~shall mean~~ means Fire Chief or Fire Marshall, or Emergency Response Coordinator in the absence of a Fire Chief or Fire Marshall for the appropriate local fire department.

(i) Repealed by Session Laws 1987, c. 489, s. 1.

(j) "Fire Department" ~~shall mean~~ means the fire department having jurisdiction over the facility.

(k) "Hazardous chemical" ~~shall mean~~ means any element, chemical compound or mixture of elements and/or compounds which is a physical hazard or health hazard as defined in subsection (c) of the OSHNC Standard or a hazardous substance as defined in standards adopted by the Occupational Safety and Health Division of the North Carolina Department of Labor in Title 13, Chapter 7 of the North Carolina Administrative Code (13 NCAC 7).

(*l*) "Hazardous Substance List" ~~shall mean~~ means the list required by G.S. 95-191.

(m) "Hazardous substance trade secret" means any formula, plan, pattern, device, process, production information, or compilation of information, which is not patented, which is known only to the employer, the employer's licensees, the employer's employees, and certain other individuals, and which is used or developed for use in the employer's business, and which gives the employer possessing it the opportunity to obtain a competitive advantage over businesses who do not possess it, or the secrecy of which is certified by an appropriate official of the federal government as necessary for national defense purposes. The chemical name and Chemical Abstracts Service number of a substance shall be considered a trade secret only if the employer can establish that the identity or composition of the substance cannot be readily ascertained without undue expense by analytical techniques, laboratory procedures, or other lawful means available to a competitor.

(n) "Label" ~~shall mean~~ means any written, printed, or graphic material displayed on or affixed to containers of hazardous chemicals.

(o) "Manufacturing facility" ~~shall mean~~ means a facility classified in ~~SIC Codes 20 through 39~~ NAICS Code 31 through 33 which manufactures or uses a hazardous chemical or chemicals in North Carolina.

(p) ~~"Material Safety~~ "Safety Data Sheets" or ~~"MSDS" shall mean~~ "SDS" means chemical information sheets adopted by the Occupational Safety and Health Division of the North Carolina Department of Labor in Title 13, Chapter 7 of the North Carolina Administrative Code (13 NCAC 7).

(q) "Nonmanufacturing facility" ~~shall mean~~ means any facility in North Carolina other than a facility in ~~SIC Code 20 through 39,~~ NAICS Code 31 through 33, the State of North Carolina (and its political subdivisions) and volunteer emergency service organizations whose members may be exposed to chemical hazards during emergency situations.

(r) "OSHNC Standard" ~~shall mean~~ means the current Hazard Communication Standard adopted by the Occupational Safety and Health Division of North Carolina Department of Labor in Title 13, Chapter 7 of the North Carolina Administrative Code (13 NCAC 7).

(s) "Storage and Container" ~~shall have~~ has the ordinary meaning however it does not include pipes used in the transfer of substances or the fuel tanks of ~~self propelled~~ self-propelled internal combustion vehicles."

SECTION 14.(e) G.S. 95-191(a) reads as rewritten:

"(a) All employers who manufacture, process, use, store, or produce hazardous chemicals, shall compile and maintain a Hazardous Substance List which shall contain all of the following information for each hazardous chemical stored in the facility in quantities of 55 gallons or 500 pounds, whichever is greater:

(1) The chemical name or the common name used on the ~~MSDS~~ SDS or container ~~label;~~label.

(2) The maximum amount of the chemical stored at the facility at any time during a year, using the following ranges:

Class A, which ~~shall include~~ includes quantities of less than 55 gallons or 500 ~~pounds;~~pounds.

Class B, which ~~shall include~~ includes quantities of between 55 gallons to 550 gallons, and quantities of between 500 pounds and 5,000 ~~pounds; and~~pounds.

Class C, which ~~shall include~~ includes quantities of between 550 gallons and 5500 gallons, and quantities between 5,000 pounds and 50,000 ~~pounds; and~~pounds.

Class D, which ~~shall include~~ includes quantities of greater than 5500 gallons or 50,000 ~~pounds; and~~pounds.

(3) The area in the facility in which the hazardous chemical is normally stored and to what extent the chemical may be stored at altered temperature or pressure."

SECTION 14.(f) G.S. 95-192 reads as rewritten:

"**§ 95-192. ~~Material safety~~ Safety data sheets.**

(a) Chemical manufacturers and distributors shall provide ~~material~~ safety data sheets ~~(MSDS's)~~(SDSs) to manufacturing and nonmanufacturing purchasers of hazardous chemicals in North Carolina for each hazardous chemical purchased.

(b) Employers shall maintain the most current ~~MSDS~~ SDS received from manufacturers or distributors for each hazardous chemical purchased. If an ~~MSDS~~ SDS has not been provided by the manufacturer or distributor for chemicals on the Hazardous Substance List at the time the chemicals are received at the facility, the employer shall request one in writing from the manufacturer or distributor within 30 days after receipt of the chemical. If the employer does not receive an ~~MSDS~~ SDS within 30 days after his written request, he shall notify the Commissioner of Labor of the failure by manufacturer or distributor to provide the ~~MSDS.~~SDS."

SECTION 14.(g) G.S. 95-194 reads as rewritten:

"**§ 95-194. Emergency information.**

…

(d) Employers shall provide to the Fire Chief, upon written request of the Fire Chief, a copy of the ~~MSDS~~ SDS for any chemical on the Hazardous Substance List.

…

(f) The Fire Chief shall make information from the Hazardous Substance List, the emergency response plan, and ~~MSDS's~~ SDSs available to members of the Fire Department having jurisdiction over the facility and to personnel responsible for preplanning emergency response, police, medical or fire activities, but shall not otherwise distribute or disclose (or allow the disclosure of) information not available to the public under G.S. 95-208. Such persons receiving such information shall not disclose the information received and shall use such information only for the purpose of preplanning emergency response, police, medical or fire activities.

…."

SECTION 14.(h) G.S. 95-208 reads as rewritten:

"**§ 95-208. Community information on hazardous chemicals.**

(a) Any person in North Carolina may request in writing from the employer a list of chemicals used or stored at the facility. The request shall include the name and address of the person making the request and a statement of the purpose for the request. If the person is requesting the list on behalf of or for the use of an organization, partnership, or corporation, he shall also disclose the name and business address of such organization, partnership, or corporation. The request may include, at the option of the employer, a statement to the effect that the information will be used only for the purpose stated. The employer shall furnish to the person making the request a list containing, at a minimum, all chemicals included on the Hazardous Substance List, the class of each chemical as defined in G.S. 95-191(a)(2), and an ~~MSDS~~ SDS for each chemical for which an ~~MSDS~~ SDS is available and is requested.

Whenever an employer has withheld a chemical under the provisions of G.S. 95-197 from the information provided under G.S. 95-208, the employer must state that the information is being withheld and, upon request, must provide the ~~MSDS~~ SDS for the chemical. Additional information may be furnished to the person making the request at the option of the employer. The employer shall provide, at a fee not to exceed the cost of reproducing the materials, the materials requested within 10 working days of the date the employer receives the written request for information.

(b) If the employer fails or refuses to provide the information required under subsection (a) of this section, the person requesting the information may request in writing that the Commissioner of Labor review the request. The Commissioner of Labor may conduct an investigation in the same manner as provided in G.S. 95-195(b). Following the investigation, the Commissioner shall make appropriate findings. Either the employer or the person making the initial request may request an administrative hearing pursuant to Chapter 150B of the General Statutes. This request for an administrative hearing shall be submitted to the Commissioner of Labor within 30 days following the Commissioner making his findings. The Commissioner of Labor shall within 30 days of receiving the request hold an administrative hearing to consider the request for information under subsection (a) of this section. This hearing shall be held as provided for in G.S. Chapter 150B, Article 3. If the Commissioner of Labor finds that the request complies with the requirements of subsection (a) of this section, the Commissioner of Labor shall direct that the employer provide to the person making the request a list containing, at a minimum, all chemicals used or stored at the facility included on the Hazardous Substance List, the class of each chemical as defined in G.S. 95-191(a)(2), and an ~~MSDS~~ SDS for each chemical for which an ~~MSDS~~ SDS is available and is requested and may in his discretion assess civil penalties as provided in G.S. 95-195(c); provided that it shall be a defense to such disclosure if the employer proves that the information has been requested directly or indirectly by, or in behalf of, a competitor of the employer, or that such information is a Hazardous Substance Trade Secret, or that the request did not comply with the requirements of subsection (a) of this section.

(c) Any order by the Commissioner of Labor under subsection (b) of this section shall be subject to judicial review as provided under G.S. Chapter 150B, Article 4."

SECTION 14.(i) G.S. 95-216 reads as rewritten:

"**§ 95-216. Exemptions.**

Notwithstanding any language to the contrary, the provisions of this Article shall not apply to chemicals in or on any of the following:

(1) Hazardous substances while being transported in interstate commerce into or through this ~~State;~~State.

(2) Products intended for personal consumption by employees in the ~~facilities;~~facilities.

(3) Retail food sale establishments and all other retail trade establishments in ~~Standard Industrial Classification Codes 53 through 59,~~ North American Industry Classification System Codes 44 through 45, exclusive of processing and repair areas, except that the employer must comply with the provisions of ~~G.S. 95-194(a)(i);~~G.S. 95-194(a)(i).

(4) Any food, food additive, color additive, drug or cosmetic as such terms are defined in the Federal Food, Drug and Cosmetic Act ~~(21 U.S.C. 301 et seq.);~~(21 U.S.C. § 301, et seq.).

(5) A laboratory under the direct supervision or guidance of a technically qualified individual provided that:

a. Labels on containers of incoming chemicals shall not be removed or defaced;

b. ~~MSDS's~~ SDSs received by the laboratory shall be maintained and made accessible to employees and students;

c. The laboratory is not used primarily to produce hazardous chemicals in bulk for commercial purposes; and

d. The laboratory operator complies with the provisions of ~~G.S. 95-194(a)(i);~~G.S. 95-194(a)(i).

(6) Any farming operation which employs 10 or fewer full-time employees, except that if any hazardous chemical in an amount in excess of 55 gallons or 500 pounds, whichever is greater, is normally stored at the farming operation, the employer must comply with the provisions of ~~G.S. 95-194(a)(i); and~~G.S. 95-194(a)(i).

(7) Any distilled spirits, tobacco, and untreated wood ~~products; and~~products.

(8) Medicines used directly in patient care in health care facilities and health care facility laboratories."

SECTION 14.(j) Subsection (c) of this section becomes effective January 1, 2018, and applies to violations occurring and offenses committed on or after that date. The remainder of this section becomes effective October 1, 2017.

DEPARTMENT OF LABOR/CAROLINA STAR PROGRAM

SECTION 15.(a) G.S. 95-127 is amended by adding a new subdivision to read:

"(2a) Carolina Star Program. – A voluntary program designed to recognize work sites that implement effective safety and health management systems and that meet standards adopted by the Commissioner pursuant to G.S. 95-157. The Carolina Star Program is inclusive of four distinct programs, which includes the following: Carolina Star, Rising Star, Building Star, and Public Sector Star."

SECTION 15.(b) Article 16 of Chapter 95 of the General Statutes is amended by adding a new section to read:

"**§ 95-157. Carolina Star Program.**

(a) The Commissioner may adopt rules for the operation of the Carolina Star Program in a manner that will promote safe and healthy workplaces throughout the State. The rules for the Carolina Star Program adopted by the Commissioner shall pertain to the following matters:

(1) Upper management leadership and active and meaningful employee involvement.

(2) Systematic assessment of occupational hazards.

(3) Comprehensive hazard prevention, control, and mitigation programs.

(4) Employee safety and health training.

(5) Annual safety and health program evaluation.

(6) Star Annual Report.

(7) Attendance and active participation on Carolina Star Safety Conference Regional Teams and conference related activities.

(b) Applications for participation in the Carolina Star Program shall be submitted by the workplace's management. Applications shall include documentation establishing to the satisfaction of the Commissioner that the employer meets all standards for Carolina Star Program participation.

(c) The Department shall provide for on-site evaluations, as resources allow, by Carolina Star Program evaluation teams of each workplace that has applied to participate in the Carolina Star Program to determine if the applicant's workplace complies with the standards for Carolina Star Program participation.

(d) A workplace's continued participation in the Carolina Star Program shall be conditioned on meeting the requirements and expectations established by the Carolina Star Program Policies and Procedures Manual, Star Annual Report, and successful completion of periodic on-site evaluations conducted by the Carolina Star Program evaluation team.

(e) During periods in which a workplace is a participant in the Carolina Star Program, the workplace shall be exempt from inspections under G.S. 95-136; however, this exception

shall not apply to inspections or investigations of the workplace arising from complaints, referrals, fatalities, catastrophes, nonfatal accidents, or significant toxic chemical releases."

SECTION 15.(c) A workplace that was a participant in the uncodified Carolina Star Program prior to October 1, 2017, may continue as a participant in the Carolina Star Program established pursuant to G.S. 95-157, as enacted by this section. On and after October 1, 2017, the continued participation by that workplace in the Carolina Star Program shall be conditioned upon the workplace's ability to meet the requirements and expectations established by all guidelines for participation in the Carolina Star Program adopted by the Commissioner under G.S. 95-157.

SECTION 15.(d) This section becomes effective October 1, 2017.

LANDFILL/LIFE-OF-SITE

SECTION 16.(a) Section 3.2(a) of S.L. 2017-10 is repealed.

SECTION 16.(b) Section 3.2(e) of S.L. 2017-10 reads as rewritten:

"**SECTION 3.2.(e)** Subsection (a) of this section applies to franchise agreements ~~(i)~~ executed on or after October 1, ~~2015, and (ii) executed on or before October 1, 2015, only if all parties to a valid and operative agreement consent to modify the agreement for the purpose of extending the agreement's duration of the life-of-site of the landfill for which the agreement was executed, and public notice and hearing is provided for such modification in compliance with the requirements of G.S. 130A-294(b1)(3).~~2015."

SECTION 16.(c) G.S. 130A-294 reads as rewritten:

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

…

(a2) Permits for sanitary landfills and transfer stations shall be issued for the life-of-site of the facility unless ~~revoked as otherwise provided under this Article or upon the expiration of any local government franchise required for the facility pursuant to subsection (b1) of this section.~~ revoked. For purposes of this section, "life-of-site" means the period from the initial receipt of solid waste at the facility until ~~the Department approves final closure of the facility.~~ the facility reaches its final permitted elevations, which period shall not exceed 60 years. Permits issued pursuant to this subsection shall take into account the duration of any permits previously issued for the facility and the remaining capacity at the facility.

(a3) In order to preserve long-term disposal capacity, a life-of-site permit issued for a sanitary landfill shall survive the expiration of a local government approval or franchise. In order to preserve any economic benefits included in the franchise, the County may extend the franchise under the same terms and conditions for the term of the life-of-site permit. The extension of the franchise hereby shall not trigger the requirements for a new permit, a major permit modification, or a substantial amendment to the permit.

…

(b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this section, a "substantial amendment" means either:

…

(2) A person who intends to apply for a new permit for a sanitary landfill shall obtain, prior to applying for a permit, a franchise for the operation of the sanitary landfill from each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located. A local government may adopt a franchise ordinance under G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill shall (i) be granted for the life-of-site of the landfill, but for a period not to exceed 60 years, and (ii) include all of the following:

a. A statement of the population to be served, including a description of the geographic area.

b. A description of the volume and characteristics of the waste stream.

c. A projection of the useful life of the sanitary landfill.

d. Repealed by Session Laws 2013-409, s. 8, effective August 23, 2013.

e. The procedures to be followed for governmental oversight and regulation of the fees and rates to be charged by facilities subject to the franchise for waste generated in the jurisdiction of the franchising entity.

f. A facility plan for the sanitary landfill that shall include the boundaries of the proposed facility, proposed development of the facility site, the boundaries of all waste disposal units, final elevations and capacity of all waste disposal units, the amount of waste to be received per day in tons, the total waste disposal capacity of the sanitary landfill in tons, a description of environmental controls, and a description of any other waste management activities to be conducted at the facility. In addition, the facility plan shall show the proposed location of soil borrow areas, leachate facilities, and all other facilities and infrastructure, including ingress and egress to the facility.

(3) Prior to the award of a franchise for the construction or operation of a sanitary landfill, the board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall conduct a public hearing. The board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall provide at least 30 days' notice to the public of the public hearing. The notice shall include a summary of all the information required to be included in the franchise, and shall specify the procedure to be followed at the public hearing. The applicant for the franchise shall provide a copy of the application for the franchise that includes all of the information required to be included in the franchise, to the public library closest to the proposed sanitary landfill site to be made available for inspection and copying by the public. The requirements of this subdivision shall not apply to franchises extended pursuant to subsection (a3) of this section.

…."

CLARIFY DEFINITION OF COMMERCIAL REAL ESTATE/BROKER LIEN

SECTION 17. G.S. 44A-24.2(3) reads as rewritten:

"(3) Commercial real estate. – Any real property or interest therein, whether freehold or nonfreehold, which at the time the property or interest is made the subject of an agreement for broker services:

a. Is lawfully used primarily for sales, office, research, institutional, agricultural, forestry, warehouse, manufacturing, industrial, or mining purposes or for multifamily residential purposes involving five or more dwelling units;

b. May lawfully be used for any of the purposes listed in sub-subdivision (3)a. of this section by a zoning ordinance adopted pursuant to the provisions of Article 18 of Chapter 153A or Article 19 of Chapter 160A of the General Statutes or which is the subject of an official application or petition to amend the applicable zoning ordinance to permit any of the uses listed in sub-subdivision (3)a. of this section which is under consideration by the government agency with authority to approve the amendment; or

c. Is in good faith intended to be immediately used for any of the purposes listed in sub-subdivision (3)a. of this section by the parties to any contract, lease, option, or offer to make any contract, lease, or option."

PRESSURE VESSEL EXCLUSION

SECTION 18. G.S. 95-69.10(b)(8) reads as rewritten:

"(8) Any of the following pressure vessels that do not exceed the listed limitations if the vessel is not equipped with a quick actuating closure:

a. Five cubic feet in volume and 250 psig.
b. Three cubic feet in volume and 350 psig.
c. One and one-half cubic feet in volume and 600 psig.
d. An inside diameter of six inches with no limitation on pressure.
e. Five cubic feet in volume when the pressure vessel is constructed and operated on the same real property zoned industrial and where its operation is undertaken using commercially acceptable safety precautions for the application."

WASTEWATER SYSTEM PERMIT EXTENSION

SECTION 19. G.S. 130A-336 is amended by adding a new subsection to read:

"(b1) An improvement permit or authorization for wastewater system construction issued by a local health department from January 1, 2000, to January 1, 2015, which has not been acted on and would have otherwise expired, shall remain valid until January 1, 2020, without penalty, unless there are changes in the hydraulic flows or wastewater characteristics from the original local health department evaluation. Permits are transferrable with ownership of the property. Permits shall retain the site, soil evaluations, and construction conditions of the original permit."

STUDY CREATION OF A PROCESS FOR THE MEDIATION AND ARBITRATION OF DISPUTES BETWEEN OWNERS OF PROPERTY LOCATED IN A HOMEOWNERS OR PROPERTY OWNERS ASSOCIATION AND THE GOVERNING ENTITIES OF SUCH HOMEOWNERS OR PROPERTY OWNERS ASSOCIATIONS

SECTION 20. The Legislative Research Commission shall study the creation of a process for the mediation and arbitration of disputes between the owners of property located in a homeowners or property owners association and the governing entities of such homeowners or property owners associations. The Legislative Research Commission shall report its findings and recommendations to the 2018 Regular Session of the 2017 General Assembly when it convenes.

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 21.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 21.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Session Law 2017-212 **S.B. 582**

AN ACT (I) TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2017 AND TO RELATED LEGISLATION AND (II) TO MAKE AGENCY TECHNICAL CORRECTIONS.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SECTION 1.1. Section 5.3(e) of S.L. 2017-57 reads as rewritten:

"**SECTION 5.3.(e)** Grant funds awarded under this section shall be subject to a matching requirement from the recipient county as follows:

(1) For a county designated as a development tier one area, the grant shall not exceed three dollars ($3.00) in grant funds for every one dollar ($1.00) provided by the county. Grant funds awarded to a tier one county shall not exceed fifteen million dollars ($15,000,000).

(2) For a county designated as a development tier two area, the grant shall not exceed one dollar ($1.00) for every one dollar ($1.00) in grant funds provided by the county. Grant funds awarded to a tier two county shall not exceed ten million dollars ($10,000,000).

Grant funds shall be used for the construction of new ~~capital projects~~school buildings only. Grant funds shall not be used for real property acquisition or for operational lease agreements. Notwithstanding subdivision (2) of this subsection, grant funds shall only be awarded to development tier one counties until the 2020-2021 fiscal year. Grant funds shall not be awarded to any county that has received over eight million seven hundred fifty thousand dollars ($8,750,000) in funds from the Public School Building Capital Fund from the 2012-2013 fiscal year to the 2016-2017 fiscal year."

SECTION 1.2. Section 3 of S.L. 2017-119 reads as rewritten:

"**SECTION 3.** Implementation. – The following actions and policy shall be taken to implement this section:

…

(7) All the following shall apply to the funds allocated to the Lumber River Council of Government as provided in sub-subdivision (1)b. of Section 1 of this act:

a. The Housing Finance Agency (HFA) shall coordinate with the Lumber River Council of Government (COG) to create a 30- to ~~35-unit~~36-unit multifamily affordable housing complex (housing complex) within the Fair Bluff Town limits. All funds allocated to the COG under this act shall be used solely for the development, management, maintenance, and preservation of the housing complex. When filling units in the affordable housing complex, priority shall be given to low-income residents of Fair Bluff affected by the flooding and damage caused by Hurricane Matthew.

…."

SECTION 1.3. Section 3 of S.L. 2017-137 reads as rewritten:

"**SECTION 3.** ~~This~~ Section 2.5 of this act becomes effective January 1, 2018. The remainder of this act becomes effective October 1, ~~2017. Section~~2017, and Section 1 applies to ~~plans prepared for acquisitions~~ policies issued or renewed on or after ~~the effective~~ that date."

SECTION 1.4. The Department of Administration shall study the utilization of buildings by State agencies in the downtown Raleigh area and report its findings to the Joint Legislative Committee on Governmental Operations no later than April 1, 2018.

PART II. EDUCATION

SECTION 2.1. G.S. 115D-5(x), as enacted by Section 7.22(g) of S.L. 2017-57, reads as rewritten:

"(x) In addition to the evaluation of cooperative innovative high schools by the State Board of Education pursuant to G.S. 115C-238.55, the State Board of Community Colleges, in conjunction with the State Board of Education and the Board of Governors of The University of North Carolina, shall evaluate the success of students participating in the Career and College Promise Program, including the College Transfer pathway and the Career and Technical Education pathway. Success shall be measured by high school retention rates, high school completion rates, high school dropout rates, certification and associate degree completion, admission to four-year institutions, postgraduation employment in career or study-related

fields, and employer satisfaction of employees who participated in the programs. The Boards shall jointly report by ~~January~~March 15 of each year to the Joint Legislative Education Oversight Committee."

SECTION 2.2. G.S. 115C-64.17(c), as enacted by Section 7.23F(b) of S.L. 2017-57, reads as rewritten:

"(c) Selection of Recipients. – For the 2017-2018 fiscal year, the Commission shall accept applications for a grant until November ~~1,~~30, 2017. For subsequent fiscal years that funds are made available for the Program, the Commission shall accept applications for a grant until August 1 of each year. The Commission shall select recipients in a manner that considers diversity among the pool of applicants, including geographic location, location of industries in the area in which a local school administrative unit is located, and the size of the student population served by the unit, in order to award funds to the extent possible to grant recipients that represent different regions and characteristics of the State. The Commission shall recommend recipients of the grants to the State Board of Education. The State Board, upon consultation with the Superintendent of Public Instruction, shall approve the recipients of grant awards."

SECTION 2.3.(a) Section 8.2(b) of S.L. 2017-57 reads as rewritten:

"**SECTION 8.2.(b)** This section applies to teachers entering the profession in the 2017-2018 fiscal ~~year.~~year who were hired prior to the effective date of Section 8.2A of this act."

SECTION 2.3.(b) S.L. 2017-57 is amended by adding a new section to read:

"**SUPPORT FOR LATER-HIRED HIGHLY QUALIFIED NC TEACHING GRADUATES**

"**SECTION 8.2A.(a)** For purposes of this section, a "highly qualified graduate" or "graduate" is an individual entering the teaching profession and hired on or after the effective date of this section who has graduated from an approved educator preparation program located in North Carolina with both of the following criteria:

(1) A grade point average of 3.75 or higher on a 4.0 scale, or its equivalent.

(2) A score of the following or higher on an edTPA assessment or an equivalent score on a nationally normed and valid pedagogy assessment used to determine clinical practice performance:

a. A score of 42 for the World Languages and Classical Languages edTPA assessment.

b. A score of 57 for the Elementary Education edTPA assessment.

c. A score of 48 for all other edTPA assessments.

Notwithstanding Section 8.1(a) of this act, a highly qualified graduate who is employed by a local board of education shall receive a salary supplement each month at the highest level for which the graduate qualifies, as follows:

(1) A graduate accepts initial employment at a school identified as low-performing by the State Board of Education pursuant to G.S. 115C-105.37 shall receive a salary supplement during the graduate's first three years of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly situated teacher with three years of experience on the "A" Teachers salary schedule, as long as the graduate (i) remains teaching at the same school or (ii) accepts subsequent employment at another low-performing school or local school administrative unit identified as low-performing.

(2) A graduate licensed and employed to teach in the areas of special education, science, technology, engineering, or mathematics shall receive a salary supplement during the graduate's first two years of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly

situated teacher with two years of experience on the "A" Teachers salary schedule, as long as the graduate continues teaching in one of those areas.

(3) All other graduates shall receive a salary supplement during the graduate's first year of employment as a teacher, without a break in service, equivalent to the difference between the State-funded salary of the graduate and the State-funded salary of a similarly situated teacher with one year of experience on the "A" Teachers salary schedule.

"**SECTION 8.2A.(b)** This section is effective when it becomes law and applies to teachers entering the profession in the 2017-2018 fiscal year hired on or after that date."

SECTION 2.4.(a) Section 8.3(c) of S.L. 2017-57 reads as rewritten:

"**SECTION 8.3.(c)** A principal compensated in accordance with this section for the 2017-2018 fiscal year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsection (a) of this section.

(2) For principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the following:

a. The salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

b. The longevity that the principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 fiscal year based on the principal's current years of service.

(3) For principals who were not eligible for longevity in the 2016-2017 ~~school~~ fiscal year, the salary the principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94."

SECTION 2.4.(b) Section 8.5(e) of S.L. 2017-57 reads as rewritten:

"**SECTION 8.5.(e)** An assistant principal compensated in accordance with this section for the 2017-2018 fiscal year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsections (a) through (c) of this section.

(2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal year, the sum of the following:

a. The salary the assistant principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

b. The longevity that the assistant principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 fiscal year based on the assistant principal's current years of service.

(3) For assistant principals who were not eligible for longevity in the 2016-2017 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94."

SECTION 2.4.(c) This section is effective when it becomes law and applies retroactively to July 1, 2017.

PART III. HEALTH AND HUMAN SERVICES

SECTION 3.1. Section 12F.1 of S.L. 2016-94 reads as rewritten:

"**SECTION 12F.1.(a)** Definitions. – As used in this section, the following terms have the following meanings:

(1) Department. – The North Carolina Department of Health and Human Services.

(2) FQHC. – A federally qualified health center located in this State.

(3) Prescriber. – Anyone authorized to prescribe drugs pursuant to the laws of this State.

(4) Program participant. – An individual who (i) has been clinically assessed and diagnosed with opioid addiction, (ii) is selected by an FQHC to participate in the pilot program authorized by this section, and (iii) as part of the pilot program, receives the nonnarcotic, nonaddictive, extended-release, injectable formulation of opioid antagonist approved by the United States Food and Drug Administration for the prevention of relapse to opioid dependence.

~~(5) Randomized control group member. – An individual who (i) has been clinically assessed and diagnosed with opioid addiction, (ii) is selected by a FQHC to participate in the pilot program authorized by this section, and (iii) as part of the pilot program, does not receive the nonnarcotic, nonaddictive, extended-release, injectable formulation of opioid antagonist approved by the United States Food and Drug Administration for the prevention of relapse to opioid dependence.~~

"**SECTION 12F.1.(b)** Pilot Program. – The Department shall oversee the administration of a three-year pilot program to be conducted by designated FQHCs to address North Carolina's growing opioid addiction and overdose crisis. The goal of the pilot program is to study the effectiveness of combining behavioral therapy with the utilization of a nonnarcotic, nonaddictive, extended-release, injectable formulation of opioid antagonist approved by the United States Food and Drug Administration for the prevention of relapse to opioid dependence. In conducting the pilot program, selected FQHCs may collaborate with the Department, the North Carolina Institute of Medicine (NCIOM), and any other qualified entity or State agency that may be of assistance in accomplishing the objectives of the pilot program. Prior to the initiation of this pilot program, the Department shall, in collaboration with the NCIOM or any other qualified entity, determine the number of program participants ~~and randomized control group members~~ needed to participate in the pilot program in order to ensure sufficient statistical significance to support any conclusions about the effectiveness of the pilot program.

"**SECTION 12F.1.(c)** Selection of Participating FQHCs. – Not later than 30 days after the effective date of this section, the Department shall select a minimum of three and not more than five FQHCs located in different areas of the State to participate in the pilot program authorized by this section, giving first priority to FQHCs that have received supplemental grant funds from the United States Department of Health and Human Services, Health Resources and Services Administration, for substance abuse service expansion with a focus on medication-assisted treatment in opioid use disorders.

"**SECTION 12F.1.(d)** Selection of Program Participants. – Not later than 60 days after the effective date of this section, the Department shall develop, in collaboration with the NCIOM or any other qualified entity, a methodology for selecting program participants ~~and randomized control group members~~ at each FQHC. Only individuals who have been clinically assessed and diagnosed with opioid addiction may be selected and treated as program ~~participants and randomized control group members.~~participants. Individuals who have been referred from local criminal justice agencies may be selected as program ~~participants and randomized control group members.~~participants.

"**SECTION 12F.1.(e)** Treatment Standards. – As a condition of participating in the pilot program authorized by this section, each FQHC shall sign a written participation agreement provided by the Department that requires the FQHC to adhere to at least all of the following treatment standards for the duration of its participation in the pilot program:

(1) Treatment may be provided to program participants ~~and randomized control group members~~ only by a treatment provider who is affiliated with a participating FQHC.

(2) Only individuals who have been clinically assessed and diagnosed with opioid addiction may be selected and treated as program ~~participants and randomized control group members.~~participants.

(3) Treatment providers at participating FQHCs shall do all of the following:

a. Provide treatment based on an integrated service delivery model that consists of the coordination of care between a prescriber and an addiction services provider.

b. Conduct any necessary additional professional, comprehensive substance use disorder and mental health diagnostic assessments of individuals under consideration for selection as pilot program participants to determine if they would benefit from substance use disorder treatment and monitoring.

c. Determine, based on the assessments described in sub-subdivision b. of this subdivision, the treatment needs of the program participants served by the treatment provider.

d. Develop individualized treatment goals and objectives for each program participant.

e. Provide program participants with access to medication-assisted treatment utilizing a nonnarcotic, nonaddictive, extended-release, injectable formulation of opioid antagonist.

f. In addition to medication-assisted treatment, provide program participants with other types of therapies, including behavioral therapies, outpatient programs, and community support, for opioid use disorder and any other disorders that are determined by the treatment provider to be co-occurring disorders.

g. In the case of medication-assisted treatment provided under the pilot program, a drug may be used only if it has been approved by the United States Food and Drug Administration for use in combination with behavioral therapy for the prevention of relapse to opioid dependence.

h. Comply with all applicable federal opioid treatment standards.

i. Monitor the progress of program participants ~~and randomized control group members~~ through the use of regular drug testing, including urinalysis.

"**SECTION 12F.1.(f)** FQHC Reports. – No later than 60 days after the effective date of this section, the Department shall, in collaboration with the NCIOM or any other qualified entity, develop a standardized methodology for the collection of information on program participants ~~and randomized control group members~~ at each FQHC. As a condition of participating in the pilot program authorized by this section, each selected FQHC must agree to follow this standardized methodology for (i) collecting information on program participants ~~and randomized control group members~~ and (ii) annually reporting that information to the Department, in the format prescribed by the Department. The annual report shall include at least all of the following information, in the format prescribed by the Department:

(1) For each program ~~participant and randomized control group member,~~participant, that individual's age, sex, and length of treatment. This information shall be reported to the Department in a manner that does not disclose personally identifying information about program ~~participants and randomized control group members.~~participants.

(2) The total number of program participants ~~and the total number of randomized control group members~~ who successfully transitioned to opioid abstinence for a minimum of 30 days, 60 days, 90 days, six months, 12 months, and 18 months.

~~(3) A comparison of program participants to the randomized control group members.~~

~~(4)~~(3) The amount of State appropriations expended on a per program participant basis at each participating FQHC.

"**SECTION 12F.1.(g)** Evaluation of Pilot Program. – By November 1, 2020, the Department shall conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation of the effectiveness of this pilot program in addressing North Carolina's growing opioid addiction and overdose crisis. The Department may contract with an institution of higher education or other qualified entity with expertise in evaluating programs similar to the pilot program authorized by this section. The comprehensive evaluation shall include whether this pilot program was successful as measured by at least all of the following:

(1) The total number of program participants who successfully transitioned to opioid abstinence for a minimum of 30 days, 60 days, 90 days, six months, 12 months, and 18 months.

~~(2) A comparison of the program participants to the randomized control group members.~~

~~(3)~~(2) A cost-benefit analysis of the pilot program.

"**SECTION 12F.1.(h)** Expiration. – The pilot program conducted at each selected FQHC shall expire no later than three years after the date of its commencement at that particular FQHC.

"**SECTION 12F.1.(i)** Funds in the amount of five hundred thousand dollars ($500,000) from the federal Substance Abuse Prevention and Treatment Block Grant shall be allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2016-2017 fiscal year. These funds shall be allocated to the FQHCs selected to participate in the pilot program authorized by this section on a per program participant basis to offset the cost of the following services:

(1) Medication dispensed to program participants.
(2) Provider fees for services rendered to program participants.
(3) Up to 14 days of detoxification services.
(4) Behavioral therapy for program participants.
(5) Drug testing and monitoring of program participants.

"**SECTION 12F.1.(j)** Subsection (i) of this section becomes effective July 1, 2016. The remainder of this section is effective when it becomes law."

SECTION 3.2.(a) G.S. 147-86.70(b)(1) reads as rewritten:

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

(1) ABLE account. – An account established and owned by an eligible individual and maintained under this Article. A parent, guardian, ~~guardian~~ or agent under a power of attorney may act on behalf of an account owner."

SECTION 3.2.(b) G.S. 147-86.71 reads as rewritten:

"**§ 147-86.71. ABLE Program.**

…

(b) Accounts. – The following provisions apply to an ABLE account:

(1) An account owner or contributor may establish an account by making an initial contribution to the ABLE Program Trust, signing an application form approved by the Board or its designee, and naming the designated beneficiary. If the contributor is not the account owner, the account owner or the account owner's parent, guardian, trustee, or agent shall also sign the application form."

…

(d) Limitations. – The Board, in administering the ABLE Program Trust, shall ensure each of the following:

…

(9) A ~~trustee~~ parent, trustee, or guardian appointed as a signatory of an ABLE account does not have or acquire any beneficial interest in the account and administers the account for the benefit of the designated beneficiary."

SECTION 3.3. Section 11F.9 of S.L. 2017-57 reads as rewritten:

"**SECTION 11F.9.(a)** ~~Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred fifty thousand dollars ($150,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to develop and implement an adult and pediatric traumatic brain injury pilot program.~~ The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall establish an adult and pediatric traumatic brain injury pilot program, to be conducted at not less than three and not more than five trauma hospitals licensed in this State. The purpose of the pilot program is to increase compliance with internationally approved evidence-based treatment guidelines for severe adult and pediatric traumatic brain injury in order to reduce patient mortality, improve patient level of recovery, and reduce long-term care costs.

"~~**SECTION 11F.9.(b)** The Department of Health and Human Services shall establish up to three program sites to implement the adult and pediatric traumatic brain injury pilot program authorized by this section, all of which shall be trauma hospitals. Each program site shall be awarded up to one hundred thousand dollars ($100,000) for the development and implementation of an interactive quality assessment and quality assurance clinical decision support tool to provide real-time, evidence-based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury.~~

"**SECTION 11F.9.~~(c)~~(b)** ~~The Department of Health and Human Services shall contract with a private entity to assist participating trauma hospitals in implementing the tool described in subsection (b) of this section.~~ Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred fifty thousand dollars ($150,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to enter into a contract with an independent entity to operate the pilot program authorized by this section. In so doing, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall select an independent entity that has (i) developed software for an interactive quality assessment and quality assurance clinical decision support tool that provides real-time, evidence-based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury and (ii) prior experience assisting trauma hospitals in other states in implementing this software. In consideration for payments made to the independent entity under the contract, the independent entity shall assume responsibility for all of the following:

(1) Initiating and operating the pilot program, including the selection of not less than three and not more than five trauma hospitals licensed in this State to serve as pilot program sites.

(2) Assisting participating trauma hospitals in implementing the software developed by the independent entity for use as an interactive quality assessment and quality assurance clinical decision support tool to provide real-time, evidence-based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury. In providing such implementation assistance, the ~~private~~ independent entity shall utilize the treatment guidelines and practice recommendations that have been peer reviewed and approved by the American Association of Neurological Surgeons and are recognized as the current standard of care for individuals with severe traumatic brain injury.

"**SECTION 11F.9.~~(d)~~(c)** By February 1, 2018, the Department of Health and Human Services shall submit a progress report on the development and implementation of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

"**SECTION 11F.9.~~(e)~~(d)** By January 7, 2019, the Department of Health and Human Services shall submit a final report of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the final report shall include all of the following:

(1) The number and outcome of patients served at each program site, broken down by patient age and county of origin.
(2) A breakdown of expenditures at each program site by type of service.
(2) An estimate of the cost to expand the program incrementally and statewide.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program."

SECTION 3.4. Part XI of S.L. 2017-57 is amended by adding a new section to read:

"**FUNDS FOR THE TOWN OF BOLTON**

"**SECTION 11D.3A.** Notwithstanding any other provision of law or descriptive language to the contrary in the Committee Report described in Section 39.2 of this act, nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Aging and Adult Services, for the 2017-2018 fiscal year for allocation to the Bolton Senior Center shall instead be allocated to the Town of Bolton."

PART IV. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 4.1. Section 15.9A of S.L. 2017-57 reads as rewritten:

"**SECTION 15.9A.** The funds appropriated in this act to the Department of Commerce as a grant-in-aid to the Town of Haw River shall be used to provide grants, loans, or both for a historic mill renovation project. In addition to the provisions governing reporting, oversight, and administration of grant funds contained in G.S. 143C-6-23, the Town of Haw River shall enter into an agreement with any ~~subgrantee~~ entity receiving ~~funds.~~funds (recipient). The agreement shall contain, at a minimum, (i) a provision that funds received under the agreement may be used only for mill rehabilitation purposes, (ii) a provision allowing the Town of Haw River to inspect all records of the ~~subgrantee~~ recipient that may be used to confirm compliance with the agreement, (iii) a provision establishing methods for determining compliance with the agreement, and (iv) a provision requiring recapture or repayment of all ~~grant~~ funds if the ~~subgrantee~~ recipient fails to comply with the terms of the agreement. In the event of a violation of the agreement, the Town of Haw River shall take action to ~~recapture all grant~~recoup all funds. The Town may retain up to twenty percent (20%) of the funds described in this section for the historic mill renovation project for infrastructure improvements necessary for and directly related to the project. For purposes of this section, the phrase "infrastructure improvements" is defined as street improvements, site improvements, including site utilities, sidewalks, parking, hardscape products, costs for demolition, engineering, and architecture, and fixtures for any spaces in the historic mill renovation project leased and used by the Town. The Commerce Finance Center shall, in cooperation with the Town of Haw River, conduct an annual review of the mill restoration project and shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on April 1 each year beginning April 1, 2021, until project completion."

SECTION 4.2. Section 13.22 of S.L. 2017-57, as amended by Section 4.2 of S.L. 2017-197, reads as rewritten:

"**SECTION 13.22.(a)** The following allocations are made from funds appropriated by this act to the Division of Water Infrastructure of the Department of Environmental Quality for water and sewer infrastructure grants:

…

(4) The sum of one hundred thousand dollars ($100,000) for the 2017-2018 fiscal year to Davidson County ~~for the Wil-Cox bridge sewer expansion.~~to be allocated as follows:

a. Fifty thousand dollars ($50,000) for a sewer project.

b. Notwithstanding any other provision of this section or Chapter 159G of the General Statutes to the contrary, fifty thousand dollars ($50,000) for preservation and restoration work on the Wil-Cox bridge.

…."

SECTION 4.3. Section 15.14B(c) of S.L. 2014-100 reads as rewritten:

"**SECTION 15.14B.(c)** This section becomes effective January 1, ~~2015, and expires July 1, 2020.~~2015. The Secretary shall not award a grant for any qualifying expenses for which a taxpayer receives a tax credit under G.S. 105-130.47 or G.S. 105-151.29."

SECTION 4.4. Section 10.24 of S.L. 2017-57 reads as rewritten:

"…

"**SECTION 10.24.(e)** The Committee shall develop a business plan for the Food Processing Research Center at the North Carolina Research Campus (Center) to implement. The business plan required by this subsection shall include processes for designing and marketing the Center. Of the funds appropriated in this act to North Carolina State University for the Center, the University shall allocate not more than the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year to the Committee to cover costs incurred by the Committee in developing a business plan required under this subsection. The business plan required under this subsection shall ensure all of the following:

(1) The financial stability for the Center, including sources and uses for funds to operate the facility and maintain equipment for the Center.

(2) The creation and implementation of revenue models that can be used to support the expenses of the facility with the goal of positioning the facility to ultimately cease to need State funds for continued operations.

(3) The creation and implementation of policies that protect the State's investment in the initiative and provide for a return to the taxpayers by increasing job opportunities, private sector investment, and increased markets for value-added agricultural products.

(4) Any other provision the Committee deems necessary to carry out the intent and accomplish the goals established in this section.

Upon completion of the business plan required under this subsection, the Committee shall submit the business plan to the University.

"**SECTION 10.24.(f)** No less than 30 days prior to expending or encumbering any other funds provided in this act to the University for the Center, the University shall submit the business plan required under subsection (e) of this section to the Joint Legislative Commission on Government Operations. The business plan required under subsection (e) of this section is binding, and the University shall not deviate from the plan without having the plan amended by the Committee, which may adopt amendments by a majority vote.

…."

SECTION 4.5.(a) Of the funds appropriated in S.L. 2017-57 to the Wildlife Resources Commission, an additional fifty thousand dollars ($50,000) in recurring funds is allocated to the Outdoor Heritage Advisory Council to provide support for the operation of the Council, including the salaries and benefits of Council personnel.

SECTION 4.5.(b) Part 36 of Article 7 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-344.62. Outdoor Heritage Advisory Council – executive director; staff.**

The Council may, subject to appropriations or other funds that accrue to it, employ an executive director to carry out the day-to-day responsibilities and business of the Council. The executive director shall serve at the pleasure of the Council. The executive director, also subject

to appropriations or other funds that accrue to the Council, may hire additional staff and consultants to assist in the discharge of the executive director's responsibilities, as determined by the Council."

SECTION 4.6.(a) G.S. 97-2(2) reads as rewritten:

"(2) Employee. – The term "employee" means every person engaged in an employment under any appointment or contract of hire or apprenticeship, express or implied, oral or written, including aliens, and also minors, whether lawfully or unlawfully employed, but excluding persons whose employment is both casual and not in the course of the trade, business, profession, or occupation of his employer, and as relating to those so employed by the State, the term "employee" shall include all officers and employees of the State, including such as are elected by the people, or by the General Assembly, or appointed by the Governor to serve on a per diem, part-time or fee basis, either with or without the confirmation of the Senate; as relating to municipal corporations and political subdivisions of the State, the term "employee" shall include all officers and employees thereof, including such as are elected by the people. The term "employee" shall include members of the North Carolina National Guard while on State active duty under orders of the Governor and members of the North Carolina State Defense Militia while on State active duty under orders of the Governor. The term "employee" shall include deputy sheriffs and all persons acting in the capacity of deputy sheriffs, whether appointed by the sheriff or by the governing body of the county and whether serving on a fee basis or on a salary basis, or whether deputy sheriffs serving upon a full-time basis or a part-time basis, and including deputy sheriffs appointed to serve in an emergency, but as to those so appointed, only during the continuation of the emergency. The sheriff shall furnish to the board of county commissioners a complete list of all deputy sheriffs named or appointed by him immediately after their appointment and notify the board of commissioners of any changes made therein promptly after such changes are made. Any reference to an employee who has been injured shall, when the employee is dead, include also the employee's legal representative, dependents, and other persons to whom compensation may be payable: Provided, further, that any employee, as herein defined, of a municipality, county, or of the State of North Carolina, while engaged in the discharge of the employee's official duty outside the jurisdictional or territorial limits of the municipality, county, or the State of North Carolina and while acting pursuant to authorization or instruction from any superior officer, shall have the same rights under this Article as if such duty or activity were performed within the territorial boundary limits of their employer.

Except as otherwise provided herein, every executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation shall be considered as an employee of such corporation under this Article.

Any such executive officer of a corporation may, notwithstanding any other provision of this Article, be exempt from the coverage of the corporation's insurance contract by such corporation's specifically excluding such executive officer in such contract of insurance, and the exclusion to remove such executive officer from the coverage shall continue for the period such contract of insurance is in effect, and during such period such executive officers thus exempted from the coverage of the insurance contract shall not be employees of such corporation under this Article.

All county agricultural extension service employees who do not receive official federal appointments as employees of the United States Department of Agriculture and who are field faculty members with professional rank as designated in the memorandum of understanding between the North Carolina Agricultural Extension Service, North Carolina State University, A & T State University, and the boards of county commissioners shall be deemed to be employees of the State of North Carolina. All other county agricultural extension service employees paid from State or county funds shall be deemed to be employees of the county board of commissioners in the county in which the employee is employed for purposes of workers' compensation.

The term "employee" shall also include members of the Civil Air Patrol currently certified pursuant to G.S. 143B-1031(a) when performing duties in the course and scope of a State-approved mission pursuant to Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes.

"Employee" shall not include any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities or any combination thereof.

"Employee" shall not include any person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation subject to Chapter 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, who performs only voluntary service for the nonprofit corporation, provided that the person receives no remuneration for the voluntary service other than reasonable reimbursement for expenses incurred in connection with the voluntary service. When a nonprofit corporation as described herein employs one or more persons who do receive remuneration other than reasonable reimbursement for expenses, then any volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph shall be counted as employees for the sole purpose of determining the number of persons regularly employed in the same business or establishment pursuant to G.S. 97-2(1). Other than for the limited purpose of determining the number of persons regularly employed in the same business or establishment, such volunteer nonprofit officers, directors, or committee members shall not be "employees" under the Act. Nothing herein shall prohibit a nonprofit corporation as described herein from voluntarily electing to provide for workers' compensation benefits in the manner provided in G.S. 97-93 for volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph. This paragraph shall not apply to any volunteer firefighter, volunteer member of an organized rescue squad, an authorized pickup firefighter when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, a duly appointed and sworn member of an auxiliary police department organized pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes, even if such person is elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation as described herein.

Any sole proprietor or partner of a business or any member of a limited liability company may elect to be included as an employee under the

workers' compensation coverage of such business if he is actively engaged in the operation of the business and if the insurer is notified of his election to be so included. Any such sole proprietor or partner or member of a limited liability company shall, upon such election, be entitled to employee benefits and be subject to employee responsibilities prescribed in this Article.

"Employee" shall include an authorized pickup firefighter of the North Carolina Forest Service of the Department of Agriculture and Consumer Services when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service. As used in this section, "authorized pickup firefighter" means an individual who has completed required fire suppression training as a wildland firefighter and who is available as needed by the North Carolina Forest Service for emergency fire suppression activities, including immediate dispatch to wildfires and standby for initial attack on fires during periods of high fire danger.

~~It shall be a rebuttable presumption that the term "employee" shall not include any person performing services in the sale of newspapers or magazines to ultimate consumers under an arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price and the person's compensation is based on the retention of the excess of the fixed price over the amount at which the newspapers or magazines are charged to the person.~~"

SECTION 4.6.(b) This section becomes effective January 1, 2018.

SECTION 4.7.(a) Section 15.8(a) of S.L. 2017-57, as amended by Section 4.8(a) of S.L. 2017-197, reads as rewritten:

"**SECTION 15.8.(a)** Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of five million ~~eight~~ seven hundred seventy-five thousand dollars ~~($5,875,000)~~($5,775,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide grants-in-aid for downtown revitalization projects for each of the following counties and municipalities in the following amounts:

…

(7) One hundred thousand dollars ($100,000) each to the City of Archdale, the City of Asheboro, the Village of Clemmons, the unincorporated community of Cliffside in Rutherford County, the Town of Emerald Isle, the City of Hendersonville, the City of Kannapolis, the Town of Kernersville, the City of Lumberton, the Town of Oakboro, the Town of Old Fort, the Town of Pembroke, the City of Randleman, the City of Roxboro, the City of Trinity, and the Town of ~~Troy, and the Town of Yadkinville.~~Troy.

…."

SECTION 4.7.(b) Section 15.8 of S.L. 2017-57 is amended by adding new subsections to read:

"**SECTION 15.8.(f)** Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of twenty-five thousand dollars ($25,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a grant-in-aid to the Town of Dover to be used for parks and recreation projects.

"**SECTION 15.8.(g)** Notwithstanding G.S. 143B-472.127, of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of seventy-five thousand dollars ($75,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a grant-in-aid to Lincoln County for the Voice Interoperability Plan for Emergency Responders network."

SECTION 4.8.(a) G.S. 143B-293.2(a1) reads as rewritten:

"(a1) Members Selection. – The North Carolina Oil and Gas Commission shall consist of nine members appointed as follows:

…

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in conformance with G.S. 120-121, who is a ~~representative~~member of a nongovernmental conservation interest.

…

(5) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in conformance with G.S. 120-121, who is a ~~representative~~member of a nongovernmental conservation interest.

…."

SECTION 4.8.(b) This section applies to appointments made on or after the effective date of this act.

SECTION 4.9. Section 14.19 of S.L. 2017-57 reads as rewritten:

"**SECTION 14.19.** Of the funds appropriated by this act to the Division of North Carolina Aquariums in the North Carolina Department of Natural and Cultural Resources, the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2017-2018 fiscal year is allocated for planning and permitting of Blake Farms satellite aquarium area in Scotts Hill, North Carolina, and the Division is authorized to expend funds ~~for this purpose.~~to engage architects and other program consultants to (i) collaborate with Blake Farms to design and permit the building housing the satellite aquarium area and (ii) produce schematic, design, and final construction documents for the satellite aquarium area."

SECTION 4.10.(a) Section 37.2(e) of S.L. 2016-94, as amended by Section 36.3(g) of S.L. 2017-57, reads as rewritten:

"**SECTION 37.2.(e)** Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to, and there shall be no local match required for, any of the following, notwithstanding any other provision of law:

(1) The Environmental Quality Incentives Program. Furthermore, Section 36.3(e) of S.L. 2013-360, Section 36.2(e) of S.L. 2014-100, and Section 31.3(e) of S.L. 2015-241 shall not apply to funds made available as part of the Environmental Quality Incentives Program in any fiscal year. ~~Any~~ Funds appropriated during the 2015-2017 biennium and any remaining balance of funds appropriated prior to the 2015-2017 fiscal biennium for Environmental Quality Incentives Program projects shall be paid out to each of the original grantees for the full grant award amount, except that the Secretary may retain ten percent (10%) of the State share of funding until the Natural Resources Conservation Service of the United States Department of Agriculture has provided a final practice approval for the project.

…."

SECTION 4.10.(b) G.S. 143-215.72(d) reads as rewritten:

"(d) The following procedures apply only to grants for the purpose set forth in G.S. 143-215.71(8):

(1) A nongovernmental entity managing, administering, or executing the grant on behalf of a unit of local government may apply as a co-applicant for the grant and may be included as a responsible party on any required resolution issued by the unit of local government.

(2) ~~The~~ Upon request signed by the grant applicant and co-applicant, the Department ~~may~~ shall make periodic payments to the co-applicant for its share of nonfederal costs of a project prior to receipt of a final practice

approval from the Natural Resources Conservation Service if the grantee has submitted a certified reimbursement request or invoice."

PART V. JUSTICE AND PUBLIC SAFETY

SECTION 5.1. G.S. 97-13 is amended by adding a new subsection to read:

"(c1) Certain Inmates. – Notwithstanding the thirty dollars ($30.00) per week limit in subsection (c) of this section, the average weekly wage of inmates employed pursuant to the Prison Industry Enhancement Program shall be calculated pursuant to G.S. 97-2(5)."

SECTION 5.2.(a) G.S. 114-2(1) reads as rewritten:

"(1) To defend all actions in the appellate division in which the State shall be interested, or a party, and to appear for the State in any other court or tribunal in any cause or matter, civil or criminal, in which the State may be a party or interested. The duty to represent the State in criminal appeals shall not be delegated to any district attorney's office or any other entity."

SECTION 5.2.(b) G.S. 7A-61 reads as rewritten:

"**§ 7A-61. Duties of district attorney.**

The district attorney shall prepare the trial dockets, prosecute in a timely manner in the name of the State all criminal actions and infractions requiring prosecution in the superior and district courts of ~~his~~the district attorney's prosecutorial ~~district,~~district and advise the officers of justice in ~~his~~the district attorney's district.~~district, and perform such duties related to appeals to the Appellate Division from his district as the Attorney General may require. Effective January 1, 1971, the~~ The district attorney shall also represent the State in juvenile cases in the superior and district courts in which the juvenile is represented by an attorney. The district attorney shall provide to the Attorney General any case files, records and additional information necessary for the Attorney General to conduct appeals to the Appellate Division for cases from the district attorney's prosecutorial district. The Attorney General shall not delegate to the district attorney, or any other entity, the duty to represent the State in criminal and juvenile appeals. Each district attorney shall devote his full time to the duties of his office and shall not engage in the private practice of law."

SECTION 5.2.(c) This section is effective July 1, 2017. It shall be the obligation of the Attorney General to work with each District Attorney to ensure that all criminal appeals delegated on or after July 1, 2017, to a District Attorney's office shall be properly returned to the Attorney General's office. Notwithstanding the previous two sentences, actions taken by the office of a District Attorney related to a criminal appeal delegated to that office on or after July 1, 2017, shall be deemed to have been taken with full legal authority to act on behalf of the State.

SECTION 5.3. Part XVII of S.L. 2017-57 is amended by adding a new section to read:

"**DWI MISDEMEANOR CLARIFICATIONS/EXPERT TESTIMONY REVISIONS**

"**SECTION 17.8.(a)** G.S. 15-1 reads as rewritten:

"**§ 15-1. Statute of limitations for misdemeanors.**

The crimes of deceit and malicious mischief, and the crime of petit larceny where the value of the property does not exceed five dollars ($5.00), and all misdemeanors except malicious misdemeanors, shall be ~~presented or found by the grand jury~~ charged within two years after the commission of the same, and not afterwards: Provided, that if any ~~indictment found within that time~~ pleading shall be defective, so that no judgment can be given thereon, another prosecution may be instituted for the same offense, within one year after the first shall have been abandoned by the State.""

"**SECTION 17.8.(b)** G.S. 8C-1, Rule 702(a1), reads as rewritten:

"**Rule 702. Testimony by experts.**

…

(a1) ~~A witness, qualified under subsection (a) of this section and with proper foundation,~~ Notwithstanding any other provision of law, a witness may give expert testimony solely on the

issue of impairment and not on the issue of specific alcohol concentration level relating to the following:

(1) The results of a Horizontal Gaze Nystagmus (HGN) Test when the test is administered in accordance with the person's training by a person who has successfully completed training in HGN.

(2) Whether a person was under the influence of one or more impairing substances, and the category of such impairing substance or ~~substances. A witness who has received training and~~ substances, if the witness holds a current certification as a Drug Recognition Expert, issued by the State Department of Health and Human ~~Services, shall be qualified to give the testimony under this subdivision.~~Services."

"**SECTION 17.8.(c)** Subsection (a) of this section becomes effective December 1, 2017, and applies to offenses committed on or after that date. The remainder of the section is effective when it becomes law.""

PART VI. TRANSPORTATION

SECTION 6.1. Section 34.28A(b) of S.L. 2017-57 reads as rewritten:

"**SECTION 34.28A.(b)** Submission of Analysis. – The Departments shall jointly submit the findings of the analysis required under subsection (a) of this section, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by ~~February~~April 1, 2018."

SECTION 6.2. Section 34.29 of S.L. 2017-57 reads as rewritten:

"**SECTION 34.29.** The Department of Transportation shall study the use of its new dredge vessel, the Dredge Manteo. As part of this study, the Department shall include (i) an approximation of the annual cost to the State to operate and maintain the dredge vessel and (ii) a plan to allow use of the dredge vessel by other State departments and agencies. The Department shall report its findings, including any recommended legislation, to the Joint Legislative Transportation Oversight Committee by ~~December 1, 2017.~~April 1, 2018."

PART VII. FINANCE

SECTION 7.1.(a) G.S. 105-244.4(a), as enacted by S.L. 2017-204, reads as rewritten:

"(a) Reduction – The Secretary may reduce an assessment against a taxpayer who requests relief for State and local sales and use taxes in the amount as provided in this section and waive any penalties imposed as part of the assessment when the assessment is the result of an audit of the taxpayer by the Department and all of the following apply:

…

(5) The taxpayer meets one of the following:

a. The taxpayer received a proposed assessment dated on or before August 15, 2017, did not file a request for review, paid the tax due, and files a written request with the Secretary ~~no later than 120 days following the receipt of a proposed assessment~~ on or before December 29, 2017, to request the amount of sales or use taxes be reduced as provided in this section citing the specific reasons therefor.

b. The taxpayer received a proposed assessment dated on or before September 30, 2017, timely filed a request for review, and files a written request with the Secretary on or before December 29, 2017, to request the amount of sales or use taxes be reduced as provided in this section citing the specific reasons therefor. The Department does not need to take further action on the taxpayer's request for review unless the taxpayer states in writing, when filing a request for reduction under this section, that the reduction does not resolve the

taxpayer's objection to the proposed assessment and that the taxpayer wishes to continue the Departmental review.

c. ~~A~~ The taxpayer ~~who does not agree with a proposed assessment must also file~~ receives a proposed assessment after September 30, 2017, and timely files a request for review ~~within 120 days of the date of the notice of proposed assessment~~ as provided in G.S. 105-241.11 ~~in order for a request to reduce the amount of tax as allowed by this section to be considered by the Secretary.~~and files a written request with the Secretary no later than 45 days from the date of the notice of the proposed assessment to request the amount of sales or use taxes be reduced as provided in this section citing the specific reasons therefor."

SECTION 7.1.(b) This section becomes effective August 11, 2017.

SECTION 7.2.(a) Section 38.8(a) of S.L. 2017-57 reads as rewritten:

"**SECTION 38.8.(a)** Article 5F of Chapter 105 of the General Statutes, G.S. 105-164.13(5a), and ~~G.S. 105-163.13(57a)~~G.S. 105-164.13(57a) are repealed."

SECTION 7.2.(b) This section is effective when it becomes law and applies retroactively to sales made on or after July 1, 2017.

PART VIII. AGENCY TECHNICAL CORRECTIONS

SECTION 8.1. G.S. 18B-1114.1, as amended by Section 18 of S.L. 2017-87 and by Section 19 of S.L. 2017-108, reads as rewritten:

"**§ 18B-1114.1. Authorization of winery special event permit.**

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a viticulture/enology course authorization, or a wine producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, farmers markets, balloon races, local fund-raisers, ~~farmers markets,~~ and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine."

SECTION 8.2. G.S. 28A-2B-2 reads as rewritten:

"**§ 28A-2B-2. Venue.**

The venue for a petition under G.S. 28A-2B-1 is the county of this State in which the petitioner whose will or codicil is the subject of the petition ~~is domiciled.~~resides."

SECTION 8.3. G.S. 28A-21-2, as amended by Section 10 of S.L. 2017-158, reads as rewritten:

"**§ 28A-21-2. Final accounts.**

(a) Unless the time for filing the final account has been extended by the clerk of superior court, the personal representative or collector must file the final account for settlement within one year after qualifying or within six months after receiving a State estate or inheritance tax release, or in the time period for filing an annual account pursuant to G.S. 28A-21-1, whichever is later. ~~If no estate or inheritance tax return was required to be filed for the estate, the personal representative or collector shall so certify in the final account filed with the clerk of superior court. Such certification shall list the amount and value of all of the decedent's property, and with respect to real estate, its particular location within or outside the State, including any property transferred by the decedent over which the decedent had retained any interest, or any property transferred within three years prior to the date of the decedent's death, and after being filed and accepted by the clerk of superior court shall be prima facie evidence that such property is free of any State inheritance or State estate tax liability. The personal representative or collector shall produce vouchers for all payments or verified proof for all payments in lieu of vouchers. With the approval of the clerk of superior court, such~~

~~account may be filed voluntarily at any time. In all cases, the accounting shall be reviewed, audited and recorded by the clerk of superior court in the manner prescribed in G.S. 28A-21-1.~~

(a1) If no estate or inheritance tax return was required to be filed for the estate, the personal representative or collector shall so certify in the final account filed with the clerk of superior court. Such certification shall list the amount and value of all of the decedent's property and, with respect to real estate, its particular location within or outside the State, including any property transferred by the decedent over which the decedent had retained any interest, or any property transferred within three years prior to the date of the decedent's death, and, after being filed and accepted by the clerk of superior court, shall be prima facie evidence that such property is free from any State inheritance or State estate tax liability. This subsection only applies to estates of decedents who died before January 1, 2013.

(a2) The personal representative or collector shall produce vouchers for all payments or verified proof for all payments in lieu of vouchers. With the approval of the clerk of superior court, such account may be filed voluntarily at any time. In all cases, the accounting shall be reviewed, audited, and recorded by the clerk of superior court in the manner prescribed by G.S. 28A-21-1.

(b) Except as provided in subsection (a), after the date specified in the general notice to creditors as provided for in G.S. 28A-14-1, if all of the debts and other claims against the estate of the decedent duly presented and legally owing have been paid in the case of a solvent estate or satisfied pro rata according to applicable statutes in the case of an insolvent estate, the personal representative or collector may file the personal representative's or collector's final account to be reviewed, audited and recorded by the clerk of superior court. Nothing in this subsection shall be construed as limiting the right of the surviving spouse or minor children to file for allowances under G.S. 30-15 through 30-18 and the right of a surviving spouse to file for property rights under G.S. 29-30."

SECTION 8.4.(a) G.S. 31D-5-505, as recodified by Section 13(b) of S.L. 2017-102, reads as rewritten:

"**§ 31D-5-505. Requisites of release ~~or limitation~~ as against creditors and purchasers for value.**

No release ~~or limitation~~ of a power of appointment after March 8, 1943, which is made by the owner of the legal title to real property in this State shall be valid as against creditors and purchasers for a valuable consideration until an instrument in writing setting forth the release ~~or limitation~~ is executed and acknowledged in the manner required for a deed and recorded in the county where the real property is."

SECTION 8.4.(b) The Revisor of Statutes shall cause to be printed all explanatory comments of the drafters of this section, as the Revisor may deem appropriate.

SECTION 8.5.(a) G.S. 36C-5-505 reads as rewritten:

"**§ 36C-5-505. Creditor's claim against settlor.**

…

(c) Subject to the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes, for purposes of this section, property contributed to the following trusts is not considered to have been contributed by the settlor and a person who would otherwise be treated as a settlor or a deemed settlor of the following trusts may not be treated as a settlor:

(1) If the settlor is a beneficiary after the death of the settlor's spouse:

a. An irrevocable inter vivos marital trust that is treated as a general power of appointment trust described in section 2523(e) of the Internal Revenue Code.

b. An irrevocable inter vivos marital trust that is treated as a qualified terminable interest trust under section 2523(f) of the Internal Revenue Code.

c. An irrevocable inter vivos trust of which the settlor's spouse is a beneficiary during the spouse's lifetime but which does not qualify for the federal gift tax marital deduction, and during the lifetime of

the settlor's spouse (i) the settlor's spouse is the only beneficiary or (ii) the settlor's spouse and ~~the settlor's issue~~ any issue of the settlor or the settlor's spouse, or both, are the only beneficiaries.

d. Another trust, to the extent that the property of the other trust is attributable to property passing from a trust described in sub-subdivisions a., b., and c. of this subdivision.

For purposes of this subdivision, notwithstanding the provisions of G.S. 36C-1-103(3), the settlor is a beneficiary whether so named under the initial trust instrument or through the exercise of a limited or general power of appointment.

(2) An irrevocable inter vivos trust for the benefit of a person if the settlor is the person's spouse, regardless of whether or when that person was a settlor of an irrevocable inter vivos trust for the benefit of the person's spouse.

For purposes of this subsection, the "settlor's spouse" refers to the person to whom the settlor was married at the time the irrevocable inter vivos trust was created, notwithstanding a subsequent dissolution of the marriage."

SECTION 8.5.(b) The Revisor of Statutes shall cause to be printed all explanatory comments of the drafters of this section, as the Revisor may deem appropriate.

SECTION 8.6. G.S. 42A-37(a) reads as rewritten:

"(a) Any member of the Armed Forces of the United States who executes a vacation rental agreement and subsequently receives (i) an order for deployment with a military unit for a period overlapping with the rental period or (ii) permanent change of station orders requiring the member to relocate on a date prior to the beginning of the lease term may terminate the member's vacation rental agreement by providing the landlord or landlord's agent with a written notice of termination within 10 calendar days of receipt of the order. The notice must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer. Termination of a lease pursuant to this subsection is effective immediately upon receipt of the notice by the landlord or landlord's agent. All monies paid by the terminating member, with the exception of nonrefundable fees paid to third parties as described in ~~G.S. 42-16(a),~~ G.S. 42A-16, in connection with the vacation rental agreement shall be refunded to the member within 30 days of termination of the agreement."

SECTION 8.7.(a) G.S. 57D-1-03, as amended by Section 4 of S.L. 2017-90, reads as rewritten:

"**§ 57D-1-03. Definitions.**

~~In this Chapter unless otherwise specifically provided:~~ Unless otherwise specifically provided, the following definitions apply in this Chapter:

…

~~(33b)~~(32b) Service-disabled veteran-owned small business. – A business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars ($1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business."

SECTION 8.7.(b) This section becomes effective January 1, 2018.

SECTION 8.8.(a) G.S. 90-92(a) reads as rewritten:

"(a) This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a low potential for abuse relative to the substances listed in Schedule III of this Article; currently accepted medical use in the United States; and limited physical or pyschological dependence relative to the substances listed in Schedule III of this Article. The following controlled substances are included in this schedule:

…

(5) Narcotic Drugs. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof:

a. Not more than 1 milligram of difenoxin and not less than 25 micrograms of atropine sulfate per dosage unit.

b. Buprenorphine.

c. 2-[(dimethylamino)methyl]-1-(3-methoxyphenyl)cyclohexanol, its salts, optical and geometric isomers, and salts of these isomers (including tramadol)."

SECTION 8.8.(b) The sub-subdivision c. added to G.S. 90-92(a)(5) by Section 6 of S.L. 2017-115 is repealed.

SECTION 8.8.(c) This section becomes effective December 1, 2017, and subsection (a) of this section applies to offenses committed on or after that date.

SECTION 8.9.(a) G.S. 135-7(g)(2), as enacted by Section 5(a) of S.L. 2017-129, reads as rewritten:

"(2) Funding of the LEIA. – In the event that the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by Article 15 of Chapter 120 of the General Statutes, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System. The Board of ~~Trustee~~ Trustees shall not direct any employer contributions into the LEIA after November 1, 2021."

SECTION 8.9.(b) This section becomes effective October 1, 2017.

SECTION 8.10. G.S. 143-47.7 reads as rewritten:

"**§ 143-47.7. Notice and record of appointment required.**

(a) Within 30 days after acceptance of appointment by a person appointed to public office, the appointing authority shall file written notice of the appointment with the Governor, the Secretary of State, the Legislative Library, ~~the State Library,~~ the State Ethics Commission, and the State Controller. For the purposes of this section, a copy of the letter from the appointing authority, a copy of the properly executed notice of appointment as set forth in subsection (c) of this section, or a copy of the properly executed Commission of Appointment shall be sufficient to be filed if the copy contains the information required in subsection (b) of this section.

(b) The notice required by this Article shall contain the following information:

(1) The name and office of the appointing authority;

(2) The public office to which the appointment is made;

(3) The name and address of the appointee;

(4) The county of residence of the appointee;

(5) The citation to the law or other authority authorizing the appointment;

(6) The specific statutory qualification for the public office to which the appointment is made, if applicable;

(7) The name of the person the appointee replaces, if applicable;

(8) The date the term of the appointment begins; and

(9) The date the term of the appointment ends.

(c) The following form may be used to comply with the requirements of this section:

"NOTICE OF APPOINTMENT

Notice is given that _____ is hereby appointed to the following

Name

public office:

Public Office: _____

Citation to Law or Other Authority Authorizing the Appointment:
_____
Specific Statutory Qualification for the Public Office, if Applicable:
_____
Address of the Appointee: _____
_____
_____
County of Residence of the Appointee: _____
Date Term of Appointment Begins: _____
Date Term of Appointment Ends: _____
Name of Person the Appointee Replaces, if applicable:
_____

_____ _____
Date of Appointment Signature

_____
Office of Appointing Authority

Distribution:
Governor
Secretary of State
Legislative Library
~~State Library~~
State Ethics Commission
State Controller""

SECTION 8.11. G.S. 143-138(b4)(2a), as enacted by Section 8(b) of S.L. 2017-108 and Section 8(a) of S.L. 2017-130, reads as rewritten:

"(2a) A "therapeutic equine facility" is an equine facility as described in ~~sub-subdivision a. of subdivision (1) of this subsection~~ sub-subdivision (1)a. of this subsection operated by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code that provides therapeutic equine-related activities for persons who are physically, intellectually, or emotionally challenged."

SECTION 8.12. G.S. 143B-68 reads as rewritten:

"**§ 143B-68. Public Librarian Certification Commission – members; selection; quorum; compensation.**

The Public Librarian Certification Commission of the Department of Natural and Cultural Resources shall consist of five members as follows: (i) ~~the chairman of the North Carolina Association of Library Trustees, (ii)~~ the chairman of the public libraries section of the North Carolina Library Association, ~~(iii) an individual~~ (ii) two individuals named by the Governor upon the nomination of the North Carolina Library Association, ~~(iv)~~ (iii) the dean of a State or regionally accredited graduate school of librarianship in North Carolina appointed by the ~~Governor and (v)~~ Governor, and (iv) one member at large appointed by the Governor.

The members shall serve four-year terms or while holding the appropriate ~~chairmanships.~~chairmanship. Any appointment to fill a vacancy created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, and nonfeasance according to the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

The members of the Commission shall receive per diem, and necessary travel expenses in accordance with the provisions of G.S. 138-5.

A majority of the Commission shall constitute a quorum for the transaction of business.

All clerical and other services required by the Commission shall be supplied by the Secretary of the Department through the regular staff of the Department."

SECTION 8.13. Part XII of S.L. 2006-248 is repealed.

SECTION 8.14. Section 6A.19(e) of S.L. 2011-145 is repealed.

PART IX. EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5th day of October, 2017.

Session Law 2017-213 **S.B. 694**

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO MAKE FURTHER MODIFICATIONS TO APPOINTMENTS MADE IN THE 2017 APPOINTMENTS BILLS.

The General Assembly of North Carolina enacts:

PART I. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS

SECTION 1.1. Senator Tom McInnis of Richmond County and Senator Jim Davis of Macon County are appointed to Virginia-North Carolina High-Speed Rail Compact Commission to serve at the pleasure of the appointing authority.

SECTION 1.2. David W. Jessen of Wake County is appointed to the Ferry Transportation Authority Board of Trustees for a term expiring on June 30, 2018.

SECTION 1.3. William M. Nichols of Wake County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2020.

PART II. SPEAKER'S RECOMMENDATIONS

SECTION 2.1. Effective July 1, 2017, the Honorable Ralph Walker of Guilford County is appointed to the North Carolina Medical Board for a term expiring on June 30, 2020.

SECTION 2.2. Effective July 1, 2017, Bradford T. Smith of Brunswick County is appointed to the Ferry Transportation Authority Board of Trustees for a term expiring on June 30, 2020.

SECTION 2.3. Sheriff Hans J. Miller of Onslow County is appointed to the Domestic Violence Commission for a term expiring on August 31, 2018, to fill the unexpired term of Charles Campbell.

SECTION 2.4.(a) Michael Stone of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on December 31, 2019, to fill the unexpired term of Raymond P. Covington.

SECTION 2.4.(b) Robert Christian "Chris" Reinhardt of Wake County is appointed to the North Carolina Oil and Gas Commission for a term expiring on December 31, 2018, to fill the unexpired term of Dr. Karen Sullivan Glaser.

SECTION 2.5. The Honorable Sherry E. Butler of Catawba County is appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for a term expiring on June 30, 2019, to fill the unexpired term of Donald Keith Branch.

SECTION 2.6. Michael J. Reitz of Chatham County is appointed to the 911 Board for a term expiring on December 31, 2018, to fill the unexpired term of Deputy Chief Dinah Jeffries.

SECTION 2.7. Effective July 1, 2017, Allen Kelly of Wake County is appointed to the North Carolina Code Officials Qualifications Board for a term expiring on June 30, 2021.

PART III. CORRECTIONS

SECTION 3.1. Section 2.9 of S.L. 2011-406 reads as rewritten:

"**SECTION 2.9.** Allen Kelly of Wake County is appointed to the North Carolina Code Officials Qualifications Board for a term expiring on ~~July 1, 2012,~~July 1, 2013, to fill the unexpired term of Donald J. Curtis."

SECTION 3.2. Section 1.10 of S.L. 2012-141 reads as rewritten:

"**SECTION 1.10.(a)** Harry Schrum of Alexander County ~~and Allen Kelly of Wake County are~~is appointed to the North Carolina Code Officials Qualification Board for ~~terms~~ a term expiring on June 30, 2016.

"**SECTION 1.10.(b)** Allen Kelly of Wake County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on June 30, 2017."

SECTION 3.3. Section 2.10 of S.L. 2016-70 reads as rewritten:

"**SECTION 2.10.** James B. Steele of New Hanover County ~~and Allen Kelly of Wake County are~~is appointed to the North Carolina Code Officials Qualifications Board for ~~terms~~ a term expiring on June 30, 2020."

SECTION 3.4. Section 1.33 of S.L. 2017-75, as amended by Section 3.3 of S.L. 2017-201, reads as rewritten:

"**SECTION 1.33.** Effective January 1, 2018, Anita Bachmann of Guilford County, Brian L. McGinnis of Gaston County, Dr. William G. Way, Jr., of Wake County, and ~~Linda~~ Lisa P. Shock of Orange County are appointed to the Board of Directors of the North Carolina Institute of Medicine for terms expiring on December 31, 2021."

SECTION 3.5. Section 1.56 of S.L. 2017-75, as amended by Section 3.4 of S.L. 2017-201, reads as rewritten:

"**SECTION 1.56.** Effective ~~July 1, 2017,~~August 1, 2017, Thomas R. Lawing, Jr., of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on ~~June 30, 2020.~~July 31, 2020."

SECTION 3.6. Section 1.58 of S.L. 2017-75, as amended by Section 3.5 of S.L. 2017-201, reads as rewritten:

"**SECTION 1.58.** Effective October 1, 2017, Earl W. Willis, Jr., of Chowan County is appointed to the Board of Directors of Roanoke Island Historical Association, Incorporated, for a term expiring on ~~September 30, 2020.~~September 30, 2018."

SECTION 3.7. Section 2.8 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.8.** Effective ~~January 1, 2017,~~January 1, 2018, Dr. Penney Burlingame Deal of Onslow County, Leonard A. Ellis of Mitchell County, and Keith S. Holtsclaw of Mitchell County are appointed to the North Carolina Institute of Medicine Board of Directors for terms expiring on December 31, 2021."

SECTION 3.8. Section 2.19 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.19.** Effective July 1, 2017, Walter D. Giese of Onslow County and Patrick Johnson of Wake County are appointed to the North Carolina Board for Licensing of Soil Scientists for terms expiring on ~~June 30, 2021.~~June 30, 2020."

SECTION 3.9. Section 2.24(b) of S.L. 2017-75 reads as rewritten:

"**SECTION 2.24.(b)** Effective July 1, 2017, Nada C. Lawrimore of Wilkes County is appointed to the Private Protective Services Board for a term expiring on ~~June 30, 2021.~~June 30, 2020."

SECTION 3.9A. Section 2.27 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.27.** Effective August 1, 2017, ~~Lucina~~ Lucinda S. Chandler of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on July 31, 2020."

SECTION 3.10. Section 2.28(b) of S.L. 2017-75 reads as rewritten:

"**SECTION 2.28.(b)** If House Bill 357 of the 2017 Regular Session or substantially similar legislation does not become law, then effective July 1, 2017, Kimberly ~~Isles~~ Iles of Durham County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2020."

SECTION 3.11. Section 2.50 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.50.** Effective July 1, 2017, Daniel Locklear of Robeson County is appointed to the North Carolina State Commission of Indian Affairs for a term expiring on ~~September 30, 2019.~~June 30, 2019."

SECTION 3.12. Section 2.51 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.51.** Effective July 1, 2017, James P. Tobin of Dare County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on ~~June 30, 2020.~~June 30, 2019."

SECTION 3.13. Section 2.66 of S.L. 2017-75 reads as rewritten:

"**SECTION 2.66.** Effective upon when this act becomes law, Benjamin J. Curtis of Rockingham County and Ernie L. Coleman of Beaufort County are appointed to the Governor's Crime Commission for terms expiring on ~~February 28, 2020.~~February 28, 2019."

SECTION 3.14. Section 1.1 of S.L. 2017-201 reads as rewritten:

"**SECTION 1.1.** ~~Effective January 1, 2018,~~ James S. Stewart of Hoke County is appointed to the 911 Board for a term expiring on ~~December 31, 2021.~~December 31, 2018."

SECTION 3.15. Section 2.1 of S.L. 2017-201 reads as rewritten:

"**SECTION 2.1.** ~~Effective October 1, 2017,~~ Russell E. Williams of Rowan County is appointed to the North Carolina State Board of Examiners of Fee-Based Practicing Pastoral Counselors for a term expiring on ~~September 30, 2020.~~September 30, 2018."

SECTION 3.16. Section 2.3 of S.L. 2017-201 reads as rewritten:

"**SECTION 2.3.** Dr. Jennifer W. ~~Olsen~~ Olson of Wake County is appointed to the North Carolina Teaching Fellows Commission for a term expiring on July 1, 2019."

SECTION 3.17. Consistent with G.S. 143B-293.2(a1)(5), the previous appointment of James Womack of Lee County to the North Carolina Oil and Gas Commission is extended from June 30, 2018 to December 31, 2018.

PART IV. EFFECTIVE DATE

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

In the General Assembly read three times and ratified this the 9th day of October, 2017.

Session Law 2017-214 **S.B. 656**

AN ACT TO CHANGE THE DEFINITION OF A "POLITICAL PARTY" BY REDUCING THE NUMBER OF SIGNATURES REQUIRED FOR THE FORMATION OF A NEW POLITICAL PARTY AND FOR UNAFFILIATED CANDIDATES TO OBTAIN BALLOT ACCESS ELIGIBILITY; TO AUTHORIZE ESTABLISHMENT OF POLITICAL PARTIES RECOGNIZED IN A SUBSTANTIAL NUMBER OF STATES IN THE PRIOR PRESIDENTIAL ELECTION; TO CHANGE TIMING OF FILING OF PETITIONS; TO REDUCE THE THRESHOLD FOR A SUBSTANTIAL PLURALITY TO THIRTY PERCENT; AND TO ELIMINATE JUDICIAL PRIMARIES FOR THE 2018 GENERAL ELECTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-96(a) reads as rewritten:

"(a) Definition. – A political party within the meaning of the election laws of this State shall be ~~either:~~one of the following:

(1) Any group of voters which, at the last preceding general State election, polled for its candidate for Governor, or for presidential electors, at least two percent (2%) of the entire vote cast in the State for Governor or for presidential ~~electors; or~~electors.

(2) Any group of voters which shall have filed with the State Board of Elections petitions for the formulation of a new political party which are signed by registered and qualified voters in this State equal in number to ~~two percent (2%)~~ one-quarter of one percent (0.25%) of the total number of voters who voted in the most recent general election for Governor. Also the petition must be signed by at least 200 registered voters from each of ~~four~~ three congressional districts in North Carolina. To be effective, the petitioners must file their petitions with the State Board of Elections before 12:00 noon on the first day of June preceding the day on which is to be held the first

general State election in which the new political party desires to participate. The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the State ~~chairman~~chair of the proposed new political party.

(3) Any group of voters which shall have filed with the State Board of Elections documentation that the group of voters had a candidate nominated by that group on the general election ballot of at least seventy percent (70%) of the states in the prior Presidential election. To be effective, the group must file their documentation with the State Board of Elections before 12:00 noon on the first day of June preceding the day on which is to be held the first general State election in which the new political party desires to participate. The State Board of Elections shall forthwith verify the documentation filed with it and shall immediately communicate its determination to the State chair of the proposed new political party."

SECTION 2.(a) G.S. 163-122(a), as amended by Section 10 of S.L. 2017-3, reads as rewritten:

"(a) Procedure for Having Name Printed on Ballot as Unaffiliated Candidate. – Any qualified voter who seeks to have the voter's name printed on the general election ballot as an unaffiliated candidate shall:

(1) If the office is a statewide office, file written petitions with the State Board of Elections supporting the voter's candidacy for a specified office. These petitions must be filed with the State Board of Elections on or before 12:00 noon on the ~~second Wednesday prior to~~ day of the primary election and must be signed by qualified voters of the State equal in number to ~~two percent (2%)~~ one and a half percent (1.5%) of the total number of voters who voted in the most recent general election for Governor. Also, the petition must be signed by at least 200 registered voters from each of ~~four~~ three congressional districts in North Carolina. The petitions shall be divided into sections based on the county in which the signatures were obtained. Provided the petitions are timely filed, the State Board of Elections shall require the filed petition be verified no later than 15 business days after canvass of the primary in one of the following ways:

a. The Executive Director shall examine the names on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in the designated county and shall attach to the petition a signed certificate. Said certificates shall state that the signatures on the petition have been checked against the registration records and shall indicate the number of signers to be qualified and registered to vote in each county.

b. The chair shall examine the names on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in the chair's county and shall attach to the petition the chair's signed certificate. Said certificates shall state that the signatures on the petition have been checked against the registration records and shall indicate the number of signers to be qualified and registered to vote in the chair's county. The chair shall return the petition and certificate to the State Board.

The State Board shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to the State Board.

(2) Except as provided in this subsection, if the office is a district office under the jurisdiction of the State Board of Elections under G.S. 163-182.4(b), file written petitions with the State Board of Elections supporting that voter's

candidacy for a specified office. ~~These~~ For district offices other than General Assembly seats, petitions must be filed with the State Board of Elections on or before 12:00 noon on the ~~second Wednesday prior to~~day of the primary election and must be signed by qualified voters of the district equal in number to ~~four~~ one and a half percent ~~(4%)~~(1.5%) of the total number of registered voters in the district as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. For General Assembly seats in which the district lies in more than one county, petitions must be filed with the State Board of Elections on or before 12:00 noon on the day of the primary election and must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of registered voters in the district as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. The petitions shall be divided into sections based on the county in which the signatures were obtained. The petitions shall be verified as specified in subdivision (1) of this subsection.

(3) If the office is a county office or a single county legislative district, file written petitions with the chair or director of the county board of elections supporting the voter's candidacy for a specified county office. These petitions must be filed with the county board of elections on or before 12:00 noon on the ~~second Wednesday prior to~~day of the primary election and must be signed by qualified voters of the county equal in number to four percent (4%) of the total number of registered voters in the county as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held, except if the office is for a district consisting of less than the entire county and only the voters in that district vote for that office, the petitions must be signed by qualified voters of the district equal in number to four percent (4%) of the total number of voters in the district according to the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. Each petition shall be presented to the ~~chairman~~ chair or director of the county board of elections. The chair or director of the county board of elections shall verify the filed petition no later than 15 business days after canvass as provided in sub-subdivision b. of subdivision (1) of this subsection, and shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to the county board of elections.

(4) If the office is a partisan municipal office, file written petitions with the chair or director of the county board of elections in the county wherein the municipality is located supporting the voter's candidacy for a specified municipal office. These petitions must be filed with the county board of elections on or before the time and date specified in G.S. 163-296 and must be signed by the number of qualified voters specified in G.S. 163-296. The chair or director of the county board of elections shall verify the filed petition no later than 15 business days after canvass as provided in sub-subdivision b. of subdivision (1) of this subsection, and shall return a copy of each petition, together with a copy of the certificate required in this section, to the person who presented it to the county board of elections.

(5) If the office is a superior court judge or a district court judge, regardless of whether the district lies entirely in one county or in more than one county, file written petitions with the State Board of Elections supporting that voter's candidacy for a specified office. These petitions must be filed with the State

Board of Elections on or before 12:00 noon on the ~~second Wednesday prior to~~day of the primary election and must be signed by qualified voters of the district equal in number to two percent (2%) of the total number of registered voters in the district as reflected by the voter registration records of the State Board of Elections as of January 1 of the year in which the general election is to be held. The petitions shall be divided into sections based on the county in which the signatures were obtained. The petitions shall be verified as specified in subdivision (1) of this subsection.

Upon compliance with the provisions of subdivisions (1), (2), (3), (4), or (5) of this subsection, the board of elections with which the petitions have been timely filed shall cause the unaffiliated candidate's name to be printed on the general election ballots in accordance with Article 14A of this Chapter."

SECTION 2.(b) G.S. 163-296 reads as rewritten:

"**§ 163-296. Nomination by petition.**

In cities conducting partisan elections, any qualified voter who seeks to have his name printed on the regular municipal election ballot as an unaffiliated candidate may do so in the manner provided in G.S. 163-122, except that the petitions and affidavits shall be filed not later than 12:00 noon on the Friday preceding the seventh Saturday before the election, and the petitions shall be signed by a number of qualified voters of the municipality equal to at least ~~four percent (4%)~~one and a half percent (1.5%) of the whole number of voters qualified to vote in the municipal election according to the voter registration records of the State Board of Elections as of January 1 of the year in which the general municipal election is held. A person whose name appeared on the ballot in a primary election is not eligible to have his name placed on the regular municipal election ballot as an unaffiliated candidate for the same office in that year. The Board of Elections shall examine and verify the signatures on the petition, and shall certify only the names of signers who are found to be qualified registered voters in the municipality. Provided that in the case where a qualified voter seeks to have his name printed on the regular municipal election ballot as an unaffiliated candidate for election from an election district within the municipality, the petition shall be signed by ~~four percent (4%)~~one and a half percent (1.5%) of the voters qualified to vote for that office."

SECTION 3. G.S. 163-111(a) reads as rewritten:

"(a) Nomination Determined by Substantial Plurality; Definition of Substantial Plurality. – Except as otherwise provided in this section, nominations in primary elections shall be determined by a substantial plurality of the votes cast. A substantial plurality within the meaning of this section shall be determined as follows:

(1) If a nominee for a single office is to be selected, and there is more than one person seeking nomination, the substantial plurality shall be ascertained by multiplying the total vote cast for all aspirants by ~~forty percent (40%).~~thirty percent (30%). Any excess of the sum so ascertained shall be a substantial plurality, and the aspirant who obtains a substantial plurality shall be declared the nominee. If two candidates receive a substantial plurality, the candidate receiving the highest vote shall be declared the nominee.

(2) If nominees for two or more offices (constituting a group) are to be selected, and there are more persons seeking nomination than there are offices, the substantial plurality shall be ascertained by dividing the total vote cast for all aspirants by the number of positions to be filled, and by multiplying the result by ~~forty percent (40%).~~thirty percent (30%). Any excess of the sum so ascertained shall be a substantial plurality, and the aspirants who obtain a substantial plurality shall be declared the nominees. If more candidates obtain a substantial plurality than there are positions to be filled, those having the highest vote (equal to the number of positions to be filled) shall be declared the nominees."

SECTION 4.(a) No 2018 Primary for Judicial Offices. – Notwithstanding G.S. 163-106, no party primaries shall be held for candidates seeking the following offices in the general election held on November 6, 2018:

Justices of the Supreme Court.

Judges of the Court of Appeals.

Judges of the superior courts.

Judges of the district courts.

Candidates seeking the office of Justice of the Supreme Court, judge of the Court of Appeals, judge of the superior court, or judge of the district court shall file their notice of candidacy with the State Board of Elections and Ethics Enforcement no earlier than 12:00 noon on June 18, 2018, and no later than 12:00 noon on June 29, 2018.

SECTION 4.(b) Form of Notice. – Each person offering to be a candidate for election shall do so by filing a notice of candidacy with the State Board of Elections and Ethics Enforcement in the following form, inserting the words in parentheses when appropriate:

Date _____

I hereby file notice that I am a candidate for election to the office of _____ in the regular election to be held _____, _____.

Signed _____

(Name of Candidate)

Witness: _____

The notice of candidacy shall be either signed in the presence of the chair or secretary of the State Board of Elections and Ethics Enforcement or signed and acknowledged before an officer authorized to take acknowledgments who shall certify the notice under seal. An acknowledged and certified notice may be mailed to the State Board of Elections and Ethics Enforcement. In signing a notice of candidacy, the candidate shall use only the candidate's legal name and, in the candidate's discretion, any nickname by which commonly known. A candidate may also, in lieu of that candidate's first name and legal middle initial or middle name, if any, sign that candidate's nickname, provided the candidate appends to the notice of candidacy an affidavit that the candidate has been commonly known by that nickname for at least five years prior to the date of making the affidavit. The candidate shall also include with the affidavit the way the candidate's name (as permitted by law) should be listed on the ballot if another candidate with the same last name files a notice of candidacy for that office.

A notice of candidacy signed by an agent or any person other than the candidate shall be invalid.

A candidate, at the time of filing the notice of candidacy under this section, shall indicate on the notice of candidacy the political party recognized under Article 18 of Chapter 163A of the General Statutes with which that candidate is affiliated or any unaffiliated status. The certificate required by subsection (d) of this section shall verify the party designation or unaffiliated status, and the verified party designation or unaffiliated status shall be included on the ballot.

SECTION 4.(c) Withdrawal of Notice of Candidacy. – Any person who has filed a notice of candidacy for an office under this section shall have the right to withdraw it at any time prior to the close of business on the third business day prior to the date on which the right to file for that office expires under the terms of subsection (b) of this section.

SECTION 4.(d) Certificate That Candidate Is Registered Voter. – Candidates shall file along with their notice a certificate signed by the chair of the board of elections or the director of elections of the county in which they are registered to vote, stating that the person is registered to vote in that county, and if the candidacy is for superior court judge or district court judge, and the county contains more than one superior court district or district court district, stating the judicial district of which the person is a resident. In issuing such certificate, the chairman or director shall check the registration records of the county to verify such information. During the period commencing 36 hours immediately preceding the filing deadline, the State Board of Elections and Ethics Enforcement shall accept, on a conditional

basis, the notice of candidacy of a candidate who has failed to secure the verification ordered herein subject to receipt of verification no later than three days following the filing deadline. The State Board of Elections and Ethics Enforcement shall prescribe the form for such certificate and distribute it to each county board of elections no later than the last Monday in December of 2017.

SECTION 4.(e) Candidacy for More Than One Office Prohibited. – No person may file a notice of candidacy for more than one office or group of offices described in subsection (a) of this section, or for an office or group of offices described in subsection (a) of this section and an office described in G.S. 163-106(c), for any one election. If a person has filed a notice of candidacy with a board of elections under this section or under G.S. 163-106(c) for one office or group of offices, then a notice of candidacy may not later be filed for any other office or group of offices under this section when the election is on the same date unless the notice of candidacy for the first office is withdrawn under subsection (c) of this section.

SECTION 4.(f) Notice of Candidacy for Certain Offices to Indicate Vacancy. – In any election in which there are two or more vacancies for the office of justice of the Supreme Court, judge of the Court of Appeals, superior court judge, or district court judge to be filled by nominations, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections and Ethics Enforcement a written statement designating the vacancy to which the candidate seeks election. Votes cast for a candidate shall be effective only for election to the vacancy for which the candidate has given notice of candidacy as provided in this subsection.

A person seeking election for a specialized district judgeship established under G.S. 7A-147 shall, at the time of filing notice of candidacy, file with the State Board of Elections and Ethics Enforcement a written statement designating the specialized judgeship to which the person seeks nomination.

SECTION 4.(g) Residency Requirements. – No person may file a notice of candidacy for superior court judge or district court judge unless that person is at the time of filing the notice of candidacy a resident of the judicial district as it will exist at the time the person would take office if elected. This subsection implements Section 9(1) of Article IV of the North Carolina Constitution, which requires regular superior court judges to reside in the district for which elected, and Section 10 of Article IV of the North Carolina Constitution, which requires every district court judge to reside in the district for which elected.

SECTION 4.(h) Filing Fees. – Candidates shall pay filing fees as required by G.S. 163-107 and G.S. 163-107.1.

SECTION 4.(i) Failure of Candidates to File; Death or Other Disqualification of a Candidate; No Withdrawal From Candidacy. –

(1) Insufficient number of candidates. – If when the filing period expires, candidates have not filed for an office to be filled under this section, the State Board of Elections and Ethics Enforcement shall extend the filing period for five days for any such offices.

(2) Vacancies; reopening filing. – If only one or two candidates have filed for a single office, or the number of candidates filed for a group of offices does not exceed twice the number of positions to be filled, and thereafter a remaining candidate dies or otherwise becomes disqualified before the election and before the ballots are printed, the State Board of Elections and Ethics Enforcement shall, upon notification of the death or other disqualification, immediately reopen the filing period for an additional five days during which time additional candidates shall be permitted to file for election. If the ballots have been printed at the time the State Board of Elections and Ethics Enforcement receives notice of the candidate's death or other disqualification, the Board shall determine whether there will be sufficient time to reprint them before the election if the filing period is reopened for three days. If the Board determines that there will be sufficient

time to reprint the ballots, it shall reopen the filing period for three days to allow other candidates to file for election.

(3) Later vacancies; ballots not reprinted. – If the ballots have been printed at the time the State Board of Elections and Ethics Enforcement receives notice of a candidate's death or other disqualification, and if the Board determines that there is not enough time to reprint the ballots before the election if the filing period is reopened for three days, then regardless of the number of candidates remaining for the office or group of offices, the ballots shall not be reprinted and the name of the vacated candidate shall remain on the ballots. If a vacated candidate should poll the highest number of votes in the election for a single office or enough votes to be elected to one of a group of offices, the State Board of Elections and Ethics Enforcement shall declare the office vacant and it shall be filled in the manner provided by law.

(4) No withdrawal permitted of living, qualified candidate after close of filing. – After the close of the candidate filing period, a candidate who has filed a notice of candidacy for an office under this section, who has not withdrawn notice before the close of filing as permitted by subsection (c) of this section, who remains alive, and has not become disqualified for the office may not withdraw his or her candidacy. That candidate's name shall remain on the ballot, any votes cast for the candidacy shall be counted in primary or election, and if the candidate wins, the candidate may fail to qualify by refusing to take the oath of office.

(5) Death, disqualification, or failure to qualify after election. – If a person elected to the office of justice of the Supreme Court, judge of the Court of Appeals, or superior or district court judge dies or becomes disqualified on or after election day and before that person has qualified by taking the oath of office, or fails to qualify by refusing to take the oath of office, the office shall be deemed vacant and shall be filled as provided by law.

SECTION 4.(j) Ballot Order. – For the 2018 general election, the State Board of Elections and Ethics Enforcement shall place elections for the offices elected as provided in this section with other partisan offices, as provided in G.S. 163-165.6(b)(3). Order of candidates for those offices shall be determined as provided in G.S. 163-165.6(c).

SECTION 4.(k) Determination of Election Winners. – A general election for all candidates seeking office as provided in this section shall be held on November 6, 2018. In the general election, the candidate for a single office receiving the highest number of votes shall be elected. Those candidates for a group of offices receiving the highest number of votes, equal in number to the number of positions to be filled, shall be elected. If two candidates receiving the highest number of votes each received the same number of votes, the State Board of Elections and Ethics Enforcement shall determine the winner by lot.

SECTION 5. This act becomes effective January 1, 2018, and applies to all primaries and elections held on or after that date.

In the General Assembly read three times and ratified this the 5th day of October, 2017.

VETOES
OF
GOVERNOR ROY COOPER

G.S. 120-34(a) provides that "In any case where the Governor has returned a bill to the General Assembly with objections, those objections shall be printed verbatim in the Session Laws, regardless of whether or not the bill became law notwithstanding the objections."

Bill Number	Title of Bill
HOUSE BILL 100	AN ACT TO RESTORE PARTISAN JUDICIAL ELECTIONS FOR NORTH CAROLINA SUPERIOR AND DISTRICT COURTS AND TO CHANGE THE TIME FOR SUBMISSION OF PETITIONS FOR UNAFFILIATED CANDIDATES.
HOUSE BILL 239	AN ACT TO REDUCE THE NUMBER OF JUDGES ON THE COURT OF APPEALS TO TWELVE; TO PROVIDE AN APPEAL OF RIGHT FOR TRIAL COURT DECISIONS REGARDING CLASS ACTION CERTIFICATION AND TERMINATION OF PARENTAL RIGHTS; AND TO PROVIDE FOR DISCRETIONARY REVIEW BY THE SUPREME COURT IN CASES WHERE THE SUBJECT MATTER INVOLVES THE JURISDICTION AND INTEGRITY OF THE COURT SYSTEM.
SENATE BILL 68	AN ACT TO REPEAL G.S. 126-5(D)(2C), AS ENACTED BY S.L. 2016-126; TO REPEAL PART I OF S.L. 2016-125; AND TO CONSOLIDATE THE FUNCTIONS OF ELECTIONS, CAMPAIGN FINANCE, LOBBYING, AND ETHICS UNDER ONE QUASI-JUDICIAL AND REGULATORY AGENCY BY CREATING THE NORTH CAROLINA BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT.
HOUSE BILL 467	AN ACT TO CLARIFY THE REMEDIES AVAILABLE IN PRIVATE NUISANCE ACTIONS AGAINST AGRICULTURAL AND FORESTRY OPERATIONS.
SENATE BILL 257	AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.
HOUSE BILL 576	AN ACT TO (1) REQUIRE THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO APPROVE AEROSOLIZATION

OF LEACHATE AND WASTEWATER FROM A LINED SANITARY LANDFILL FOR THE DISPOSAL OF MUNICIPAL SOLID WASTE LANDFILL, IN CERTAIN CIRCUMSTANCES: (2) ALLOW THE DEPARTMENT TO APPROVE AEROSOLIZATION OF LEACHATE FROM UNLINED LANDFILLS: AND (3) PROVIDE THAT AEROSOLIZATION OF LEACHATE OR WASTEWATER THAT RESULTS IN A ZERO-LIQUID DISCHARGE AND IS NOT A SIGNIFICANT AIR CONTAMINATION SOURCE DOES NOT CONSTITUTE A SOURCE THAT REQUIRES CERTAIN PERMITS.

HOUSE BILL 511 AN ACT TO AUTHORIZE NONPROFIT ORGANIZATIONS TO OPERATE "GAME NIGHTS," TO PROVIDE FOR THE REGULATION OF NONPROFIT ORGANIZATIONS HOLDING "GAME NIGHTS," TO ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES AT "GAME NIGHTS," TO INCREASE THE ABILITY OF NONPROFIT ORGANIZATIONS TO HOLD FUND-RAISING RAFFLES, AND TO AUTHORIZE REISSUANCE OF CERTAIN ONE-TIME ALCOHOLIC BEVERAGE CONTROL COMMISSION PERMITS.

HOUSE BILL 205 AN ACT TO AMEND PROVISIONS OF THE WORKERS' COMPENSATION ACT RELATING TO PRISONERS AND TO THE REBUTTABLE PRESUMPTION REGARDING NEWSPRINT EMPLOYEES; TO MODERNIZE PUBLICATION OF LEGAL ADVERTISEMENTS AND NOTICES; TO ALLOW GUILFORD COUNTY AND ANY MUNICIPALITY IN GUILFORD COUNTY TO USE ELECTRONIC MEANS TO PROVIDE PUBLIC NOTICE IN LIEU OF PUBLICATION; AND TO ALLOW GUILFORD COUNTY TO OPT TO POST LEGAL ADVERTISEMENTS AND NOTICES ON THE COUNTY WEB SITE FOR A FEE WITH MONIES COLLECTED TO BE USED FOR LOCAL SUPPLEMENTS FOR TEACHER SALARY AND OTHER COUNTY NEEDS.

HOUSE BILL 140 AN ACT TO APPLY DISCLOSURE AND NOTIFICATION REQUIREMENTS RELATED TO INSURER FEE SCHEDULES, CLAIMS SUBMISSION, AND REIMBURSEMENT POLICIES TO STAND ALONE DENTAL INSURANCE.

HOUSE BILL 770 AN ACT TO MAKE CLARIFYING CHANGES TO ENSURE ESSA COMPLIANCE; CLARIFY PROPERTY TAX COMMISSION SALARIES; CLARIFY ADMINISTRATIVE COSTS FOR THE HEALTHY FOOD SMALL RETAILER PROGRAM; CLARIFY SINGLE-STREAM FUNDING FOR LME/MCOS; CHANGE THE MEMBERSHIP OF THE NORTH CAROLINA MEDICAL BOARD; PROHIBIT ATTORNEYS SERVING AS TRUSTEES FROM REPRESENTING NOTEHOLDERS OR BORROWERS WHILE

	INITIATING A FORECLOSURE PROCEEDING; MAKE CHANGES TO REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY; AND MAKE CHANGES TO THE NORTH CAROLINA STATE LOTTERY COMMISSION.
SENATE BILL 16	AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.
HOUSE BILL 56	AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.
SENATE BILL 656	AN ACT TO CHANGE THE DEFINITION OF A "POLITICAL PARTY" BY REDUCING THE NUMBER OF SIGNATURES REQUIRED FOR THE FORMATION OF A NEW POLITICAL PARTY AND FOR UNAFFILIATED CANDIDATES TO OBTAIN BALLOT ACCESS ELIGIBILITY; TO AUTHORIZE ESTABLISHMENT OF POLITICAL PARTIES RECOGNIZED IN A SUBSTANTIAL NUMBER OF STATES IN THE PRIOR PRESIDENTIAL ELECTION; TO CHANGE TIMING OF FILING OF PETITIONS; TO REDUCE THE THRESHOLD FOR A SUBSTANTIAL PLURALITY TO THIRTY PERCENT; AND TO ELIMINATE JUDICIAL PRIMARIES FOR THE 2018 GENERAL ELECTION.

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 100, *"AN ACT TO RESTORE PARTISAN JUDICIAL ELECTIONS FOR NORTH CAROLINA SUPERIOR AND DISTRICT COURTS AND TO CHANGE THE TIME FOR SUBMISSION OF PETITIONS FOR UNAFFILIATED CANDIDATES."*

North Carolina wants its judges to be fair and impartial, and partisan politics has no place on the judges' bench. We need less politics in the courtroom, not more.

Judges make tough decisions on child abuse, divorce, property disputes, drunk driving, domestic violence and other issues that should be free from politics. This bill reverses that progress.

We should let people elect judges based on their experience and ability to do the job, not which party they pick.

I am also concerned that judges who have chosen to register as unaffiliated voters so as to avoid partisan politics now have a difficult path to getting on the ballot.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 16th day of March 2017, at 3:10 pm for reconsideration by that body.

RECEIVED
MAR 16 2017
3:30pm
James White

Location: 114 W. Edenton St., Raleigh, North Carolina 27603
Mail Service Center 9001, Raleigh, N. C. 27699-9001
Phone: (919) 716-6400 Fax: (919) 716-0803

Office of the Governor
State of North Carolina

Roy Cooper
Governor

20301 Mail Service Center
Raleigh, N.C. 27699-0301

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 239, *"AN ACT TO REDUCE THE NUMBER OF JUDGES ON THE COURT OF APPEALS TO TWELVE; to provide an appeal of right for trial court decisions regarding class action certification and termination of parental rights; and to provide for discretionary review by the supreme court in cases where the subject matter involves the jurisdiction and integrity of the court system."*

Fewer judges will increase the court's workload and delay the people's access to timely appeals and decisions. The bill is an attempt by a political party to stack the Court of Appeals. Additionally, I believe this legislation is unconstitutional.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 20th day of April 2017, at 10:29 AM for reconsideration by that body.

RECEIVED
APR 21 2017
10:40AM
James White

Location: The State Capitol Building, Raleigh, N. C. 27602
Phone: 919-814-2100

Office of the Governor
State of North Carolina

Roy Cooper
Governor

20301 Mail Service Center
Raleigh, N.C. 27699-0301

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

Senate Bill 68, *AN ACT TO REPEAL G.S. 126-5(D)(2C), AS ENACTED BY S.L. 2016-126; TO REPEAL PART I OF S.L. 2016-125; AND TO CONSOLIDATE THE FUNCTIONS OF ELECTIONS, CAMPAIGN FINANCE, LOBBYING, AND ETHICS UNDER ONE QUASI-JUDICIAL AND REGULATORY AGENCY BY CREATING THE NORTH CAROLINA BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT.*

Similar legislation to this was held unconstitutional by a three judge panel in a unanimous decision, and I believe this repackaged bill is also unconstitutional. This legislation will result in deadlocked votes on the Board of Elections, and will undermine North Carolina's ability to conduct fair, legal elections that maximize voter participation.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 20th day of April 2017, at 10:26 AM for reconsideration by that body.

Received from the Governor:
April 21, 2017
@ 10:45 a.m.
Sarah Long

Location: The State Capitol Building, Raleigh, N. C. 27602
Phone: 919-814-2100

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER'S OBJECTIONS AND VETO MESSAGE:

House Bill 467, "AN ACT TO CLARIFY THE REMEDIES AVAILABLE IN PRIVATE NUISANCE ACTIONS AGAINST AGRICULTURAL AND FORESTRY OPERATIONS"

The agriculture and forestry industries are vital to our economy and we should encourage them to thrive.

But nuisance laws can be used to protect property rights and make changes for good. We used nuisance laws to force the Tennessee Valley Authority to stop air pollution from flowing into North Carolina and we won damages to improve air quality.

Special protection for one industry opens the door to weakening our nuisance laws in other areas which can allow real harm to homeowners, the environment and everyday North Carolinians.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this 5th day of May, 2017, at 10:03am for reconsideration by that body.

RECEIVED
MAY 05 2017
10:05am

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

Senate Bill 257, "AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES."

This budget neglects our schools and our economy at a time when North Carolina should be making public education stronger, not giving special breaks to those at the top.

It prioritizes tax breaks for the wealthy and corporations and shortchanges our workforce and schools at a pivotal time of growth.

The budget also lacks structural integrity by failing to account for population growth, inflation and looming federal reductions, by using one-time revenue for recurring expenses, and by adopting a tax plan that will cause the state to fail to fund promised teacher salary increases in future years, along with funding for early childhood education, community colleges and universities.

Additionally, the Act contains provisions that infringe upon the Governor's ability to faithfully execute the laws, including the administration of this Act, as required by the Constitution, and violating the separation of powers.

These shortcomings can be fixed, and I encourage the General Assembly to do so by capping tax cuts so they benefit the middle class, investing more in public education, and fixing the unconstitutional flaws in this bill. But in its current form the Act shortchanges North Carolina.

Therefore, I veto the bill.

Roy Cooper
Governor

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Received:
June 27, 2017
@ 10:23 a.m.
Sarah Lang

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 576 ***AN ACT TO (1) REQUIRE THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO APPROVE AEROSOLIZATION OF LEACHATE AND WASTEWATER FROM A LINED SANITARY LANDFILL FOR THE DISPOSAL OF MUNICIPAL SOLID WASTE LANDFILL, IN CERTAIN CIRCUMSTANCES; (2) ALLOW THE DEPARTMENT TO APPROVE AEROSOLIZATION OF LEACHATE FROM UNLINED LANDFILLS; AND (3) PROVIDE THAT AEROSOLIZATION OF LEACHATE OR WASTEWATER THAT RESULTS IN A ZERO-LIQUID DISCHARGE AND IS NOT A SIGNIFICANT AIR CONTAMINATION SOURCE DOES NOT CONSTITUTE A SOURCE THAT REQUIRES CERTAIN PERMITS.***

In this bill, the legislature exempts particular technologies that could potentially better ensure the health and safety of people and the environment. Scientists, not the legislature, should decide whether a patented technology can safely dispose of contaminated liquids from landfills. With use of the word "shall," the legislature mandates a technology winner, limiting future advancements that may provide better protection.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 30th day of June, 2017, at 4:56 pm for reconsideration by that body.

RECEIVED
JUN 30 2017
4:56 PM
James White

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 511 AN ACT TO AUTHORIZE NONPROFIT ORGANIZATIONS TO OPERATE "GAME NIGHTS," TO PROVIDE FOR THE REGULATION OF NONPROFIT ORGANIZATIONS HOLDING "GAME NIGHTS," TO ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES AT "GAME NIGHTS," TO INCREASE THE ABILITY OF NONPROFIT ORGANIZATIONS TO HOLD FUND-RAISING RAFFLES, AND TO AUTHORIZE REISSUANCE OF CERTAIN ONE-TIME ALCOHOLIC BEVERAGE CONTROL COMMISSION PERMITS.

I am not opposed to legitimate nonprofits holding an occasional "game night" to help with donations to worthy causes. However, I believe this legislation as written could cause unintended problems. North Carolina law enforcement has fought for years against the for-profit video poker industry, and legitimizing charitable gambling in this way could give video poker a new way to infiltrate our communities. Allowing the industry to masquerade as a charity could cause unintended permits to be issued, and without tough criminal penalties enforcement would be difficult.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 12th day of July, 2017, at 3:55pm for reconsideration by that body.

RECEIVED
FROM GOVERNOR
JUL 12 2017
3:55pm
James White

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER'S OBJECTIONS AND VETO MESSAGE:

House Bill 205 AN ACT TO AMEND PROVISIONS OF THE WORKERS' COMPENSATION ACT RELATING TO PRISONERS AND TO THE REBUTTABLE PRESUMPTION REGARDING NEWSPRINT EMPLOYEES; TO MODERNIZE PUBLICATION OF LEGAL ADVERTISEMENTS AND NOTICES; TO ALLOW GUILFORD COUNTY AND ANY MUNICIPALITY IN GUILFORD COUNTY TO USE ELECTRONIC MEANS TO PROVIDE PUBLIC NOTICE IN LIEU OF PUBLICATION; AND TO ALLOW GUILFORD COUNTY TO OPT TO POST LEGAL ADVERTISEMENTS AND NOTICES ON THE COUNTY WEB SITE FOR A FEE WITH MONIES COLLECTED TO BE USED FOR LOCAL SUPPLEMENTS FOR TEACHER SALARY AND OTHER COUNTY NEEDS.

Included in this legislation is an important change to the Prison Industry Enhancement Program that I do support. I urge the legislature to address that separately and I will sign it.

However, time and again, this legislature has used the levers of big government to attack important institutions in our state who may disagree with them from time to time. Unfortunately, this legislation is another example of that misguided philosophy meant to specifically threaten and harm the media. Legislation that enacts retribution on the media threatens a free and open press, which is fundamental to our democracy.

Therefore, I veto the bill.

Roy Cooper

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this 17th day of July, 2017, at 5:19 pm for reconsideration by that body.

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

RECEIVED
From GOVERNOR
JUL 17 2017
5:19 pm

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 140, AN ACT TO APPLY DISCLOSURE AND NOTIFICATION REQUIREMENTS RELATED TO INSURER FEE SCHEDULES, CLAIMS SUBMISSION, AND REIMBURSEMENT POLICIES TO STAND ALONE DENTAL INSURANCE.

Making small loans more expensive by expanding credit insurance can drive borrowers further into debt, especially those who can least afford it. If this bill becomes law, consumers will have higher-cost loans because they will be borrowing the money to pay the credit insurance premiums. Borrowers who need short-term loans should not have to pay more for unnecessary insurance.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 27th day of July 2017, at 3:59 p.m. for reconsideration by that body.

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

~~JUL 27 2017~~
~~RECEIVED~~
RECEIVED
FROM GOVERNOR
JUL 27 2017
3:59 pm
James White

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 770 AN ACT TO MAKE CLARIFYING CHANGES TO ENSURE ESSA COMPLIANCE; CLARIFY PROPERTY TAX COMMISSION SALARIES; CLARIFY ADMINISTRATIVE COSTS FOR THE HEALTHY FOOD SMALL RETAILER PROGRAM; CLARIFY SINGLE-STREAM FUNDING FOR LME/MCOS; CHANGE THE MEMBERSHIP OF THE NORTH CAROLINA MEDICAL BOARD; PROHIBIT ATTORNEYS SERVING AS TRUSTEES FROM REPRESENTING NOTEHOLDERS OR BORROWERS WHILE INITIATING A FORECLOSURE PROCEEDING; MAKE CHANGES TO REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY; AND MAKE CHANGES TO THE NORTH CAROLINA STATE LOTTERY COMMISSION.

This special pay benefit for one employee getting two state salaries is unnecessary and unfair to other state employees. In addition, the legislature taking two appointments to the state's Medical Board is an intrusion on executive authority and not needed.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 14th day of August, 2017, at 8:10 pm for reconsideration by that body.

RECEIVED
FROM GOVERNOR
AUG 14 2017
8:10 pm
James White

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

Senate Bill 16 AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

We should make it easier, not harder, for state and local governments to protect water quality, whether through stormwater safeguards or by giving public health departments the ability to revisit wastewater permits if needed. Rolling back ways to protect water quality is dangerous.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina Senate on this the 14th day of August, 2017, at 8:22 pm for reconsideration by that body.

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Received from the Governor
August 14, 2017
@ 8:22 p.m.
Sarah Lamm

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

House Bill 56, AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

Clean water is critical for our health and our economy and this legislation fails to appropriate any needed funds to the departments in state government charged with setting standards and enforcing laws to prevent illegal chemical discharges into rivers used for drinking water. In addition, it weakens protections from river pollution and landfills and repeals a local plastic bag ban supported by local governments and businesses that was passed to protect the environment.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this the 21st day of September, 2017, at 9:57 a.m. for reconsideration by that body.

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

SEP 2 1 2017
RECEIVED FROM GOVERNOR
9:57AM

Roy Cooper, Governor
State of North Carolina

GOVERNOR ROY COOPER OBJECTIONS AND VETO MESSAGE:

Senate Bill 656 AN ACT TO CHANGE THE DEFINITION OF A "POLITICAL PARTY" BY REDUCING THE NUMBER OF SIGNATURES REQUIRED FOR THE FORMATION OF A NEW POLITICAL PARTY AND FOR UNAFFILIATED CANDIDATES TO OBTAIN BALLOT ACCESS ELIGIBILITY; TO AUTHORIZE ESTABLISHMENT OF POLITICAL PARTIES RECOGNIZED IN A SUBSTANTIAL NUMBER OF STATES IN THE PRIOR PRESIDENTIAL ELECTION; TO CHANGE TIMING OF FILING OF PETITIONS; TO REDUCE THE THRESHOLD FOR A SUBSTANTIAL PLURALITY TO THIRTY PERCENT; AND TO ELIMINATE JUDICIAL PRIMARIES FOR THE 2018 GENERAL ELECTION.

This legislation abolishes a scheduled election and takes away the right of the people to vote for the judges of their choice. It is the first step toward a constitutional amendment that will rig the system so that the legislature picks everybody's judges in every district instead of letting the people vote for the judges they want. If the legislature doesn't like the fact that judges are ruling many of their laws unconstitutional, they should change their ways instead of their judges.

Therefore, I veto the bill.

Roy Cooper
Governor

The bill, having been vetoed, is returned to the Clerk of the North Carolina Senate on this the 9th day of October, 2017, at 11:55 am for reconsideration by that body.

The Capitol Building, Raleigh, NC 27602
Mail: 20301 Mail Service Center, Raleigh, NC 27699-0301
Phone: (919)814-2100

Received from the Governor: Oct. 9, 2017 @ 11:56 a.m. Sarah Laing

RESOLUTIONS

OF THE

STATE OF NORTH CAROLINA

REGULAR SESSION 2017

Resolution 2017-1 **S.J.R. 2**

A JOINT RESOLUTION ADJOURNING THE 2017 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN, AS PROVIDED BY LAW.

Whereas, G.S. 120-11.1 provides for the 2017 Regular Session of the General Assembly to convene at 12:00 noon on January 11, 2017, and on that day meet solely to elect officers, adopt rules, and otherwise organize the session and provides that, when they adjourn that day, they stand adjourned until 12:00 noon on Wednesday, January 25, 2017; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the Senate and the House of Representatives adjourn on Wednesday, January 11, 2017, they stand adjourned to reconvene on Wednesday, January 25, 2017, at 12:00 noon.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 11th day of January, 2017.

Resolution 2017-2 **H.J.R. 215**

A JOINT RESOLUTION INVITING HIS EXCELLENCY, GOVERNOR ROY COOPER, TO ADDRESS A JOINT SESSION OF THE HOUSE OF REPRESENTATIVES AND SENATE.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. A committee of six Representatives and six Senators shall be appointed by the presiding officers of the respective houses to invite His Excellency, Governor Roy Cooper, to address a joint session of the House of Representatives and the Senate in the Hall of the House of Representatives at 7:00 P.M. on March 13, 2017.

SECTION 2. The Honorable Roy Cooper's cabinet nominees are invited to the joint session.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 9th day of March, 2017.

Resolution 2017-3 **H.J.R. 194**

A JOINT RESOLUTION SETTING THE DATE FOR THE HOUSE OF REPRESENTATIVES AND THE SENATE TO ELECT MEMBERS TO THE STATE BOARD OF COMMUNITY COLLEGES.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. Pursuant to G.S. 115D-2.1(b)(4)f., the House of Representatives and the Senate shall elect members to the State Board of Community Colleges during the regular sessions of the two chambers to be held on Thursday, April 6, 2017. At that time, the House of Representatives shall elect one member to the State Board for a term of six years beginning July 1, 2017. The Senate also shall elect one member to the State Board for a term of six years beginning July 1, 2017.

SECTION 2. Each chamber shall follow the procedure set out in G.S. 115D-2.1 for the nomination and election of members to the State Board.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 13th day of March, 2017.

Resolution 2017-4 **H.J.R. 920**

A JOINT RESOLUTION PROVIDING THAT THE GENERAL ASSEMBLY SHALL MEET IN JOINT SESSION TO HONOR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL MEN'S BASKETBALL TEAM FOR WINNING THE 2017 NCAA CHAMPIONSHIP.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. On Wednesday, May 3, 2017, at 10:30 A.M., the House of Representatives and the Senate shall meet in joint session in the Hall of the House of Representatives to honor the University of North Carolina at Chapel Hill men's basketball team for winning the 2017 National Collegiate Athletic Association Division I Men's Basketball Championship.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 2nd day of May, 2017.

Resolution 2017-5 **H.J.R. 921**

A JOINT RESOLUTION HONORING THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL MEN'S BASKETBALL TEAM FOR WINNING THE 2017 NCAA CHAMPIONSHIP.

Whereas, on April 3, 2017, the University of North Carolina at Chapel Hill men's basketball team won the 2017 National Collegiate Athletic Association (NCAA) Division I Championship by defeating Gonzaga University by a score of 71-65; and

Whereas, on the road to the final championship game, the Tar Heels defeated some formidable opponents, including the Oregon Ducks (77-76), Kentucky Wildcats (75-73), Butler Bulldogs (92-80), Arkansas Razorbacks (72-65), and Texas Southern Tigers (103-64); and

Whereas, the Tar Heels looked at this year's season as redemption for losing the 2016 National Championship during the final seconds of the game against Villanova University; and

Whereas, the 2017 National Championship marks the sixth Division I NCAA Championship, adding to National Championships in 1957, 1982, 1993, 2005, and 2009; and

Whereas, in NCAA tournament play, UNC has made 48 appearances, been selected as a No. 1 seed 16 times, and played in the Final Four eight different decades; and

Whereas, Head Coach Roy Williams, a Naismith Hall of Fame member, is the first coach to win three NCAA championships at his alma mater; and

Whereas, the Tar Heels were also crowned the 2017 Atlantic Coast Conference (ACC) regular season champions, improving the program's ACC record to 31 regular season titles; and

Whereas, the entire UNC men's basketball team deserves congratulations and appreciation for an outstanding season and their determination to win the 2017 NCAA Championship; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly expresses the appreciation and admiration of the people of North Carolina to the University of North Carolina at Chapel Hill men's basketball team for winning the 2017 National Collegiate Athletic Association Division I Championship.

SECTION 2. The General Assembly recognizes the perseverance, teamwork, and ensuing triumph of the University of North Carolina at Chapel Hill men's basketball team members, Joel Berry II, Tony Bradley, Nate Britt, Kanler Coker, Isaiah Hicks, Justin Jackson, Luke Maye, Kennedy Meeks, Theo Pinson, Brandon Robinson, Aaron Rohlman, Shea Rush, Stilman White, Kenny Williams, and Seventh Woods; Head Coach, Roy Williams; Assistant Coaches, Hubert Davis, C.B. McGrath, and Steve Robinson; and other coaching staff members, Brad Frederick, Sean May, Jonas Sahratian, and Eric Hoots.

SECTION 3. The Secretary of State shall send certified copies of this resolution to Head Coach Roy Williams, the team members and coaches honored in this resolution, Athletic Director Lawrence "Bubba" Cunningham, and Chancellor Carol L. Folt.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 4th day of May, 2017.

Resolution 2017-6 **H.J.R. 75**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF PAUL LUEBKE, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Paul Luebke was born on January 18, 1946, in Chicago, Illinois, to Paul T. and Eunice Elbert Luebke; and

Whereas, Paul Luebke graduated from Valparaiso University in 1966 and received his PhD in Sociology from Columbia University in 1975; and

Whereas, Paul Luebke began his distinguished college teaching career at Tougaloo College in Mississippi where he taught for four years; and

Whereas, Paul Luebke moved to North Carolina in 1975 to teach Sociology at the University of North Carolina at Chapel Hill; and

Whereas, Paul Luebke became an Associate Professor of Sociology at the University of North Carolina at Greensboro where he taught for 40 years; and

Whereas, Paul Luebke was the author of Tarheel Politics: Myths and Realities (1990) and Tarheel Politics 2000 (1998), the authoritative books on politics and political history in North Carolina; and

Whereas, Paul Luebke was a founder and leader of the Durham People's Alliance, an enduring citizens' group that advocates for progressive political change in North Carolina; and

Whereas, Paul Luebke served as a member of the Raleigh-Durham International Airport Authority; Board of Editors of Perspectives on the American South: An Annual Review of Society, Politics, and Culture; and the Board of Editors of Research in Political Sociology; and

Whereas, Paul Luebke was elected to the North Carolina House of Representatives in 1990 and continued to represent Durham County in the General Assembly for 25 years; and

Whereas, Paul Luebke served as chair of the Finance Committee and actively participated as a member of various other committees, including Education, Environment, Local Government, Public Utilities, Rules, and Transportation; and

Whereas, Paul Luebke distinguished himself as an advocate of tax fairness and led the effort to repeal the State sales tax on food; and

Whereas, throughout his legislative tenure, Paul Luebke was a champion and tireless advocate for the causes he believed in, including public education, effective environmental regulation, repeal of the death penalty, alternatives to incarceration, reproductive rights, and public transit; and

Whereas, Paul Luebke died on October 29, 2016, at the age of 70; and

Whereas, Paul Luebke is survived by his son, Theodore Luebke; his granddaughter, Adele Rose Derello-Luebke; his brother, Tim Wong; and his partner, Sherrie Cannoy; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly honors the memory of Paul Luebke and expresses the gratitude of this State and its citizens for the service he rendered.

SECTION 2. The General Assembly extends its deepest sympathy to the family and friends of Paul Luebke for the loss of a beloved family member and dear friend.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Paul Luebke.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 8th day of June, 2017.

Resolution 2017-7 **H.J.R. 765**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF RUTH CULBERTSON SAMUELSON, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Ruth Culbertson Samuelson was born in Charleston, South Carolina, on November 4, 1959, to Bob and Peggy Culbertson; and

Whereas, Ruth Culbertson Samuelson graduated from West Charlotte High School in 1977 and earned a B.A. in Speech Communications from the University of North Carolina at Chapel Hill in 1981; and

Whereas, Ruth Culbertson Samuelson began her career in the securities and insurance industry and later served as President of Philanthropy in Motion; and

Whereas, Representative Samuelson served with honor and distinction for four terms between 2007 and 2014 and brought incomparable negotiating skills to forge agreements on some of the legislature's most highly charged issues. Her ability to cross political chasms, labels, and lines to bring consensus and solutions for a better North Carolina earned her the admiration and respect of her colleagues and the nickname "the Velvet Hammer" due to her ability to strongly lead with courage, grace, and kindness; and

Whereas, while in the General Assembly, Representative Samuelson served as chair of the Banking and Environment Committees; as vice-chair of the Redistricting Committee, as a member of the Committees on Appropriations, Commerce and Job Development, Commerce, Finance, Health and Human Services, Public Utilities, and Rules, Calendar, and Operations of the House; and as Republican Conference leader; and

Whereas, during her final speech on the floor of the House, Representative Samuelson read a favorite quote from a hymn, "In Christ alone my hope is found… No guilt in life, no fear in death, this is the power of Christ in me"; and

Whereas, Ruth Culbertson Samuelson was active in her community, serving on the Mecklenburg County Board of Commissioners from 2000 to 2004, President's Council of Central Piedmont Community College, Board of Visitors of Johnson C. Smith University, and Board of Counselors of Catawba Lands Conservancy; and

Whereas, Ruth Culbertson Samuelson championed conservation, parks, and environmental causes and, most notably, successfully advocated for the Mecklenburg County Park's greenway system, including the Sugar Creek Greenway; and

Whereas, Ruth Culbertson Samuelson was involved with many charitable organizations, serving as a sustainer member of the Junior League of Charlotte, a member of the National Board of Peacemaker Ministries, and a Charlotte Trustee of Speedway Charities; and

Whereas, Ruth Culbertson Samuelson was a mentor to men and women of all ages, races, faiths, and positions; and

Whereas, Ruth Culbertson Samuelson was a woman of great faith and a member of Uptown Church of Charlotte; and

Whereas, Ruth Culbertson Samuelson was honored for her activities and community involvement, including being named one of "50 Most Influential Women in Business, Government" by the *Mecklenburg Times*; a Hall of Fame inductee of the National Association of Negro Business and Professional Women's Clubs, Inc., Charlotte Chapter; and a Green Government Leader by the *Charlotte Business Journal*; receiving the Green Tie Award from the North Carolina League of Conservation Voters; and having a mile of the greenway through Mecklenburg County's Freedom Park named in her honor; and

Whereas, Ruth Culbertson Samuelson was also the recipient of the Order of the Long Leaf Pine, the State's highest commendation for public service; and

Whereas, Ruth Culbertson Samuelson died January 23, 2017; and

Whereas, Ruth Culbertson Samuelson is survived by her husband, Ken Samuelson; four children, Bobby Samuelson and his wife, McKinsey; David Samuelson and his wife, Courtney; Joy Bennett and her husband, Chad; and Alex Cardiel; four grandchildren, Ford, Margaret Ruth, Evan, and Mason; three siblings, Ewell Culbertson; John Culbertson, and Laura Thomas; and several nieces and nephews; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly honors the memory of Ruth Culbertson Samuelson and expresses its appreciation for the service she rendered her community and State.

SECTION 2. The General Assembly joins the family and friends of Ruth Culbertson Samuelson in mourning a devoted and caring wife, mother, friend, and colleague.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Ruth Culbertson Samuelson.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 15th day of June, 2017.

Resolution 2017-8 **S.J.R. 681**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF RALPH A. HUNT, SR., FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Ralph A. Hunt, Sr., was born on April 10, 1932, in Oxford, North Carolina, to Johnnie and Amanda Harris Hunt; and

Whereas, Ralph A. Hunt, Sr., attended Granville County public schools and graduated from Mary Potter High School in 1950; and

Whereas, Ralph A. Hunt, Sr., served in the United States Army from 1953 to 1955 and was honorably discharged as a Corporal in 1955; and

Whereas, Ralph A. Hunt, Sr., earned a Bachelor of Science degree in Mathematics from Johnson C. Smith University in 1956 and later obtained a Master's Degree in Mathematics Education from North Carolina Central University; and

Whereas, Ralph A. Hunt, Sr., worked as a mathematician at Wright's Aircraft Company in Newark, New Jersey, before returning to Oxford, where he taught at Mary Potter High School from 1957 until 1964; and

Whereas, during his tenure at Mary Potter High School, Ralph A. Hunt, Sr., served as chair of the Granville County Citizens League, which was involved with various civil rights issues; and

Whereas, after a brief time living in Washington, D.C., Ralph A. Hunt, Sr., moved to Durham, North Carolina, where he taught at Hillside High School from 1965 to 1968; and

Whereas, Ralph A. Hunt, Sr., worked at North Carolina Mutual Life Insurance Company as a computer programmer from 1968 to 1970 and then served as Executive Director of the Durham Business and Professional Chain from 1970 to 1982; and

Whereas, Ralph A. Hunt, Sr., became a private business owner in 1982 and opened a number of convenience stores in Durham and Oxford; and

Whereas, Ralph A. Hunt, Sr., also obtained a real estate broker's license and served as an auctioneer; and

Whereas, Ralph A. Hunt, Sr., was elected to the Durham City Council to represent Ward 3 in 1975 and was one of only two African-Americans serving at that time; and

Whereas, Ralph A. Hunt, Sr., was a member of the Durham City Council until 1985, during which time he served as Mayor Pro Tempore. He was known as a "consensus builder" because he always found a way to persuade people to come together; and

Whereas, Ralph A. Hunt, Sr., served with honor and distinction in the General Assembly as a State Senator for four terms between 1985 and 1992, during which time he was a trusted colleague and leader, serving as Chair of the Finance Committee, Majority Whip, and a member of the Joint Legislative Commission on Government Operations; and

Whereas, Governor James B. Hunt appointed Ralph A. Hunt, Sr., to the State Utilities Commission for a term from 1993 to 2001; and

Whereas, Ralph A. Hunt, Sr., returned to the State Senate in 2004, filling the remainder of former Senator Wib Gulley's term until 2005; and

Whereas, Ralph A. Hunt, Sr., served as Chair of the Durham Committee on the Affairs of Black People from 2014 to 2016 and was a tireless advocate for all people irrespective of race, gender, class, or religion; and

Whereas, Ralph A. Hunt, Sr., was a member of Sigma Pi Phi and the Durham Graduate Chapter of the Kappa Alpha Psi Fraternity, Inc., and was named "Kappa Man of the Year" for 1977-1978; and

Whereas, Ralph A. Hunt, Sr., was the recipient of the State's highest honor, the "Order of the Long Leaf Pine"; and

Whereas, Ralph A. Hunt, Sr., died on May 16, 2017, at the age of 85; and

Whereas, Ralph A. Hunt, Sr., is survived by the love of his life, Rebecca Cooke Hunt; son Ralph Hunt, Jr., and wife, Anita; son, Reginald Hunt and wife, Krista; daughter,

Regina Greene and husband Keith; grandchildren, Ralph Hunt, III, Lauren Hunt, Nijel Hunt, Ryan Hunt, Sydney Greene, and Tyler Greene; and his brother, Talmadge Hunt; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the memory of Ralph A. Hunt, Sr., and expresses its appreciation for the service he rendered his community, State, and nation.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Ralph A. Hunt, Sr., for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Ralph A. Hunt, Sr.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 22nd day of June, 2017.

Resolution 2017-9 **H.J.R. 870**

A JOINT RESOLUTION TO CONFIRM THE APPOINTMENT OF PHILIP A. BADDOUR III TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.

Whereas, G.S. 97-77(a1) provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and

Whereas, the term of Bernadine Ballance expires on April 30, 2017; and

Whereas, the Governor wishes to appoint Philip A. Baddour III to the North Carolina Industrial Commission; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of Philip A. Baddour III to a term on the North Carolina Industrial Commission to begin on May 1, 2017, and expire on April 30, 2023, is confirmed.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 26th day of June, 2017.

Resolution 2017-10 **S.J.R. 205**

A JOINT RESOLUTION OF SUPPORT FOR REVISIONS TO POLICIES OF THE U.S. ARMY CORPS OF ENGINEERS TO ALLOW SHELLFISH CULTIVATION AND AQUACULTURE ACTIVITIES IN NORTH CAROLINA WATERS CONTAINING SUBMERGED AQUATIC VEGETATION.

Whereas, under current policies of the Wilmington District of the U.S. Army Corps of Engineers, shellfish cultivation and aquaculture activities are banned in areas of North Carolina sounds and estuaries containing submerged aquatic vegetation (SAV), a policy that is stricter than policies used in other coastal states, including the Commonwealth of Virginia; and

Whereas, Section 11 of the 2015 Farm Act (S.L. 2015-263) allows the Marine Fisheries Commission to issue shellfish cultivation leases in areas containing SAV to the extent allowed by federal law; and

Whereas, the 2016 Stock Status Report of the Division of Marine Fisheries continues to classify the eastern oyster as a species of concern, with juvenile abundance indices for 2015 well below the average for the prior 10 years; and

Whereas, the encouragement of oyster cultivation and aquaculture has the potential to increase water quality due to the ability of adult oysters to filter between 13 and 50 gallons of water a day; and

Whereas, oyster beds provide food and habitat for more than 300 other species, including crabs, shrimp, and multiple juvenile and adult fish species; and

Whereas, portions of coastal waters with SAV in many cases were historically viable oyster producing sites; and

Whereas, the amendment of the Regional Conditions for Nationwide Permits to allow shellfish bottom leases in areas containing SAV under certain circumstances would encourage the expansion of shellfish cultivation and aquaculture in these areas and provide a source of economic development in coastal portions of the State; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly supports the revision of section 3.8 of the proposed 2017 Regional Conditions for Nationwide Permits under section 404 of the Clean Water Act for the Wilmington District of the U.S. Army Corps of Engineers to replace the current ban on adverse impacts to submerged aquatic vegetation with a requirement that adverse impacts are allowed if an essential fish habitat consultation under the federal Magnuson-Stevens Fisheries Conservation and Management Act has been completed.

SECTION 2. The Secretary of State shall transmit copies of this resolution to the Wilmington District, the South Atlantic Division, and the Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

Resolution 2017-11 **S.J.R. 687**

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF DANIEL G. CLODFELTER TO THE UTILITIES COMMISSION.

Whereas, under the provisions of G.S. 62-10, appointments made by the Governor to membership on the North Carolina Utilities Commission are subject to confirmation by the General Assembly by joint resolution; and

Whereas, a vacancy will occur on June 30, 2017, when the term of Don M. Bailey expires; and

Whereas, the Governor has submitted to the presiding officers of the Senate and the House of Representatives the appointment of Daniel G. Clodfelter to serve a term commencing July 1, 2017, and expiring June 30, 2023, on the North Carolina Utilities Commission; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The appointment of Daniel G. Clodfelter of Mecklenburg County to the North Carolina Utilities Commission for a new term beginning July 1, 2017, and expiring June 30, 2023, is confirmed.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Resolution 2017-12 **S.J.R. 686**

A JOINT RESOLUTION ADJOURNING THE 2017 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN AND LIMITING THE MATTERS THAT MAY BE CONSIDERED UPON RECONVENING.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1.1. When the House of Representatives and the Senate jointly adjourn on the date this resolution is ratified, they stand adjourned to reconvene on Thursday, August 3, 2017, at 12:00 noon.

SECTION 1.2. During the regular session that reconvenes on Thursday, August 3, 2017, only the following matters may be considered:

(1) Bills returned by the Governor with his objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(2) Bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(3) Bills providing for action on gubernatorial nominations or appointments.

(4) Bills responding to actions related to litigation concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials' actions and any other litigation challenging the legality of legislative enactments.

(5) Bills returned on or after Wednesday, June 28, 2017, to the house in which the bill originated for concurrence.

(6) Adoption of conference reports for bills which were in conference on or after Wednesday, June 28, 2017, and conferees had been appointed by both houses on or after that date.

(7) Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes.

(8) Bills that are subject to Section 23 of Article II of the North Carolina Constitution that have passed second reading in the receiving house or have passed second reading for concurrence in the originating house, but have not been taken up for third reading.

(9) Simple resolutions addressing organizational matters of each respective house.

(10) A joint resolution further adjourning the 2017 Regular Session or amending a joint resolution adjourning the 2017 Regular Session to a date certain.

SECTION 2.1. When the House of Representatives and the Senate jointly adjourn the session convened on Thursday, August 3, 2017, they stand adjourned to reconvene on Wednesday, September 6, 2017, at 12:00 noon.

SECTION 2.2. During the regular session that reconvenes on Wednesday, September 6, 2017, only the following matters may be considered:

(1) Bills:

a. Revising the judicial divisions of the State, the superior court districts, the district court districts, and the prosecutorial districts and the apportionment of judges and district attorneys among those districts and containing no other matter.

b. Revising districts for cities, counties, and other political subdivisions of the State and the apportionment of elected officials among those districts and containing no other matter.

(2) Bills:
   a. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter.
   b. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter other than statutory conforming changes to implement such bills.
   c. Solely making statutory and transitional changes to implement bills under sub-subdivision a. of this subdivision.

(3) Bills returned by the Governor with his objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(4) Bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(5) Bills providing for action on gubernatorial nominations or appointments.

(6) Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes.

(7) Bills responding to actions related to litigation concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials' actions and any other litigation challenging the legality of legislative enactments.

(8) A joint resolution further adjourning the 2017 Regular Session or amending a joint resolution adjourning the 2017 Regular Session to a date certain.

(9) A joint resolution further adjourning the 2017 Regular Session or amending a joint resolution adjourning the 2017 Regular Session to a date certain that is no later than November 15, 2017, for the purpose of considering bills:
   a. Revising the Senate districts and the apportionment of Senators among those districts and containing no other matter.
   b. Revising the Representative districts and the apportionment of Representatives among those districts and containing no other matter.
   c. Revising the judicial divisions of the State, the superior court districts, the district court districts, and the prosecutorial districts and the apportionment of judges and district attorneys among those districts and containing no other matter.
   d. Revising districts for cities, counties, and other political subdivisions of the State and the apportionment of elected officials among those districts and containing no other matter.

SECTION 3.1. Subject to Section 2.2(8) of this Resolution, when the House of Representatives and the Senate jointly adjourn the session convened on Wednesday, September 6, 2017, they stand adjourned to reconvene on Wednesday, May 16, 2018, at 12:00 noon.

SECTION 3.2. During the regular session that reconvenes on Wednesday, May 16, 2018, only the following matters may be considered:

(1) Bills directly and primarily affecting the State budget, including the budget of an occupational licensing board for fiscal year 2018-2019, provided that the bill must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Friday, May 18, 2018, and must be introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Thursday, May 31, 2018.

(2) Bills:
   a. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter.

b. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter other than statutory conforming changes to implement such bills.
c. Solely making statutory and transitional changes to implement bills under sub-subdivision a. of this subdivision.

(3) Bills and resolutions introduced in 2017 and having passed third reading in 2017 in the house in which introduced, received in the other house in accordance with Senate Rule 41 or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house.

(4) Bills and resolutions implementing the recommendations of:
a. Study commissions, authorities, and statutory commissions authorized or directed to report to the 2018 Regular Session.
b. The General Statutes Commission, the Courts Commission, or any commission created under Chapter 120 of the General Statutes that is authorized or directed to report to the General Assembly.
c. The House Ethics Committee.
d. Select committees.
e. The Joint Legislative Ethics Committee or its Advisory Subcommittee.

A bill authorized by this subdivision must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Thursday, May 17, 2018, and must be filed for introduction in the Senate or introduced in the House of Representatives no later than 4:00 P.M. Wednesday, May 30, 2018.

(5) Any local bill that has been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. Thursday, May 24, 2018, is introduced in the House of Representatives or filed for introduction in the Senate by 4:00 P.M. Thursday, June 7, 2018, and is accompanied by a certificate signed by the principal sponsor stating that (i) no public hearing will be required or asked for by a member on the bill, (ii) the bill is noncontroversial, and (iii) the bill is approved for introduction by each member of the House of Representatives and the Senate whose district includes the area to which the bill applies.

(6) Bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(7) Bills providing for action on gubernatorial nominations or appointments.

(8) Any matter authorized by joint resolution passed by a two-thirds majority of the members of the House of Representatives present and voting and by a two-thirds majority of the members of the Senate present and voting. A bill or resolution filed in either house under the provisions of this subdivision shall have a copy of the ratified enabling resolution attached to the jacket before filing for introduction in the Senate or introduction in the House of Representatives.

(9) A joint resolution authorizing the introduction of a bill pursuant to subdivision (8) of this section.

(10) Any bills primarily affecting any State or local pension or retirement system, provided that the bill has been submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Tuesday, May 22, 2018,

and is introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Tuesday, June 5, 2018.

(11) Joint resolutions and simple resolutions authorized for introduction under Senate Rule 40 or House Rule 31.

(12) Bills returned by the Governor with objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(13) Bills responding to actions related to litigation concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials' actions and any other litigation challenging the legality of legislative enactments.

(14) Any bills relating to election laws.

(15) Bills to disapprove rules under G.S. 150B-21.3.

(16) Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes.

(17) A joint resolution adjourning the 2017 Regular Session, sine die.

SECTION 4. The Speaker of the House of Representatives or the President Pro Tempore of the Senate may authorize appropriate committees or subcommittees of their respective houses to meet during the interims between sessions to (i) review matters related to the State budget for 2017-2019 fiscal biennium, (ii) prepare reports, including revised budgets, or (iii) consider any other matters as the Speaker of the House of Representatives or the President Pro Tempore of the Senate deems appropriate. A conference committee may meet in the interim upon approval by the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

SECTION 5. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of June, 2017.

Resolution 2017-13 **S.J.R. 688**

A JOINT RESOLUTION ADJOURNING THE SESSION RECONVENED PURSUANT TO THE GOVERNOR'S PROCLAMATION.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the House of Representatives and the Senate constituting the Reconvened 2017 Session of the 2017 General Assembly jointly adjourn, they stand adjourned to reconvene as provided in Section 1.1 of Resolution 2017-12.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Resolution 2017-14 **H.J.R. 926**

A JOINT RESOLUTION ADJOURNING THE SESSION RECONVENED PURSUANT TO SECTION 1.1 OF RESOLUTION 2017-12 AND AMENDING RESOLUTION 2017-12.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. When the House of Representatives and the Senate jointly adjourn on the date this resolution is ratified, they stand adjourned to reconvene as provided in Resolution 2017-12, as amended by this resolution.

SECTION 2. Resolution 2017-12 reads as rewritten:

"**SECTION 1.1.** When the House of Representatives and the Senate jointly adjourn on the date this resolution is ratified, they stand adjourned to reconvene on Thursday, August 3, 2017, at 12:00 noon.

…

"**SECTION 2.1.** When the House of Representatives and the Senate jointly adjourn the session convened on Thursday, August 3, 2017, they stand adjourned to reconvene on ~~Wednesday, September 6, 2017,~~ Friday, August 18, 2017, at 12:00 noon.

"**SECTION 2.2.** During the regular session that reconvenes on ~~Wednesday, September 6, 2017,~~ Friday, August 18, 2017, only the following matters may be considered:

(1) Bills:

a. Revising the judicial divisions of the State, the superior court districts, the district court districts, and the prosecutorial districts and the apportionment of judges and district attorneys among those districts and containing no other matter.

b. Revising districts for cities, counties, and other political subdivisions of the State and the apportionment of elected officials among those districts and containing no other matter.

c. Revising the Senate districts and the apportionment of Senators among those districts and containing no other matter.

d. Revising the Representative districts and the apportionment of Representatives among those districts and containing no other matter.

…

(10) Bills returned on or after Wednesday, June 28, 2017, to the house in which the bill originated for concurrence.

(11) Adoption of conference reports for bills which were in conference on or after Wednesday, June 28, 2017, and conferees had been appointed by both houses on or after that date.

(12) Bills relating to election laws.

…

"**SECTION 3.1.** Subject to Section 2.2(8) of this Resolution, when the House of Representatives and the Senate jointly adjourn the session convened on ~~Wednesday, September 6, 2017,~~ Friday, August 18, 2017, they stand adjourned to reconvene on Wednesday, May 16, 2018, at 12:00 noon.

…."

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 3rd day of August, 2017.

Resolution 2017-15 **S.J.R. 692**

A JOINT RESOLUTION ADJOURNING THE SESSION RECONVENED PURSUANT TO SECTION 2.1 OF RESOLUTION 2017-12, AS AMENDED BY RESOLUTION 2017-14, AND FURTHER AMENDING RESOLUTION 2017-12.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the House of Representatives and the Senate jointly adjourn on the date this resolution is ratified, they stand adjourned to reconvene as provided in Resolution 2017-12, as amended by Resolution 2017-14, and as further amended by this resolution.

SECTION 2. Resolution 2017-12, as amended by Resolution 2017-14, reads as rewritten:

"…

"**SECTION 3.1.** ~~Subject to Section 2.2(8) of this Resolution, when~~ When the House of Representatives and the Senate jointly adjourn the session convened on Friday, August 18,

2017, they stand adjourned to reconvene on Wednesday, ~~May 16, 2018,~~ October 4, 2017, at 12:00 noon.

"**SECTION 3.1A.** During the regular session that reconvenes on Wednesday, October 4, 2017, only the following matters may be considered:

(1) Bills:
  a. Revising the judicial divisions of the State, the superior court districts, the district court districts, and the prosecutorial districts and the apportionment of judges and district attorneys among those districts and containing no other matter.
  b. Revising districts for cities, counties, and other political subdivisions of the State and the apportionment of elected officials among those districts and containing no other matter.
  c. Revising the Senate districts and the apportionment of Senators among those districts and containing no other matter.
  d. Revising the Representative districts and the apportionment of Representatives among those districts and containing no other matter.

(2) Bills:
  a. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter.
  b. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter other than statutory conforming changes to implement such bills.
  c. Solely making statutory and transitional changes to implement bills under sub-subdivision a. of this subdivision.

(3) Bills returned by the Governor with his objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(4) Bills providing for selection, appointment, or confirmation as required by law, including the filling of vacancies of positions, for which appointees are elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(5) Bills providing for action on gubernatorial nominations or appointments.

(6) Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes.

(7) Bills responding to actions related to litigation concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials' actions and any other litigation challenging the legality of legislative enactments.

(8) Bills returned on or after Wednesday, June 28, 2017, to the house in which the bill originated for concurrence.

(9) Adoption of conference reports for bills which were in conference on or after Wednesday, June 28, 2017, and conferees had been appointed by both houses on or after that date.

(10) Bills relating to election laws.

(11) Bills making technical corrections to S.L. 2017-57, S.L. 2017-119, or both.

(12) Local bills having passed third reading in the house in which introduced, received in the other house in accordance with Senate Rule 41 or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house.

(13) A joint resolution further adjourning the 2017 Regular Session or amending a joint resolution adjourning the 2017 Regular Session to a date certain.

"**SECTION 3.1B.** Subject to Section 3.1A(13) of this Resolution, when the House of Representatives and the Senate jointly adjourn the session convened on Wednesday, October 4, 2017, they stand adjourned to reconvene on Wednesday, May 16, 2018, at 12:00 noon.

…."

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 31st day of August, 2017.

Resolution 2017-16 **S.J.R. 693**

A JOINT RESOLUTION ADJOURNING THE SECOND SESSION RECONVENED PURSUANT TO THE GOVERNOR'S PROCLAMATION.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the House of Representatives and the Senate constituting the Second Reconvened 2017 Session of the 2017 General Assembly jointly adjourn, they stand adjourned to reconvene as provided in Section 3.1 of Resolution 2017-12, as amended by Resolution 2017-14 and Resolution 2017-15.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 4th day of October, 2017.

Resolution 2017-17 **S.J.R. 696**

A JOINT RESOLUTION ADJOURNING THE SESSION RECONVENED PURSUANT TO SECTION 3.1 OF RESOLUTION 2017-12, AS AMENDED BY RESOLUTIONS 2017-14 AND 2017-15, AND FURTHER AMENDING RESOLUTION 2017-12.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the House of Representatives and the Senate adjourn on Tuesday, October 17, 2017, they stand adjourned to reconvene in regular session as provided in Resolution 2017-12, as amended by Resolutions 2017-14 and 2017-15, and as further amended by this resolution.

SECTION 2. Resolution 2017-12, as amended by Resolutions 2017-14 and 2017-15, reads as rewritten:

"…

"**SECTION 3.1B.** ~~Subject to Section 3.1A(13) of this Resolution, when~~ When the House of Representatives and the Senate ~~jointly~~ adjourn ~~the session convened on Wednesday, October 4, 2017,~~ on Tuesday, October 17, 2017, they stand adjourned to reconvene the 2017 Regular Session on ~~Wednesday, May 16, 2018,~~ Wednesday, January 10, 2018, at 12:00 noon.

"**SECTION 3.1C.** During the regular session that reconvenes on Wednesday, January 10, 2018, only the following matters may be considered:

(1) Bills:

a. Revising the judicial divisions of the State, the superior court districts, the district court districts, and the prosecutorial districts and the apportionment of judges and district attorneys among those districts and containing no other matter.

b. Revising districts for cities, counties, and other political subdivisions of the State and the apportionment of elected officials among those districts and containing no other matter.

c. Revising the Senate districts and the apportionment of Senators among those districts and containing no other matter.

d. Revising the Representative districts and the apportionment of Representatives among those districts and containing no other matter.

(2) Bills:

a. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter.

b. Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter other than statutory conforming changes to implement such bills.

c. Solely making statutory and transitional changes to implement bills under sub-subdivision a. of this subdivision.

(3) Bills returned by the Governor with his objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(4) Bills providing for selection, appointment, or confirmation as required by law, including the filling of vacancies of positions, for which appointees are elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(5) Bills providing for action on gubernatorial nominations or appointments.

(6) Bills responding to actions related to litigation concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials' actions and any other litigation challenging the legality of legislative enactments.

(7) Bills returned on or after Wednesday, June 28, 2017, to the house in which the bill originated for concurrence.

(8) Adoption of conference reports for bills which were in conference on or after Wednesday, June 28, 2017, and conferees had been appointed by both houses on or after that date.

(9) Bills relating to election laws.

(10) Bills making technical corrections to S.L. 2017-57, S.L. 2017-119, or both.

(11) Local bills having passed third reading in the house in which introduced, received in the other house in accordance with Senate Rule 41 or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house.

(12) A joint resolution further adjourning the 2017 Regular Session or amending a joint resolution adjourning the 2017 Regular Session to a date certain.

"**SECTION 3.1D.** Subject to Section 3.1C(12) of this Resolution, when the House of Representatives and the Senate jointly adjourn the regular session convened on January 10, 2018, they stand adjourned to reconvene in regular session on Wednesday, May 16, 2018, at 12:00 noon.

…."

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 9th day of October, 2017.

EXECUTIVE ORDERS
OF
GOVERNOR PAT McCRORY

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State of North Carolina

PAT McCRORY

GOVERNOR

July 28, 2016

EXECUTIVE ORDER NO. 94

DISASTER DECLARATION FOR DURHAM COUNTY

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on July 16, 2016, Durham County, North Carolina and the contiguous counties of Chatham, Granville, Orange, Person and Wake were impacted by severe weather that produced heavy rains which caused severe flooding; and

WHEREAS, as a result of the severe weather Durham County proclaimed a local state of emergency on July 16, 2016; and

WHEREAS, due the impact of the severe weather, a joint preliminary damage assessment was done by local, state and federal emergency management officials on July 20, 2016; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in Durham County, North Carolina and the contiguous counties of Chatham, Granville, Orange, Person and Wake; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) Durham County declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment has met or exceeded the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. § 123; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for Durham County, North Carolina and the contiguous counties of Chatham, Granville, Orange, Person and Wake.

Section 2. I authorize state emergency assistance funds in the form of grants to individuals and families located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(1).

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of July in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

July 28, 2016

EXECUTIVE ORDER NO. 95

EXTENDING THE STATEWIDE IMPAIRED DRIVING TASK FORCE

WHEREAS, in accordance with the FAST Act, North Carolina, as a mid-range State, is required to establish and operate a statewide impaired driving task force and to submit a statewide impaired driving plan to the U.S. Department of Transportation, National Highway Traffic Safety Administration each year; and

WHEREAS, the purpose of the plan is to provide a comprehensive strategy for preventing and reducing impaired driving behavior; and

NOW THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED**:

Executive Order Number 18, *Statewide Impaired Driving Task Force*, signed on July 31, 2013, is hereby extended until September 30, 2020.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of July in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

July 28, 2016

EXECUTIVE ORDER NO. 96

AMENDING THE NORTH CAROLINA EMERGENCY RESPONSE COMMISSION

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED**:

Section 1 of Executive Order No. 75, *North Carolina Emergency Response Commission,* signed June 24, 2015, is hereby amended as follows:

Section 1. Establishment.

There is hereby established the North Carolina Emergency Response Commission, hereinafter referred to as the "Commission." The Secretary of the North Carolina Department of Public Safety shall serve as the Homeland Security Advisor to the Governor and as Chairperson of the Commission. The Commission shall consist of not less than 14 members and shall be composed of at least the following persons, or their designee as approved by the Commission Chairperson:

a. Director of Emergency Management, North Carolina Department of Public Safety, who shall serve as the Vice-Chairperson;

b. Commissioner of Operations, North Carolina Department of Public Safety;

c. The Adjutant General, North Carolina National Guard;

d. Commander of the State Highway Patrol, North Carolina Department of Public Safety;

e. Chief Deputy Secretary, North Carolina Department of Environmental Quality;

f. Chief Deputy Secretary, North Carolina Department of Transportation;

g. Chief of the Office of Emergency Medical Services, Division of Health Service Regulation, North Carolina Department of Health and Human Services;

h. Assistant State Fire Marshall, Office of the State Fire Marshall, North Carolina Department of Insurance;

i. Director of the State Bureau of Investigation, North Carolina Department of Public Safety;

j. Director, Division of Public Health, North Carolina Department of Health and Human Services;

k. Assistant Deputy Commissioner of Labor for Occupational Safety and Health, North Carolina Department of Labor;

l. President of the North Carolina Community College System; and

m. Director of the Emergency Programs Division, North Carolina Department of Agriculture and Consumer Services.

Except as amended herein, Executive Order No. 75, remains in full force and is effective until December 31, 2018, pursuant to N.C. Gen. Stat. § 147-16.2, or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28 day of July in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

Chief Deputy

State of North Carolina

PAT McCRORY

GOVERNOR

September 1, 2016

EXECUTIVE ORDER NO. 97

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach of Tropical Storm Hermine. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hoke, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington and Wayne counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of September in the year of our Lord two thousand and sixteen.

Pat McCrory

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 1, 2016

EXECUTIVE ORDER NO. 98

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of Tropical Storm Hermine, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock, poultry, and feed for livestock and poultry or crops ready to be harvested need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in portions of North Carolina due to the approach of Tropical Storm Hermine and the storm's likely impact in this State; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after the tropical storm and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A 19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, or crops ready to be harvested the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock, poultry or crops; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for vehicles used in the restoration of utility services, and for those transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry, or transporting crops that have been harvested,

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to carry crops that have been harvested or transporting livestock and poultry in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for hearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, transporting livestock and poultry or carrying crops that have been harvested in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

September 7, 2016

EXECUTIVE ORDER NO. 99

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 97 AND 98

WHEREAS, Executive Order No. 97, was issued on September 1, 2016, declaring a state of emergency due to the approach of Tropical Storm Hermine in the following counties in the State of North Carolina: Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hoke, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington and Wayne; and

WHEREAS, Executive Order No. 98 was issued on September 1, 2016, waiving the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration, carrying essentials and agricultural commodities on the interstate and intrastate highways due to the anticipated damage and impacts from Tropical Storm Hermine.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED:**

Section 1.

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 97 is hereby terminated at 11:59 p.m. September 3, 2016.

Section 2.

Executive Order No. 98 will remain in effect until 11:59 p.m. September 7, 2016. The order is amended to repeal the following clause:

> **WHEREAS,** I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in portions of North Carolina due to the approach of Tropical Storm Hermine and the storm's likely impact in this State

Replacing it with the following clause:

> **WHEREAS;** although I have terminated Executive Order No. 97, issued on September 1, 2016, there continues to be a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) for the purposes of responding ongoing impacts from the storm in this state and the mid-Atlantic region of the United States. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the state of North

Carolina for utility vehicles, the impacted states in the mid-Atlantic United States; and the following North Carolina counties for agricultural vehicles used to harvest crops: Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Gates, Greene, Hertford, Hoke, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington and Wayne.

Section 3.

Section 10 of Executive Order No. 98 is rewritten to read as follows:

This order will not trigger the prohibitions against excessive pricing in the emergency area in North Carolina, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 4.

The remaining provisions in Executive Order No. 98 will remain in effect for vehicles used for utility restoration until at 11:59 p.m. on Wednesday, September 7, 2016. Furthermore, for vehicles used to harvest crops in the emergency areas the order will remain in effect until 11:59 p.m. on Wednesday, September 14, 2016.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this seventh day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 15, 2016

EXECUTIVE ORDER NO. 100

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES THROUGHOUT THE STATE

WHEREAS, the uninterrupted supply of fuel oil, diesel oil, and gasoline, is essential for the health, safety or economic well-being of persons or property in North Carolina, and any interruption in the delivery of those fuels threatens the public welfare; and

WHEREAS, a temporary shutdown of a primary fuel pipeline, which may result in an interruption of the delivery of those fuels, justifies an exemption from 49 CFR Part 395 (Hours of Service of Drivers) under the Federal Motor Carrier Safety Regulations; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. §§ 166A-19.3(6), 166A-19.20 and 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property in this State require that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 be waived for persons transporting essential fuels.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety, in conjunction with the North Carolina Department of Transportation, shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

Notwithstanding the waiver set forth above, size and weight restrictions and penalties are not waived.

Section 3.

The waiver of regulations under 49 CFR Part 395 does not apply to the commercial drivers' licenses and insurance requirements.

State of North Carolina

PAT McCRORY

GOVERNOR

September 15, 2016

EXECUTIVE ORDER NO. 100

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES THROUGHOUT THE STATE

WHEREAS, the uninterrupted supply of fuel oil, diesel oil, and gasoline, is essential for the health, safety or economic well-being of persons or property in North Carolina, and any interruption in the delivery of those fuels threatens the public welfare; and

WHEREAS, a temporary shutdown of a primary fuel pipeline, which may result in an interruption of the delivery of those fuels, justifies an exemption from 49 CFR Part 395 (Hours of Service of Drivers) under the Federal Motor Carrier Safety Regulations; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. §§ 166A-19.3(6), 166A-19.20 and 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property in this State require that the maximum hours of service for drivers prescribed by N.C.G.S. § 20 381 be waived for persons transporting essential fuels.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety, in conjunction with the North Carolina Department of Transportation, shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20 381.

Section 2.

Notwithstanding the waiver set forth above, size and weight restrictions and penalties are not waived.

Section 3.

The waiver of regulations under 49 CFR Part 395 does not apply to the commercial drivers' licenses and insurance requirements.

Section 4.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1, 2, and 3 of this Executive Order in a manner, which will implement executive order without endangering motorists in North Carolina.

Section 5.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with the temporary shutdown of the fuel pipeline.

Section 6.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 15th day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 16, 2016

EXECUTIVE ORDER NO. 101

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES AND PROHIBIT EXCESSIVE PRICING

WHEREAS, a major leak in a primary fuel pipeline in Alabama has resulted in a temporary shutdown of that line and has caused a disruption in the delivery of petroleum products, including gasoline; and

WHEREAS, there is no shortage of supply of petroleum products, including gasoline, from the Gulf of Mexico region; and

WHEREAS, vehicles carrying gasoline and other petroleum products need to transport these products to communities via the highways of North Carolina; and

WHEREAS, I declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6), 166A-19.3(19) and 166A-19.20 exists in the State of North Carolina in Executive Order 100, signed September 15, 2016. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina.

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(4) the Governor, with the concurrence of the Council of State, may waive a provision of any regulation or ordinance of a State agency which restricts the immediate relief of human suffering; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles carrying gasoline and petroleum products in North Carolina must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State will likely suffer further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b) and;

WHEREAS, the supply of gasoline and petroleum products to citizens is essential to their safety and well-being.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

Executive Order 100, signed September 15, 2016 is amended to delete Section 2.

Section 2.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for the vehicles transporting gasoline and other petroleum products to areas within North Carolina.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 2 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with transporting gasoline and other petroleum products.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A 19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75 37 and 75-38 in the declared emergency area.

Section 11.

The gasoline truck tank and vapor system requirements of 15A NCAC 02D.0932(c) shall be waived during this time if Method 27 is followed.

Section 12.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this the 16th day of September in the year of our Lord two thousand sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY
GOVERNOR

September 21, 2016

EXECUTIVE ORDER NO. 102

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

WHEREAS, on September 20, 2016, there was an officer related shooting resulting in the death of Keith Lamont Scott in the City of Charlotte; and

WHEREAS, the City of Charlotte has requested assistance from the State of North Carolina to respond to the civil disturbances that have unfolded from the death of Keith Lamont Scott; and

WHEREAS, our citizens have the right to peacefully assemble and protest and the State of North Carolina is committed to protecting those rights; and

WHEREAS, our citizens and businesses must be protected from violence and damage; and

WHEREAS, use of the North Carolina National Guard may be required; and

WHEREAS, the execution of my emergency powers under N.C.G.S. § 166A-19.30 is appropriate to ensure the public safety of our citizens.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to civil disturbances in the City of Charlotte. The emergency areas as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) are the City of Charlotte, North Carolina and Mecklenburg County, North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

Pursuant to N.C.G.S. § 166A-19.30(c)(1), this declaration allows for the imposition of any prohibitions and restrictions as enumerated in N.C.G.S. § 166A-19.31(b), and may amend or rescind any prohibitions and restrictions imposed by local authorities.

Section 7.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 8.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 21st day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine Marshall
Secretary of State



State of North Carolina

PAT McCRORY
GOVERNOR

September 22, 2016

EXECUTIVE ORDER NO. 103

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to flooding from the remnants of Tropical Storm Julia. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Northampton, Pasquotank, and Perquimans counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S.§ 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 22nd day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State
Chief Deputy

State of North Carolina

PAT McCRORY
GOVERNOR

September 22, 2016

EXECUTIVE ORDER NO. 104

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS FOR AGRICULTURAL RESPONSE OPERATIONS IN NORTHEASTERN NORTH CAROLINA

WHEREAS, due to flooding in northeastern North Carolina, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists due to the flooding and its impact in this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after the flood and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of these items to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. §§ 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic

loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry and livestock and poultry feed in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 22nd day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State
Chief Deputy

State of North Carolina

PAT McCRORY

GOVERNOR

September 27, 2016

EXECUTIVE ORDER NO. 105

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 103 AND 104

WHEREAS, Executive Order No. 103 was issued on September 22, 2016, declaring a state of emergency due to the impacts of flooding from the remnants of Tropical Storm Julia in the following counties of North Carolina: Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Northampton, Pasquotank, and Perquimans; and

WHEREAS, Executive Order No. 104 was issued on September 22, 2016, waiving the maximum hours of service for drivers transporting supplies and equipment for agricultural emergency response operations, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for carrying essentials and agricultural commodities on the interstate and intrastate highways due to the anticipated damage and impacts from the remnants of Tropical Storm Julia.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order 103 and the waivers issued in Executive Order 104 are hereby terminated, effective at 11:59 p.m. on September 27, 2016.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 27th day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Chief Deputy Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 28, 2016

EXECUTIVE ORDER NO. 106

NOTICE OF TERMINATION OF EXECUTIVE ORDER 102

WHEREAS, Executive Order No. 102 issued on September 21, 2016, declared a state of emergency in the City of Charlotte and Mecklenburg County, North Carolina due to a civil disturbance; and

WHEREAS, the City of Charlotte has terminated their state of emergency on September 28, 2016 at 5:38 p.m.; and

WHEREAS, the conditions that required me to issue a state of emergency have ended.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina. **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order 102 is hereby terminated at 5:39 p.m. on September 28, 2016.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of September in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 3, 2016

EXECUTIVE ORDER NO. 107

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach of and possible impacts from Hurricane Matthew.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Alamance, Anson, Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Caswell, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Randolph, Richmond, Robeson, Rockingham, Sampson, Scotland, Stokes, Surry, Tyrrell, Vance, Wake, Warren, Washington, Wayne, Wilson, and Yadkin counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G.S.§ 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 3rd day of October in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 3, 2016

EXECUTIVE ORDER NO. 108

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of Hurricane Matthew, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) , 166A-19.3(19) and 166A-19.20 exists due Hurricane Matthew and its likely impact in this State; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after Hurricane Matthew impacts North Carolina and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. §§ 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services,

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105 449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 3rd day of October in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 3, 2016

AMENDED AND REISSUED

EXECUTIVE ORDER NO. 108

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of Hurricane Matthew, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry or crops ready to be harvested need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6), 166A-19.3(19) and 166A 19.20 exists due Hurricane Matthew and its likely impact in this State; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after Hurricane Matthew impacts North Carolina and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. §§ 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry or crops, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry or crops; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock, poultry or crops ready to be harvested in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105-449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for hauling equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry, or crops ready to be harvested in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 3rd day of October in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 6, 2016

EXECUTIVE ORDER NO. 109

AMENDMENT TO EXECUTIVE ORDER 107

WHEREAS, Hurricane Matthew is a major hurricane that is impacting the southeastern United States; and

WHEREAS, the Governors of Florida, Georgia, and South Carolina have issued evacuation orders; and

WHEREAS, currently North Carolina has 66 counties under a state of emergency. By expanding the state of emergency to all 100 counties, North Carolina can better support evacuees from the impacted states, including the coastal areas of North Carolina.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The emergency area in section 1 of Executive Order No. 107 is amended by adding the following counties:

Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Cabarrus, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Iredell, Jackson, Lincoln, Macon, Madison, McDowell, Mecklenburg, Mitchell, Polk, Rowan, Rutherford, Stanly, Swain, Transylvania, Union, Watauga, Wilkes, and Yancey.

Section 2.

This amendment is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 6th day of October in the year of our Lord two thousand and sixteen.

Pat McCrory

Governor

ATTEST:

Elaine F. Marshall

Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 18, 2016

EXECUTIVE ORDER NO. 110

REGARDING HURRICANE MATTHEW'S IMPACT ON NORTH CAROLINA SCHOOLS

WHEREAS, on October 3, 2016, in anticipation of the effects of Hurricane Matthew on the State of North Carolina, I issued Executive Order No. 107. Pursuant to Executive Order 107, I declared a state of emergency, as defined in N.C. Gen. Stat. §§ 166A-19.3(6) and 166A-19.3(19); and

WHEREAS, Hurricane Matthew caused historic flooding, destruction, and damage in North Carolina; and

WHEREAS, on October 10, 2016, President Obama issued expedited major federal disaster declaration FEMA-4285-DR-NC as a result of the massive flooding caused by Hurricane Matthew; and

WHEREAS, many North Carolina school districts closed for at least one week, with some schools in the affected areas continuing to remain closed; and

WHEREAS, the State has historically adjusted school calendar requirements to accommodate extraordinary circumstances, such as the flexibility provided for the 1999-2000 school year in response to Hurricane Floyd; and

NOW, THEREFORE, pursuant to the authority vested in me as Governor:

I support and encourage the General Assembly to take all necessary steps to provide the counties covered by the President's disaster declaration, FEMA-4285-DR-NC, with flexibility in the school calendar, including but not limited to, a waiver of the current minimum number of days.

I am also requesting all local boards of education and superintendents in the affected counties to not schedule additional school days between now and when the General Assembly takes up this issue.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this eighteenth day of October in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

October 25, 2016

EXECUTIVE ORDER NO. 111

DISASTER DECLARATION FOR BERTIE COUNTY

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on September 21, 2016, Bertie County, North Carolina and the contiguous counties of Chowan, Halifax, Hertford, Martin, Northampton, and Washington were impacted by the remnants of Tropical Storm Julia, which produced heavy rains which caused severe flooding; and

WHEREAS, as a result of the severe weather Bertie County proclaimed a local state of emergency on September 21, 2016; and

WHEREAS, due the impact of the severe weather, a joint preliminary damage assessment was done by local, state and federal emergency management officials on September 28, 2016; and

WHEREAS, I determined on October 7, 2016, that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in Bertie County, North Carolina and the contiguous counties of Chowan, Halifax, Hertford, Martin, Northampton, and Washington; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) Bertie County declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment has met or exceeded the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. § 123; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for Bertie County, North Carolina and the contiguous counties of Chowan, Halifax, Hertford, Martin, Northampton, and Washington, effective as of October 7, 2016.

Section 2. I authorize state emergency assistance funds in the form of grants to individuals and families located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(1), effective October 7, 2016.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-fifth day of October in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY
GOVERNOR

November 1, 2016

EXECUTIVE ORDER NO. 112

EXTENSION OF EXECUTIVE ORDER 108

WHEREAS, I issued Executive Order No. 107 on October 3, 2016, declaring a state of emergency due to the approach of Hurricane Matthew; and

WHEREAS, I issued Executive Order No. 108 on October 3, 2016, which waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to the potential impacts of Hurricane Matthew. In addition, the order also directed the Department of Public Safety to suspend weighing equipment used for movement of crops, transporting livestock and poultry and feed for livestock and poultry; and

WHEREAS, the ongoing recovery efforts related to Hurricane Matthew, including debris removal, agricultural needs and on-going housing needs for our displaced citizens in the impacted areas of the State require that this executive order remain in place.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Executive Order 108 is hereby extended until midnight December 3, 2016.

This order is effective immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of November in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

November 2, 2016

EXECUTIVE ORDER NO. 113

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

WHEREAS, an explosion at a primary fuel pipeline in Alabama has resulted in a temporary shutdown of that line and has caused a disruption in the delivery of petroleum products, including gasoline; and

WHEREAS, there has not been a disruption in the production of petroleum products, including gasoline, from the Gulf of Mexico region; and

WHEREAS, every county in North Carolina is in compliance with all federal air quality standards; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(4), the Governor, with the concurrence of the Council of State, may waive a provision of any regulation or ordinance of a State agency which restricts the immediate relief of human suffering.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the explosion of the Colonial Pipeline. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and

deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

The gasoline truck tank and vapor system requirements of 15A NCAC 02D.0932(c) shall be waived during this incident if Method 27 is followed.

Section 7.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 8.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 9.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 10.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of November in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

November 10, 2016

EXECUTIVE ORDER NO. 114

NOTICE OF TERMINATION OF EXECUTIVE ORDER 113

WHEREAS, I issued Executive Order No. 113, on November 2, 2016, that declared a state of emergency in the State of North Carolina because of a disruption in the delivery of petroleum products including gasoline due to the explosion and shutdown of the Colonial fuel pipeline in the State of Alabama; and

WHEREAS, with the concurrence of the Council of State, my order also waived the gasoline truck tank and vapor system requirements of 15A NCAC 02D.0932(c).

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order 113 is terminated immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 10th day of November in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

November 10, 2016

EXECUTIVE ORDER NO. 115

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

WHEREAS, there are at least twenty active wildfires in several western North Carolina counties; and

WHEREAS, the North Carolina Forest Service has issued a burning ban on all open burning and cancelled burning permits in twenty-five counties in the western part of the state; and

WHEREAS, Macon County, North Carolina, the Town of Franklin in Macon County, and the Town of Lake Lure in Rutherford County have declared states of emergency; and

WHEREAS, there have been evacuations ordered in Clay, Graham, Macon, Swain and Rutherford Counties.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED:**

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the active wildfires in the western portion of the state.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the following counties: Alexander, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga and Yancey.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G.S.§ 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S.§§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 10th day of November in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY
GOVERNOR

November 22, 2016

EXECUTIVE ORDER NO. 116

AMENDMENT TO EXECUTIVE ORDER 115

WHEREAS, the Party Rock fire near Lake Lure, the Chestnut Knob fire in South Mountain State Park, the Clear Creek fire in McDowell County and others state fires, combined with those on federal lands have burned close to 46,000 acres in Western North Carolina; and

WHEREAS, the Commissioner of the North Carolina Department of Agriculture and Consumer Services issued a ban on open burning and cancelled burning permits in 25 counties on November 7, 2016, and expanded it to 22 additional counties on November 21, 2016, due to the current drought conditions and the increase in available forest fuels; and

WHEREAS, expanding the state of emergency to the additional counties named in the November 22, 2016, burning ban will assist federal, state and local efforts in combating these wildfires.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

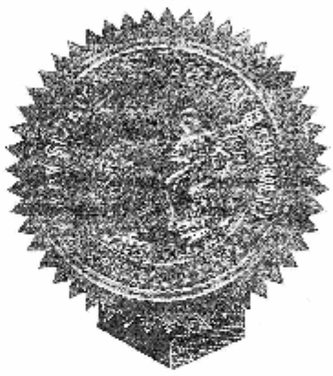
The emergency area in section 1 of Executive Order No. 115 is amended by adding the following counties: Alleghany, Anson, Ashe, Cabarrus, Caswell, Davidson, Davie, Forsyth, Guilford, Iredell, Mecklenburg, Montgomery, Randolph, Richmond, Rockingham, Rowan, Stanly, Stokes, Surry, Union, Wilkes and Yadkin.

Section 2.

This amendment is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 22nd day of November in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

December 1, 2016

EXECUTIVE ORDER NO. 117

ALLOWING FOR THE EXPEDITED MOVEMENT OF TEMPORARY HOUSING FOR SURVIVORS OF HURRICANE MATTHEW

WHEREAS, on October 3, 2016, I issued Executive Order No. 107 declaring a state of emergency due to the approach of Hurricane Matthew; and

WHEREAS, on October 3, 2016, with the concurrence of the Council of State, I also issued Executive Order No. 108, (extended by Executive Order 112), which suspended certain motor vehicle regulations and certain weight and size restrictions related to vehicles transporting supplies and equipment to support relief efforts for Hurricane Matthew; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles transporting manufactured housing units or other forms of temporary housing to provide shelter to persons in our impacted counties currently must adhere to the registration requirements of N.C.G.S. §§ 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119; and

WHEREAS, I have found that certain motor vehicle restrictions need to be waived to facilitate the expeditious movement of the temporary housing in the impacted counties.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for the vehicles transporting manufactured homes or other forms of temporary housing along North Carolina roadways to our impacted counties.

Section 2.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 3.

Vehicles referenced under Sections 1 and 2 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105-449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

d. The fees listed in N.C.G.S. § 20-119 for an annual permit and a single trip permit to transport manufactured housing only applies to manufactured homes being transported under contract with the Federal Emergency Management Agency (FEMA) as part of the relief effort for Hurricane Matthew. Transporters moving manufactured housing under this section are exempted from the requirement to enter weigh stations as required under N.C.G.S. §20-118.1. However, these same transporters shall have in the transport vehicle a copy of the Transport Authorization letter from FEMA, the permit from the North Carolina Department of Transportation, and the manufacturer's bill of lading for the manufactured housing being transported. This does not exempt transporters from the requirements of the regulations regarding escorts, flags, signs, and other safety requirements. Movement of these manufactured housing required to obtain a permit shall be permitted from sunrise to sunset seven days a week.

e. The requirement of a permit shall be waived for transporters under contract with the Federal Emergency Management Agency (FEMA) as part of the relief effort for Hurricane Matthew whose overall combination tractor and manufactured housing units do not exceed 14 feet wide, 13 feet 6 inches high, and a length of 105 feet. However, transporters moving manufactured housing units whose overall combination tractor and manufactured housing unit that does not exceed 14 feet wide, 13 feet 6 inches high, and a length of 105 feet are required to have escort vehicles as would be required under normal conditions. Transporters moving manufacturing housing units under this section are exempted from the requirement to enter weigh stations as required under N.C.G.S. § 20-118.1. However, these same transporters shall have in the transport

vehicle a copy of the Transport Authorization letter from FEMA and the manufacturer's bill of lading for the manufactured housing being transported. This does not exempt transporters from the requirements of the regulations regarding escorts, flags, signs, and other safety requirements. Movement of these manufactured housing units shall be permitted from sunrise to sunset seven days a week.

Section 4.

The size and weight exemptions for vehicles set out herein will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This Order shall not apply on bridges posted pursuant to N.C.G.S. § 136-72.

Section 5.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 4 of this Executive Order in a manner, which will implement these provisions without endangering motorists in North Carolina.

Section 6.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with bringing in manufactured housing units or other forms of temporary housing due to the severe weather that impacted the State as a result of Hurricane Matthew.

Section 7.

This Executive Order is effective immediately and shall remain in effect for sixty (60) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of December in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

December 5, 2016

EXECUTIVE ORDER NO. 118

TO DECLARE BY PROCLAMATION THE TRUE BOUNDARY LINE BETWEEN THE STATE OF NORTH CAROLINA AND THE STATE OF SOUTH CAROLINA FROM POLK TO BRUNSWICK COUNTY

WHEREAS, the Joint North Carolina/South Carolina Boundary Commission determined at its meeting on September 23, 2010, to establish the true boundary line between the states along the North Carolina counties of Polk, Rutherford, Cleveland, Gaston, Mecklenburg, and Union counties; and

WHEREAS, the Joint North Carolina/South Carolina Boundary Commission determined at its meeting on May 3, 2013, to establish the true boundary line between the states along the North Carolina counties of, Union, Anson, Richmond, Scotland, Robeson, Columbus, and Brunswick counties; and

WHEREAS, pursuant to N.C.G.S. § 141-5, the completion of the survey of the above-described boundary has been reported to the undersigned Governor Pat McCrory and placed before and approved by the Council of State on October 4, 2016; and

WHEREAS, N.C.G.S. § 141-5 further requires that the Governor issue a Proclamation declaring the reported and approved survey line to be the true boundary of the State of North Carolina.

NOW, THERFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. That, pursuant to the provisions of N.C.G.S. § 141-5, the true boundary line between the State of North Carolina and the State of South Carolina along the North Carolina counties of Brunswick, Columbus, Robeson, Scotland, Richmond, Anson, Union, Mecklenburg, Gaston, Cleveland, Rutherford, and portion of Polk counties is hereby declared, by Proclamation, to be the surveyed line represented by the plats of the completed survey captioned as the North Carolina/South Carolina Boundary, and described as follows:

Beginning at Boundary Monument (Mon) Bird Island North Carolina (NC) South Carolina (SC) and running thence North 44°40'49" West 4046.09 feet to Boundary Mon 1 Granite NC SC, thence North 44°41'01" West 2018.42 feet to Boundary Mon 2 Granite NC SC, thence North 44°40'37" West 5235.30 feet to Boundary Mon Mile 2 NC SC, thence North 44°40'31" West 3625.78 feet to Boundary House NC SC, thence North 44°40'44" West 6936.61 feet to Boundary Mon Mile 4 NC SC, thence North 44°41'01" West 10243.49 feet to Boundary Mon McLamb RD NC SC, thence North 44°28'47" West 320.77 feet to Boundary Mon Mile 6 NC SC, thence North 44°40'53" West 5502.42 feet to Boundary Mon Hwy 57 NC SC, thence North 44°40'21" West 5062.13 feet to Boundary Mon Mile 8 NC SC, thence North 44°40'41" West 3831.50 feet to Boundary Mon Waccamaw River NC SC, thence North 44°40'41" West 6731.89 feet to Boundary Mon Mile 10 NC SC, thence North 44°40'38" West 5183.51 feet to Boundary Mon Hwy 905 NC SC, thence North 44°40'41" West 5379.95 feet to Boundary Mon Mile 12

NC SC, thence North 44°40'38" West 10564.29 feet to Boundary Mon Mile 14 NC SC, thence North 44°40'50" West 13978.85 feet to Boundary Mon Dothan NC SC, thence North 44°40'29" West 3372.24 feet to Boundary Mon Hwy 144 NC SC, thence North 44°40'39" West 3757.65 feet to Boundary Mon Mile 18 NC SC, thence North 44°41'53" West 983.45 feet to Boundary Mon Volunteer DR NC SC, thence North 44°40'24" West 9598.88 feet to Boundary Mon Mile 20 NC SC, thence North 44°40'28" West 21125.44 feet to Boundary Mon Mile 24 NC SC, thence North 44°40'46" West 10564.70 feet to Boundary Mon Mile 26 NC SC, thence North 44°40'31" West 5764.70 feet to Boundary Mon Wac DR NC SC, thence North 44°40'46" West 806.45 feet to Boundary Mon Sandy Bluff NC SC, thence North 44°38'25" West 2557.49 feet to Boundary Mon Green Sea RD NC SC, thence North 44°44'28" West 1435.00 feet to Boundary Mon Mile 28 NC SC, thence North 44°40'18" West 2720.96 feet to Boundary Mon Bertie RD NC SC, thence North 44°42'19" West 5370.53 feet to Boundary Mon Carolina RD NC SC, thence North 44°40'20" West 13035.54 feet to Boundary Mon Mile 32 NC SC, thence North 44°40'48" West 10563.94 feet to Boundary Mon Mile 34 NC SC, thence North 44°40'58" West 100.98 feet to Boundary Mon Replacement NC SC, thence North 44°40'27" West 5870.97 feet to Boundary Mon Old Placard RD NC SC, thence North 44°40'47" West 4290.78 feet to Boundary Mon Mile 36 NC SC, thence North 44°41'29" West 6142.25 feet to Boundary Mon 6 LLB NC SC, thence North 44°40'03" West 4421.05 feet to Boundary Mon Mile 38 NC SC, thence North 44°39'53" West 7205.63 feet to Boundary Mon Enzor NC SC, thence North 44°42'19" West 3356.52 feet to Boundary Mon Mile 40 NC SC, thence North 44°40'36" West 12789.83 feet to Boundary Mon Strickland NC SC, thence North 44°40'59" West 3459.45 feet to Boundary Mon Lumber River NC SC, thence North 44°32'50" West 19510.25 feet to a Bent 1 3/4" Pipe, thence North 44°29'56" West 5743.40 feet to a #5 Rebar Inside 1 3/4" Pipe, thence North 44°28'25" West 11944.82 feet to a Buggy Axle, thence North 45°07'04" West 2826.20 feet to a Buggy Axle, thence North 43°22'05" West 2007.51 feet to a Concrete Monument, thence North 44°31'03" West 1240.81 feet to an Angle Iron, thence North 44°13'16" West 4941.68 feet to an Axle, Thence North 44°55'03" West 7898.45 feet to a 1" Pipe, thence North 44°47'49" West 6109.86 feet to a Buggy Axle, thence North 43°47'04" West 14289.62 feet to an Axle, thence North 43°12'37" West 12824.72 feet to a 1" Pipe, thence North 42°43'48" West 11314.59 feet to a 1 3/4" Pipe, thence North 42°59'31" West 9694.71 feet to a 1/2" Rod, thence North 43°20'01" West 18563.82 feet to a Concrete Monument, thence North 43°52'27" West 3271.00 feet to a Concrete Monument, thence North 45°54'10" West 764.86 feet to a 1 3/4" Pipe, thence North 43°39'09" West 2173.70 feet to a 1 3/4" Pipe, thence North 44°01'18" West 3599.77 feet to a 1 1/2" Pipe in Concrete beside #4 Rebar, thence North 45°29'52" West 12012.65 feet to a #4 Rebar, thence North 45°21'42" West 3955.78 feet to a #4 Rebar, thence North 45°26'53" West 8822.40 feet to a Computed Location of 1905 NC SC Granite Monument, thence North 45°07'35" West 3506.12 feet to Boundary Mon HWY 83 NC SC, thence North 45°29'39" West 8902.36 feet to a Granite Monument with top Broken Off, Thence North 44°51'14" West 10664.49 feet to 1905 NC SC Granite Monument, Thence North 45°08'40" West 16158.03 feet to a Granite Monument with top Broken Off, Thence North 45°08'03" West 13023.07 feet to the Base of Leaning 1905 NC SC Granite Monument, Thence North 45°07'46" West 6484.50 feet to a Granite Monument with top Broken Off, a Granite Monument with top Broken Off, Thence North 45°07'39" West 12177.37 feet to a Boundary Mon near Gibson NC SC, Thence North 45°09'36" West 15739.42 feet to the Base of Leaning 1905 NC SC Granite Monument, Thence North 45°11'01" West 4133.64 feet to a 1905 NC SC Granite Monument, Thence North 45°01'43" West 4834.93 feet to the NC-SC Bend Corner, Marlboro Co., SC & Scotland Co., NC, thence North 89°13'14" West 10773.44 feet to the Base of Leaning 1905 NC SC Granite Monument, Thence North 89°07'59" West 9615.58 feet to 1905 NC SC Granite Monument, Thence North 89°01'27" West 18942.81 feet to Boundary Mon Pleasant NC SC, Thence North 89°02'04" West feet 9909.40 to Boundary Mon Jordan NC SC, Thence North 89°03'32" West 5963.31 feet to Boundary Mon Timber NC SC, Thence North 89°02'34" West 13757.92 feet to a Computed Location of 1905 NC SC Granite Monument, Thence North 88°52'57" West 5341.69 feet to a 2" Pipe, Thence North 89°53'03" West 2172.83 feet to a Nail at Base of 1 1/2" pipe Projecting from River Bank, Thence North 87°58'59" West 10155.91 feet to a #4 rebar, Thence North 88°07'57" West 6803.16 feet to a 1" Rod beside Bent Bolt, thence North 87°53'57" West 4012.68 feet to the Bottom of Pushed Over Leaf Spring, thence North 87°56'48" West 7940.19 feet to a bent 1" Rod, Thence North 87°56'46" West 5807.09 feet to a #5 Rebar, Thence North 87°57'34" West 3165.48 feet to an Axle beside 1/2" Rod, Thence North 88°08'27" West 6091.15 feet to a 1" Pipe, Thence North 87°58'20" West 3472.55 feet to a 1/2" Square Rod, Thence North 88°00'28" West 11896.94 feet to a 1" Square Buggy Axle, thence North 87°53'48" West 5068.00 feet to an Axle, Thence North 88°04'10" West 13765.18 feet to a 3/4" Rod, Thence North 87°19'38" West 6545.99 feet to a T-Bar Fence post, Thence North 88°22'19" West 7028.80 feet to a 1 1/2" Pipe, Thence North 88°07'49" West 4791.23 feet to a Spike Nail, Thence North 88°19'38" West 14873.63 feet to a #8 Rebar, Thence North 88°32'23"

West 3775.15 to a #8 Rebar, Thence North 88°30'15" West 2970.01 feet to a T-Post and Stone, Thence North 88°11'46" West 1766.66 feet to a stone, Thence North 86°36'04" West 2121.55 feet to a 3/4" Pipe, Thence North 88°37'03" West 2394.76 feet to a Stump Hole, Thence North 88°15'53" West 7097.73 feet to a Bolt, Thence North 88°20'45" West 7083.58 feet to an Axle, Thence North 87°46'02" West 16351.83 feet to a 1 1/2" Rod, Thence North 87°35'25" West 4694.09 feet to a 1" Square Iron, Thence North 88°23'39" West 5692.57 feet #5 Rebar in Rock Pile, Thence North 88°34'58" West 14054.97 feet to a 1" Pipe, Thence North 88°19'04" West 9365.45 feet to a Mag Hub at Bend in 1" Pipe in Depression, Thence North 88°00'02" West 3750.18 feet to a 24" Black Gum, Thence North 87°43'15" West 459.00 to a #5 Rebar, Thence North 88°03'56" West 9351.82 feet to a 1" Pipe, Thence North 89°34'05" West 1129.45' to an Axle, Thence North 88°19'45" West 4969.57 feet to a 1" Angle Iron, Thence North 88°35'58" West 7819.92' to a Stone beside a 1 1/4" Pipe, Thence North 88°09'14" West 7373.54 feet to a 1" Pipe, Thence North 87°56'40" W 5969.11 feet to a #4 Rebar in Stone Pile, Thence North 88°23'50" West 3547.43 feet to a #4 Rebar, Thence North 88°44'49" 10625.59 feet to a Stone Beside 3/4" Pipe, Thence North 88°46'44" West 3699.20 feet to a Stone Pile, Thence North 88°03'50" West 11672.10 feet to a 1" Pipe, thence North 89°11'36" West 885.75 feet to the Boundary Mon Old North Corner NC SC, Thence North 07°17'46" East 3114.66 feet to 1" Pipe by 20" Pine, Thence North 07°17'58" East 2297.84 feet to a T Bar Fence Post, thence North 06°34'41" East 3064.48 feet to a #4 Rebar with Cap, Thence North 06°11'17" East 2134.49 feet to a 3/4" Pipe, Thence North 06°20'27" East 2335.44 feet to a 3/4" Pipe in Stone Pile, Thence North 08°28'10" East 5215.25 feet to a 1" Pipe, Thence North 07°04'28" East 17041.19 feet to a 1" Pipe in Stone Pile, Thence North 09°31'41" East 2205.29 feet to a #4 Rebar, Thence North 07°29'17" East 1648.03 feet to a #4 Rebar, Thence North 08°27'51" East 463.89 feet to a Nail at Base of T-Bar Fence Post in Stone Pile, Thence N 07°20'16" East 2972.07 feet to a Computed Point of a "Gum" -09/20/1813 plat, Thence North 36°13'51" West 4111.87 feet to a #4 Rebar, Thence North 35°01'56" West 2539.91 feet to a 3/4" Pipe, Thence North 36°01'57" West 263.99 feet to a 3/4" Pipe, Thence North 35°46'08" West 7226.21 feet to a Stone, Thence North 35°25'19" West 6349.78 feet to a Stone Pile, Thence North 33°43'51" West 11279.53 feet to a 1" Rod, Thence North 33°40'52" West 5514.99 feet to a #4 Rebar with Cap, Thence North 35°22'34" West 3963.66 feet to a #6 Rebar, Thence North 33°59'37" West 3762.59 feet to a 1" Pipe at Stone beside 12" Cedar with 3 Hacks, Thence North 34°37'18" West 3650.16 feet to a 1 1/4" Pipe in Stone Pile, Thence North 34°29'43" West 2890.05 feet to a #4 Rebar, Thence North 33°07'36" West 1405.54 feet to a #5 Rebar, Thence North 36°36'29" 1563.16 feet to a 3/4" Pipe, thence North 36°40'56" West 863.55 feet to a 1 1/2" pipe beside #5 Rebar, Thence North 33°44'46" West 1554.52 to a #5 Rebar, Thence North 39°07'19" West 1576.52 feet to a Stone, Thence North 37°34'53" West 2256.67 feet to a 1 3/4" Pipe, Thence North 36°30'10" West 3188.25 feet to a Concrete Monument, Thence North 34°27'16" West 4421.99 feet to a Rebar with Cap, Thence North 33°51'21" West 5007.99 feet to a 1 1/4" Pipe, Thence North 35°23'26" West 574.95 feet to NCGS Monument "Superior", Thence North 40°16'06" West 3424.64 feet to NCGS Monument "Carowinds", Thence South 55°23'03" West 1367.55 feet to NCGS Monument "Harlee"(now gone), Thence South 53°00'30" West 2357.94 feet to NCGS Monument "McClelland"(now gone), Thence South 53°12'04" West 1529.68 feet to NCGS Monument "Creech"(now gone), Thence South 54°15'57" West 4132.28 feet to a 1 1/4"x3/4" Iron Bar, Thence South 55°36'12" West 806.10 feet to a 1 1/4"x3/4" Iron Bar, Thence South 56°24'57" West 9951.52 feet to a Stone, thence South 55°48'01" West 1213.19 feet to an Axle, Thence South 55°47'56" West 3406.71 feet to a #8 rebar beside Bent 3/4" Pipe and Bent 1" Pipe, Thence South 56°03'02" West 6272.48 feet to a Copper Nail in 4" Iron Pipe Filled with Concrete, Thence South 55°34'03" West 443.87 to an Angle Iron, Thence South 55°29'01" West 437.72 feet to an Angle Iron, Thence South 55°49'09" West 1265.80 feet to a #4 Rebar, Thence South 52°29'54" West 752.46 feet to a #4 Rebar with Punch in 4" Iron Pipe Filled with Concrete, Thence South 52°27'17" West 264.32 feet to a Nail in Center of 3" Pipe Filled with Concrete, Thence South 52°21'16" West 676.08 feet to a Quartz Stone beside #5 Rebar, Thence South 58°40'53" West 3000.13 feet to a computed location of "Stake" on Southern Power Co. Catawba River Survey(Jan 1, 1925), Thence South 56°38'21" West 1408.99 feet to a Computed Location of Intersection of State Line Shown on Southern power Co. Catawba River Survey (Jan 1,1925) and Catawba River, Thence in a Northerly direction following the center of the Catawba River Bed as shown on a Survey titled "Survey of NC-SC State Line in Lake Wylie Depicting Center of Catawba River Bed" performed in May and June 2009 by SC Geodetic Survey and Approved by Joint NC-SC Boundary Commission on September 23, 2010 to a Computed Location of State Stone Monument in Lake Wylie, Thence North 84°46'46" West 6338.49 feet to a Concrete Monument, Thence North 84°42'22" West 851.67 feet to Stone Pillar "L 30" on West Side "CV 33" on East Side, Thence North 84°46'34" West 3132.53 feet to a Bent 3" Pipe Filled with Concrete with Copper Nail in Center, Thence North 84°58'49" West 7316.87 feet to a Set #5 Rebar, Thence North 84°24'41" West 15311.35 feet to a Stone Pillar.

Thence North 84°10'49 West 1002.55 feet to a Stone Pile, Thence North 85°44'42" West 4342.47 feet to a Stone Pillar in Stone Pile, Thence North 85°40'03" West 16042.55 feet to a 1 1/4" Pipe, Thence North 85°43'57" West 28109.19 feet to a 1 1/4" Rebar, Thence North 87°05'15" West 4715.49 feet to a #8 Rebar, Thence North 84°13'32" West 829.50 feet to a PK Nail, Thence North 86°54'46" West 6246.61 feet to a Rail Road (RR) Spike, Thence North 85°06'36" West 9777.38 feet to a 3" Pipe, Thence North 84°29'31" West 4036.25 feet to a 1 1/2" Square Iron, Thence North 84°31'11" West 1483.95 feet to a 4" "+" Iron, Thence North 84°33'11" West 2496.41 feet to a 1" Rod at 2 Pine Stumps, Thence North 87°53'25" West 3395.98 feet to a 1" Pipe, Thence North 87°33'41" West 4192.16 feet to a RR Rail, Thence North 85°44'09" West 11452.11 to a 20" Post Oak, Thence North 85°51'06" West 11134.26 feet to a #4 Rebar, Thence North 86°08'01" West 19224.83 feet to a #4 Rebar, Thence North 85°23'15" West 16786.99 feet to a 7/8" Rod in Stone, Thence North 85°27'56" West 1896.58 feet to a 3" Pipe, Thence North 86°02'30" West 4390.61 feet to an axle, Thence North 85°35'29" West 11638.37 feet to a 1" Rod, Thence North 85°22'09" West 3914.44 feet to a 1" Rod, Thence North 85°57'38" West 6471.27 feet to a 1" Square Bar, Thence North 85°45'35" West 11726.99 feet to a #5 Rebar with Cap, Thence North 86°37'46" West 8889.78 feet to an Axle, Thence North 85°56'18" West 5785.55 feet to a Nail in Stone, Thence North 85°21'24" West 4894.47 feet to a Stone with Inscribed "X", Thence North 87°37'11" West 1771.03 feet to a Bent 5/8"Rod, Thence North 85°51'40" West 2759.75 feet to a Nail, Thence North 85°54'32" West 7747.74 feet to a T Post, Thence North 86°49'05" West 5413.39 feet to a 1/2" Pipe in Stone Pile, Thence North 86°00'31" West 11222.34 feet to a RR Spike, Thence North 86°10'31' West 5326.97 feet to a 3/4" Pipe, Thence North 85°31'19" West 4438.04 feet to a RR Spike, Thence North 85°04'33" West 10190.26 feet to a Stone, Thence North 86°49'22" West 1893.84 feet to a Bent 7/8" Pipe, Thence North 86°07'30" West 5549.49 feet to a 1/2" Pipe, Thence North 86°36'51" West 1233.89 feet to a Bent Buggy Axle, Thence North 87°21'14" West 3227.86 to a SCGS Monument "LWBH 28" PK Nail in Stone, Thence North 86°15'29" West 22806.41 feet to a #4 Rebar, Thence 84°41'41" West 1620.18 feet to a Stone with "X" beside a #5 Rebar, Thence North 83°40'31" West 6247.90 feet to a 1" Rod, Thence North 86°53'39" West 6725.11 feet to a #4 Rebar in Concrete, Thence North 87°51'50" West 1260.36 feet to a #1 Rebar in Concrete beside a Stone, Thence North 84°53'50" West 10854.95 feet to a 1" Pipe, Thence North 83°56'34" West 5465.26 feet to a SCGS Monument "Boundary Mon State County NC SC".

All bearings are referenced to the North American Datum of 1983(NSRS) 2007 and all distances are grid distances as denoted on the survey plats on file at the office of the North Carolina Geodetic Survey in the North Carolina Department of Public Safety and recorded in the Register of Deeds of the North Carolina counties adjacent to the North South Carolina boundary.

Section 2. The North Carolina Geodetic Survey in the Department of Public Safety and the North Carolina State Property Office of the Department of Administration continue to retain and manage sufficient and necessary records of the state boundary marking and re-markings, including but not limited to this Executive Order.

This Executive Order shall take effect immediately and remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this fifth day of December in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

December 9, 2016

EXECUTIVE ORDER 119

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 107, 108, 109, 112, 115, 116

WHEREAS, Executive Order No. 107, was issued on October 3, 2016 declaring a state of emergency in sixty-six (66) counties in the State of North Carolina in anticipation of Hurricane Matthew; and

WHEREAS, Executive Order No. 108 was issued on October 3, 2016, waiving the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration, carrying essentials and agricultural commodities on the interstate and intrastate highways due to the anticipated damage and impacts from Hurricane Matthew; and

WHEREAS, Executive Order No. 109, was issued on October 6, 2016, which expanded the emergency area in Executive Order No. 107 to all 100 counties; and

WHEREAS, Executive Order No. 112 was issued on November 1, 2016 which extended the waivers in Executive Order No. 108 until midnight December 3, 2016; and

WHEREAS, Executive Order No. 115, was issued on November 10, 2016 declaring a state of emergency in twenty-five (25) counties in the State of North Carolina due to wildfires that endangered communities in the western part of the state; and

WHEREAS, Executive Order No. 116, was issued on November 22, 2016, which expanded the emergency area in Executive Order No. 115 to an additional twenty-two (22) counties.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED:**

Pursuant to N.C.G.S § 166A-19.20(c) the states of emergency and expansion of the emergency areas that were declared by Executive Orders Nos. 107, 109, 115, 116 and the waivers issued in Executive Order No. 108 and extended by Executive Order No. 112 are hereby terminated, effective immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this ninth day of December in the year of our Lord two thousand and sixteen.

Pat McCrory

Pat McCrory
Governor

ATTEST:

Rodney S. Maddox

Elaine F. Marshall
Chief Deputy Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

December 9, 2016

EXECUTIVE ORDER NO. 120

DISASTER DECLARATION BY THE GOVERNOR

WHEREAS, on October 8-9, 2016, Hurricane Matthew hit central and eastern North Carolina with record breaking rainfall that created 1,000-year flood events that devastated the people, infrastructure, businesses, and schools of entire communities. At the height of the storm, 800,000 people were without power, nearly 3,750 were displaced from their homes, 635 roads were closed, 34 school systems were closed and 28 people lost their lives; and

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on October 3, 2016, I declared a state of emergency under N.C.G.S § 166A-19.20, in anticipation of Hurricane Matthew impacting the State of North Carolina; and

WHEREAS, on October 4, 2016, I requested an emergency declaration from the President of the United States, which was granted on October 7, 2016 as FEMA-3380-EM-NC; and

WHEREAS, on October 9, 2016, I requested an expedited major disaster declaration from the President of the United States, which was granted on October 10, 2016 as FEMA-4285-DR-NC, allowing North Carolina to receive federal aid in the form of individual and public assistance for citizens and local governments; and

WHEREAS, on November 14, 2016, I requested $1,028,932,144.00 in additional assistance from the federal government; and

WHEREAS, on December 9, 2016, I requested that the North Carolina General Assembly convene an extra session on December 13, 2016, for the purposes of addressing unmet needs resulting from the damage done by Hurricane Matthew; and

WHEREAS, I have determined that a Type III disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina in the following counties: Anson, Beaufort, Berlie, Bladen, Brunswick, Camden, Carteret, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gates, Greene, Halifax, Harnett, Hertford, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Richmond, Robeson, Sampson, Scotland, Tyrrell, Wake, Warren, Washington, Wayne, Wilson; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(3), the criteria for a Type III disaster are met if the President of the United States has issued a major disaster declaration

under the Stafford Act and either of the following is true: (1) The preliminary damage assessment indicates that the extent of damage is reasonably expected to meet the threshold established for an increased share of disaster assistance under applicable federal law and regulations, and (2) The preliminary damage assessment prompts the Governor to call a special session of the General Assembly to establish programs to meet the unmet needs of individuals, businesses, or political subdivisions affected by the emergency; and

WHEREAS, there remain many unmet needs for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

Pursuant to N.C.G.S. § 166A-19.21(b)(3), a Type III disaster is hereby declared for the following North Carolina counties: Anson, Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gates, Greene, Halifax, Harnett, Hertford, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Richmond, Robeson, Sampson, Scotland, Tyrrell, Wake, Warren, Washington, Wayne, Wilson.

Section 2. I authorize state disaster assistance in the form of State funds that are made available for emergency assistance in the emergency area in the form of the following types of grants as allowed under N.C.G.S. § 166A-19.41(d):

1. State Acquisition and Relocation Funds.
2. Supplemental repair and replacement housing grants available to individuals or families in amounts necessary to locate individuals or families in safe, decent, and sanitary housing, not to exceed twenty-five thousand dollars ($25,000) per family.
3. Any programs authorized by the General Assembly.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type III disaster declaration shall expire 24 months after issuance unless renewed by the General Assembly.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this ninth day of December in the year of our Lord two thousand and sixteen.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



EXECUTIVE ORDERS
OF
GOVERNOR ROY COOPER

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State of North Carolina

Roy Cooper
Governor

January 6, 2017

EXECUTIVE ORDER NO. 1

DECLARATION OF A STATE OF EMERGENCY

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach and potential impacts of an upcoming winter storm.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Erik Hooks, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Hooks, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 5.

I further direct Secretary Hooks or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 6th day of January in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

Roy Cooper
Governor

January 6, 2017

EXECUTIVE ORDER NO. 2

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach and potential impacts of an upcoming winter storm, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists due to the approaching winter storm and its likely impact in this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after the winter storm and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105-449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 6th day of January in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

Roy Cooper
Governor

January 10, 2017

EXECUTIVE ORDER NO. 3

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 1 AND 2

WHEREAS, Executive Order No. 1, issued on January 6, 2017, declared a state of emergency in North Carolina due to the potential and actual impacts of a winter storm; and

WHEREAS, Executive Order No. 2, issued on January 6, 2017, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to the potential and actual impacts of a winter storm. In addition, the order also directed the Department of Public Safety to suspend weighing equipment used for movement of crops, transporting livestock and poultry and feed for livestock and poultry.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Section 1.

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 1 is terminated as of Tuesday, January 10, 2017 at 12:00 p.m.

Section 2.

Executive Order No. 2 will remain in effect until 11:59 p.m., Sunday, January 15, 2017. The order is amended to repeal the following clause:

> **WHEREAS,** I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists due to the approaching winter storm and its likely impact in this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

Replacing it with the following clause:

> **WHEREAS;** although I have terminated Executive Order No. 1, issued on January 6, 2017, there continues to be a limited state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) only for the purposes of responding to ongoing impacts from the winter storm in this state. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

Section 3.

Section 10 of Executive Order No. 2 is rewritten to read as follows:

As of 12:00pm on January 10, 2017, this order will no longer trigger the prohibitions against excessive pricing in the emergency area in North Carolina, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 4.

The remaining provisions in Executive Order No. 2 remain in effect until the order terminates at 11:59 p.m. on Sunday, January 15, 2017.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this tenth day of January in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

Roy Cooper
Governor

January 31, 2017

EXECUTIVE ORDER NO. 4

EXTENDING EXECUTIVE ORDER 117 ALLOWING FOR THE EXPEDITED MOVEMENT OF TEMPORARY HOUSING FOR SURVIVORS OF HURRICANE MATTHEW

WHEREAS, Executive Order No. 117 was issued on December 1, 2016, which allowed for the expedited movement of temporary housing for survivors of Hurricane Matthew on the intrastate and interstate highways of North Carolina; and

WHEREAS, the Executive Order is to set to expire on February 1, 2017 and there continues to be a substantial need for temporary housing in many of the counties that were declared by FEMA 4285-DR-NC; and

WHEREAS, the Executive Order needs to remain in place to allow for the continued expedited movement and placement of temporary housing in the disaster area.

NOW THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Executive Order No. 117, *ALLOWING FOR THE EXPEDITED MOVEMENT OF TEMPORARY HOUSING FOR SURVIVORS OF HURRICANE MATTHEW*, signed on December 1, 2016 is hereby extended until July 31, 2017.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 31st day of January in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

March 23, 2017

EXECUTIVE ORDER NO. 5

TO FACILITATE EMPLOYEE ACCESS TO STATE FACILITIES AND CABINET AGENCY LEADERS

WHEREAS, regular communication and exchange of ideas between employees and managers is essential to addressing service delivery and achieving greater levels of efficiency and effectiveness in governmental operations; and

WHEREAS, ensuring an effective, accountable, reliable, and efficient state government requires the commitment, dedication and cooperation of all state employees in both managerial and non-managerial positions; and

WHEREAS, employee organizations that articulate the views, concerns, and ideas of state employees are important participants in improving the efficiency and quality of service delivery and government operations; and

WHEREAS, ensuring reasonable opportunities for public employees to communicate with the representatives of their employee organizations is in the interest of furthering effective dialog between state employees and managers; and

WHEREAS, the Office of State Human Resources is charged with ensuring that employees receive information about human resources programs and services.

NOW THEREFORE, as Governor of the State of North Carolina, I do hereby order and direct the Office of State Human Resources, which is charged with the administration of state human resources policies, and all agencies, managers, supervisors, and employees under the jurisdiction of the Governor, to take the following actions:

Section 1. Reasonable Access to Facilities

a. All heads of state institutions, departments, bureaus, agencies, or commissions subject to the authority of the Governor (hereinafter "executive branch agency") shall permit reasonable access to their facilities for the purposes of membership recruitment, distribution of educational materials related to membership, and consultation regarding membership with representatives of a domiciled employee association that has at least 5,000 members who are State employees (hereinafter "covered employee association").

b. A covered employee association desiring access to facilities under this Order must submit a request for access to the head of an executive branch agency at least two weeks prior to the requested date of access, unless a shorter time period is authorized by the head of the executive branch agency. A covered employee association's access under this Order shall be limited to two (2) times each year, as determined by the head of the executive branch agency.

Section 2. Meet and Confer

a. The representatives of each covered employee association shall have the opportunity to meet annually with representatives of the Governor and quarterly with the State Human Resources Director regarding issues of mutual concern.

b. Additionally, the representatives of a covered employee association whose membership includes at least 20 percent of the employees in an executive branch agency shall have the opportunity to meet at least quarterly with representatives of that agency to confer regarding areas of mutual concern. The head of an executive branch agency may authorize additional meetings as the executive branch agency head deems appropriate.

Section 3. Participation of Employees in Certain Association Activities

State employees who serve as elected officers or delegates of covered employee associations shall be allowed up to three (3) days of managerially approved leave to participate in the annual convention or annual conference of the covered employee association without a loss of the employees' personal leave time.

Section 4. Participation by Associations in this Order

Any domiciled employee association that desires to be included in the provisions of this Order shall provide to the Director of the Office of State Human Resources evidence that it meets the criteria under Section 1.a of this Order. Any domiciled employee association that desires to meet with an executive branch agency shall provide to the head of that agency evidence that it meets the criteria under Section 2.b of this Order.

Section 5. Employee and State Rights and Responsibilities Maintained

This Order is intended to encourage communication between employees and State leaders. The provisions of this Order shall not be construed or interpreted to diminish any rights, responsibilities, powers, or duties of individual employees in their service to the State or to require or prohibit any state employee's participation in a covered employee association. Further, the provisions of this Order shall not diminish or infringe upon any rights, responsibilities, powers, or duties conferred upon any state officer or agency by the Constitution or laws of the State of North Carolina.

Section 6. Participation by Other State Entities

The Board of Governors of the University of North Carolina System, the State Board of Community Colleges, the State Board of Education, and each head of the Council of State agencies are encouraged and invited to participate in this Executive Order.

Section 7. Effect and Duration

This Executive Order shall be effective immediately and shall remain in effect until rescinded. All other Executive Orders or portions of Executive Orders inconsistent with this Order are hereby rescinded. This Order specifically rescinds Executive Order No. 84 signed on December 18, 2015.

IN WITNESS WHEREOF, I have hereunto signed by name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 23rd day of March in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER
GOVERNOR

April 20, 2017

EXECUTIVE ORDER NO. 6

NORTH CAROLINA EMERGENCY RESPONSE COMMISSION

By the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

There is hereby established the North Carolina Emergency Response Commission, hereinafter referred to as the "Commission." The Secretary of the North Carolina Department of Public Safety shall serve as the Homeland Security Advisor to the Governor and Chairperson of the Commission. The Commission shall consist of not less than 14 members and shall be composed of at least the following persons, or their designee as approved by the Commission Chairperson:

a. Director of Emergency Management, North Carolina Department of Public Safety, who shall serve as the Vice-Chairperson;

b. Director of the State Bureau of Investigation, North Carolina Department of Public Safety;

c. The Adjutant General of the North Carolina National Guard, North Carolina Department of Public Safety;

d. Commander of the State Highway Patrol, North Carolina Department of Public Safety;

e. Secretary of the North Carolina Department of Environmental Quality;

f. Secretary of the North Carolina Department of Transportation;

g. Chief of the Office of Emergency Medical Services, Division of Health Service Regulation, North Carolina Department of Health and Human Services;

h. Assistant State Fire Marshal, Office of the State Fire Marshal, North Carolina Department of Insurance;

i. State Chief Information Risk Officer, North Carolina Department of Information Technology;

j. Director, Division of Public Health, North Carolina Department of Health and Human Services;

k. Assistant Deputy Commissioner of Labor for Occupational Safety and Health, North Carolina Department of Labor;

l. President of the North Carolina Community College System; and

m. Director of the Emergency Programs Division, North Carolina Department of Agriculture and Consumer Services.

In addition to the foregoing, up to eight (8) at-large members from local government, private industry and the public may be appointed by the Governor and serve terms of two (2) years at the pleasure of the Governor. These members may consist of the following persons:

a. A Chief of Police;

b. A Sheriff;

c. A Fire Chief;

d. A representative of emergency medical services in North Carolina;

e. A representative of emergency managers in North Carolina;

f. A representative of medium or large sized public assembly venues in North Carolina;

g. An representative affiliated with the production, storage or transportation of hazardous materials;

h. A private citizen of the state of North Carolina.

Section 2. Duties

The Commission is designated as the State Emergency Response Commission as defined in the Emergency Planning and Community Right-to-Know Act of 1986 enacted by the United States Congress and hereinafter referred to as the "Act." The Commission serves in three roles:

a. The Commission will perform all of the duties required under the Act and other advisory, administrative, regulatory, or legislative actions.

1. Designate emergency planning districts to facilitate preparation and implementation of emergency plans as required under Section 301(b) of the Act.

2. Appoint local emergency planning committees described under Section 301(c) of the Act and supervise and coordinate the activities of such committees for each planning district.

3. Establish procedures for reviewing and processing requests from the public for information under Section 324 of the Act.

4. Designate additional facilities that may be subject to the Act under Section 302 of the Act.

5. Review the emergency plans submitted by the local emergency planning committees and recommend revisions of the plans that may be necessary to ensure their coordination with emergency response plans of adjacent districts and state plans.

b. The Commission will act in an advisory capacity to the Homeland Security Advisor to provide input regarding the activities of the North Carolina State Homeland Security Program and the Domestic Preparedness Regions. Specifically, the Commission will:

1. Review the State Homeland Security Strategy to ensure it is aligned with local, state, and federal priorities as required by the United States Department of Homeland Security (DHS), and that its goals and objectives are being met in accordance with program intent.

2. Review applications and subsequent allocations for state and regional homeland security projects funded by DHS grant programs.

3. Review plans for preventing, preparing for, responding to, and recovering from acts of terrorism and all hazards, whether man-made or natural.

c. The Commission will act in an advisory capacity to provide coordinated stakeholder input to the Secretary of the Department of Public Safety/Emergency Management in the preparation, implementation, evaluation, and revision of the North Carolina emergency management program. To this purpose, the Commission will work to:

1. Increase state and local disaster/emergency response capabilities; and

2. Coordinate training, education, technical assistance, and outreach activities.

Section 3. Administration

a. The Department of Public Safety shall provide administrative support and staff to the Commission as may be required.

b. Members of the Commission shall serve without compensation but may receive reimbursement for travel and subsistence expenses in accordance with state guidelines and procedures and contingent on the availability of funds.

Section 4. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject. It shall remain in effect until December 31, 2019, pursuant to N.C. Gen. Stat. § 147-16.2 or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed by name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 20st day of April in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER

GOVERNOR

May 26, 2017

EXECUTIVE ORDER N0. 7

RECOGNIZING MILITARY APPRECIATION MONTH AND MEMORIAL DAY AND AUTHORIZING THE DISPLAY OF THE PRISONER OF WAR/MISSING IN ACTION FLAG OVER THE STATE CAPITOL

WHEREAS, nearly 736,000 veterans and their families call North Carolina home; and

WHEREAS, North Carolina has identified itself as "The Most Military Friendly State," and its military service members, veterans, and their families continue to make tremendous sacrifices for our country, and further these veterans contribute greatly to the growth and development of our State; and

WHEREAS, May 2017 is Military Appreciation Month in North Carolina, a month in which our State recognizes the many sacrifices made by our veterans, service members, wounded warriors, their families, and their survivors; and

WHEREAS, Memorial Day will be observed on Monday, May 29, 2017; and

WHEREAS, it is appropriate and proper that the people of the State of North Carolina recognize and honor the brave men and women of the Armed Forces who, throughout our Nation's history, have sacrificed their lives defending the founding ideals of our State and Nation.

NOW THEREFORE, as Governor of the State of North Carolina, I do hereby order and direct the Department of Administration, which is charged with the administration of state owned buildings and grounds, and all agencies, managers, supervisors, and employees under the jurisdiction of the Governor, to take the following actions:

In recognition of Memorial Day, Military Appreciation Month, and in accordance with N.C. Gen. Stat. § 143-345.9, the "Prisoner of War/Missing in Action" flag shall be flown over the State Capitol until otherwise ordered.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-sixth day of May in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

May 26, 2017

EXECUTIVE ORDER NO. 8

NORTH CAROLINA INTERAGENCY COUNCIL FOR COORDINATING HOMELESS PROGRAMS

WHEREAS, homelessness denies individuals and families their basic need for adequate housing; and

WHEREAS, homelessness is a barrier to healthcare, academic success, employment opportunities, and overall quality of life; and

WHEREAS, state and local agencies, non-profits, and the business community provide programs and services to address issues related to homelessness; and

WHEREAS, advocates, service providers, and funders must collaborate, identify best practices, and maximize resources to help eliminate homelessness.

NOW, THEREFORE, by the power vested in me as the Governor by the laws and Constitution of the State of North Carolina, **IT IS ORDERED**:

Section 1. Establishment

The North Carolina Interagency Council for Coordinating Homeless Programs (hereinafter the "Interagency Council") is hereby established.

Section 2. Membership

The Interagency Council shall consist of a Chairperson appointed by the Governor and **26** additional members who shall be appointed by the Governor from the following state agencies, non-profits, and business community, or qualifying category:

a. One member from the North Carolina Department of Administration.
b. One member from the North Carolina Housing Finance Agency.
c. One member from the North Carolina Office of State Budget and Management.
d. One member from the North Carolina Community College System.
e. One member from the North Carolina Department of Public Safety.
f. One member from the North Carolina Department of Commerce.
g. One member from the North Carolina Department of Military and Veteran Affairs.
h. Three members from the North Carolina Department of Health and Human Services that represent persons with disabilities, older adults, and the economically disadvantaged.
i. One member from the North Carolina Department of Public Instruction.
j. One member from a county government.
k. One member from a city government.
l. One member from the faith-based community.

m. Three members from non-profit agencies that provide services to people that are homeless or at risk of homelessness.
n. One member from the North Carolina Coalition to End Homelessness.
o. One member from the North Carolina Housing Coalition.
p. One member from the business community that develops affordable housing.
q. One member representing Public Housing Authorities.
r. One member representing the homeless or formerly homeless.
s. Two members from the North Carolina Senate.
t. Two members from the North Carolina House of Representatives.

Section 3. Term of Membership

Members of the Interagency Council shall be appointed for a term of three (3) years and serve at the pleasure of the Governor. A vacancy occurring during a term of appointment will be filled by the Governor for the remainder of the unexpired term.

Section 4. Meetings

The Interagency Council shall meet quarterly, at the request of the Chairperson, or upon written request from at least five (5) of its members.

Section 5. Duties

1. The Interagency Council will advise the Governor, Secretary of the North Carolina Department of Health and Human Services, other state agencies, and partners on issues related to housing stabilization for persons that are homeless or at risk of homelessness.
2. The Interagency Council will identify and secure resources.
3. The Interagency Council will promote evidence-based best practices to address the needs of persons that are homeless and at risk of homelessness.
4. The Interagency Council will submit a report annually by December 31 that details its accomplishments, recommends short and long-term policy initiatives that increase permanent housing, identifies barriers, and lists options to enhance the service provision for persons that are homeless or at risk of homelessness.

Section 6. Administration

The Department of Health and Human Services shall provide administrative and staff support required by the Interagency Council. Administrative costs, special function expenses and the cost of member per diem, travel, and subsistence expenses shall be paid from State funds appropriated to the North Carolina Department of Health and Human Services.

Section 7. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject. It shall remain in effect until December 31, 2020, pursuant to N.C. Gen. Stat. § 147-16.2 or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-sixth day of May in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER
GOVERNOR

June 16, 2017

EXECUTIVE ORDER NO. 9

DISASTER DECLARATION FOR SAMPSON COUNTY AND THE CONTIGUOUS COUNTIES OF BLADEN, CUMBERLAND, DUPLIN, HARNETT, JOHNSTON, PENDER AND WAYNE

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on May 30, 2017, Sampson County, North Carolina and the contiguous counties of Bladen, Cumberland, Duplin, Harnett, Johnston, Pender and Wayne suffered damages as result of straight-line winds, and severe storms; and

WHEREAS, as a result of the severe weather Sampson County proclaimed a local state of emergency on May 30, 2017; and

WHEREAS, due to the impact of the severe weather, a joint preliminary damage assessment was done by local, state and federal emergency management officials on June 1, 2017; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in Sampson County, North Carolina and the contiguous counties of Bladen, Cumberland, Duplin, Harnett, Johnston, Pender and Wayne; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) Sampson County declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment has met or exceeded the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. § 123; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for Sampson County, North Carolina and the contiguous counties of Bladen, Cumberland, Duplin, Harnett, Johnston, Pender and Wayne.

Section 2. I authorize state emergency assistance funds in the form of grants to individuals and families located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(1).

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 16th day of June in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

July 21, 2017

EXECUTIVE ORDER NO. 10

ESTABLISHING THE GOVERNOR'S COMMISSION ON ACCESS TO SOUND BASIC EDUCATION

WHEREAS, "[t]he people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right," N.C. CONST. ART. I, § 15; and

WHEREAS, the State of North Carolina is invested in meeting the diverse needs of the State's children and students; and

WHEREAS, *Leandro v. North Carolina*, 346 N.C. 336 (1997) recognizes and reaffirms the State's constitutional duty to provide all North Carolina children the opportunity to receive a sound basic education; and

WHEREAS, in accordance with the requirements of the North Carolina State Constitution: (1) every classroom must be staffed by a competent, well-trained teacher and (2) every school must be staffed by a competent, well-trained principal; and

WHEREAS, in accordance with the requirements of the North Carolina State Constitution, the State of North Carolina must also identify additional, specific resources necessary to ensure that all children, including those at risk, have an opportunity to receive a sound basic education, no matter where they live in our state; and

WHEREAS, rural and underserved communities across North Carolina require a particular commitment from the State to maintain an education system that produces an educated and skilled workforce ready to compete for jobs and opportunity; and

WHEREAS, providing all North Carolina children the opportunity to obtain a sound basic education will spur economic growth and development, strengthen our workforce, increase employee wages, increase worker productivity, foster job readiness, improve health outcomes, reduce racial and gender inequality, and improve civic engagement; and

WHEREAS, the State of North Carolina has an ongoing obligation under the North Carolina State Constitution to provide all children enrolled in public schools in the State the opportunity to receive a sound basic education; and

WHEREAS, the costs of the State's inability to meet its constitutional duty are especially significant for at-risk children; and

WHEREAS, certain matters in *Hoke County Board of Education v. North Carolina* remain pending before the North Carolina Superior Court Division in the General Court of Justice for Wake County; and

WHEREAS, it is far past time for the State to implement comprehensive, inter-disciplinary measures that allocate the resources necessary to ensure that the promise of a sound basic education for children in this State is realized.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section I. Establishment

The Governor's Commission on Access to Sound Basic Education (the "Commission") is hereby established.

Section II. Mission Statement

The Commission shall undertake a comprehensive review, in conjunction with a subsequently selected independent consultant, to assess the State of North Carolina's ability to staff schools with competent well-trained teachers and principals and the State's commitment of resources to public education.

Section III. Membership

a. The Commission shall be composed of seventeen (17) members appointed by the Governor. Members shall represent diverse demographic and geographic regions of the state. The following representatives shall serve on the Commission:

1) Teacher Representative
2) Principal Representative
3) Superintendent Representative
4) School Board Representative
5) County Commissioner Representative
6) Business Community Representative
7) Workforce Board Representative
8) Community College Representative
9) University Representative
10) Early Childhood Education Representative
11) Healthcare Representative
12) 501(c)(3) Non-Profit Representative
13) Judicial Representative (To be reserved for a former member of the judiciary)
14) Public Safety Representative
15) Education Researcher Representative
16) School Psychologist Representative
17) At-Large Representative

b. The Commission will work with an independent consultant to develop detailed, comprehensive, written recommendations for specific actions necessary to achieve sustained compliance with the constitutional mandates established in *Leandro*.

c. Unless otherwise provided by subsequent Executive Order, the Commission members shall serve at least until the independent consultant identified in Section II(b) and the Commission file final recommendations. Commission members serve at the pleasure of the Governor.

d. The Commission shall be led by a five (5) member executive committee (the "Executive Committee"), with members appointed by the Governor from among the Commission's membership. Executive Committee members serve at the pleasure of the Governor. The Executive Committee shall consult with the *Leandro* parties in selecting an independent consultant to assess the importance of competent, well-trained teachers in classrooms, competent, well-trained principals in schools, and dedicated resources to meet the needs of the State's students.

e. The Department of Justice will serve as the Commission's and the Executive Committee's legal counsel.

f. Any vacancy occurring in the Commission and the Executive Committee shall be filled by the Governor.

Section IV. Duties

Commission members shall have the following responsibilities:

a. Work with the independent consultant to gather information and evidence relevant to developing a comprehensive plan to ensure compliance with the *Leandro* rulings.

b. Formulate recommendations for achieving compliance with the *Leandro* rulings.

c. Ensure the recommended compliance measures accomplish and address the following criteria:

1. Staffing each classroom with a competent, well-trained teacher;

2. Staffing each school with a competent, well-trained principal; and

3. Identifying the resources necessary to ensure that all children, including those at risk, have an equal opportunity to obtain a sound basic education.

d. Provide the Governor with advice when requested regarding other issues related to education and compliance with *Leandro*.

Section V. Meetings

a. The Commission shall meet once a quarter and at other times at the call of a majority of the Commission. The Commission may conduct meetings using electronic conferencing or other electronic means.

b. A simple majority of the Commission shall constitute a quorum for the purpose of transacting the business of the Commission.

Section VI. Administration

Except as provided by this Executive Order or other law, the Executive Committee shall adopt any rules or definitions necessary to interpret the provisions of this Executive Order and adopt any rules necessary to administer the provisions of this Executive Order.

Where necessary, the Office of the Governor shall provide staff and administrative support services for the Commission in consultation with the Governor's Policy Director, Education Advisor, and Teacher Advisor, along with the North Carolina Business Committee for Education.

Commission members shall serve without compensation, but may receive necessary travel and subsistence expenses in accordance with State law and the policies and regulations of the Office of State Budget and Management.

Section VII. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject and shall remain in effect until amended or rescinded by future Executive Order of the Governor.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 21st day of July, in the year of our Lord two thousand seventeen and of the Independence of the United States of America the two hundred and forty-one.

Roy Cooper

Governor

ATTEST:

Rodney S. Maddox

Elaine F. Marshall

Chief Deputy Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

July 27, 2017

EXECUTIVE ORDER NO. 11

PROMOTING WIND ENERGY DEVELOPMENT

WHEREAS, the State of North Carolina is recognized for its beautiful, varied terrain, abundant natural resources, and its commitment to education, inclusivity, and rural economic development; and

WHEREAS, thousands of newcomers are drawn to the State of North Carolina each year in search of prosperity; and

WHEREAS, the population of the State of North Carolina is projected to grow to 12.1 million people by 2035, which will require government and industry to take prudent steps to meet North Carolina's future energy needs; and

WHEREAS, the State of North Carolina has taken aggressive, proactive measures to invest in and develop reliable and affordable energy; and

WHEREAS, these measures are necessary to foster economic development and growth, particularly in the state's rural regions, create good jobs, and promote energy independence; and

WHEREAS, as a result of these measures, the State of North Carolina is now a national leader in solar energy; and

WHEREAS, North Carolina has the natural resources, business climate, and skilled workforce to support continued investment in alternative energy technologies; and

WHEREAS, North Carolina citizens, residents, consumers, and businesses have a reasonable expectation of affordable and reliable electricity; and

WHEREAS, North Carolina has abundant and economically viable wind resources, particularly along the eastern coast; and

WHEREAS, wind energy is increasingly cost-competitive due to recent technological advances; and

WHEREAS, wind energy promotes rural economic development, promotes energy independence, creates good jobs, and produces significant tax revenues, particularly in eastern North Carolina; and

WHEREAS, North Carolina is the most military friendly state in the country and the wind permit process already rightly directs the Department of Environmental Quality to consider military bases and flight paths when permitting wind farms, and

WHEREAS, House Bill 589 establishes an eighteen-month moratorium on "the issuance of permits for wind energy facilities and wind energy facility expansions in this State" for the purpose of (i) studying "the extent and scope of military operations" and (ii) considering "the impact of future wind energy facilities and energy and infrastructure on military operations, training, and readiness"; and

WHEREAS, it is necessary to provide further guidance and clarity to the Department of Environmental Quality ("DEQ"), the Department of Military and Veterans Affairs, the Coastal Resources Commission ("Commission"), and those state agencies, departments, boards, and commissions responsible for implementing House Bill 589.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

1. DEQ and the Commission shall make best efforts to expedite pre-application review and processing of all wind energy facility and wind energy facility expansion permit applications that are not completed and submitted by January 1, 2017.

2. DEQ shall to the extent feasible, support the Department of Commerce to make best efforts to recruit innovative energy projects, including wind energy facility and wind energy facility expansion projects, to North Carolina, and process new wind permit applications without prejudice.

3. Except as provided by law, DEQ, the Commission, and all other agencies, departments, boards, and commissions under the jurisdiction of the Office of the Governor shall make best efforts to promote wind energy in the State of North Carolina.

4. Nothing in this Executive Order shall be construed as authorizing the issuance of wind energy facility or wind energy facility expansion permits between January 1, 2017, and December 31, 2018, unless (i) an applicant has received a written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration by May 17, 2013, or (ii) an applicant can demonstrate that a completed application adhering to N.C. Gen. Stat. § 143-215.119(a) was submitted to DEQ or the Commission by January 1, 2017.

5. DEQ shall work with the Department of Administration to conduct a feasibility study regarding renewable energy and energy efficient projects on State-owned land and property.

6. Unless otherwise provided, this Executive Order supersedes and rescinds any previous executive orders to the extent that they conflict with this Executive Order.

7. This Executive Order is effective immediately and shall remain in effect until amended or rescinded by future Executive Order of the Governor.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 27th day of July, in the year of our Lord two thousand seventeen.

Roy Cooper
Governor



ATTEST:

Elaine Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

July 27, 2017

EXECUTIVE ORDER NO. 12

DECLARATION OF A STATE OF EMERGENCY

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to a damage to a main transmission line which has resulted in major power outages on Hatteras Island in Dare County and Ocracoke Island in Hyde County that could extend for weeks.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Dare and Hyde Counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Erik Hooks, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Hooks, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 5.

I further direct Secretary Hooks, or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 27th day of July in the year of our Lord two thousand and seventeen.

Roy Cooper

Roy Cooper

Governor

ATTEST:

Elaine F. Marshall

Elaine F. Marshall

Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

July 27, 2017

EXECUTIVE ORDER NO. 13

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the major power outage impacting the Outer Banks islands of Hatteras and Ocracoke, vehicles bearing equipment and supplies for utility restoration need to be moved on the highways of North Carolina; and

WHEREAS, I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to a major power outage on Hatteras Island in Dare County and Ocracoke Island in Hyde County that could extend for weeks; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, and medical supplies to residential and commercial establishments is essential before, and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105-449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 27th day of July in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER
GOVERNOR

July 28, 2017

EXECUTIVE ORDER NO. 14

NORTH CAROLINA STATEWIDE INDEPENDENT LIVING COUNCIL

WHEREAS, the Federal Rehabilitation Act of 1973, as amended by the Workforce Innovation and Opportunity Act of 2014 (hereinafter the "Rehabilitation Act"), recognized the importance of empowering individuals with disabilities to maximize independence, employment, economic self-sufficiency, inclusion, and integration into society; and

WHEREAS, the Rehabilitation Act made clear the necessity of supporting states and service providers as they assist individuals in the pursuit of meaningful and gainful employment and independent living; and

WHEREAS, the purpose of independent living services and centers is to promote a philosophy of independent living, including a philosophy of consumer control, peer support, self-help, self-determination, equal access, individual advocacy, and systems advocacy; and

WHEREAS, promoting independent living can maximize opportunities for individuals with disabilities and promote the integration and full inclusion of individuals with disabilities into the mainstream of society; and

WHEREAS, it is imperative that North Carolinians with disabilities have the opportunity to achieve the goals outlined in the Rehabilitation Act; and

WHEREAS, North Carolina established a Statewide Independent Living Council (hereinafter the "Council") under federal mandate in 1992, with the Council operating as an independent, 501(c)(3) nonprofit corporation since 2006; and

WHEREAS, the Council is a vital component of North Carolina's longstanding commitment to North Carolinians with disabilities; and

WHEREAS, Title VII, Section 705 of the Rehabilitation Act requires each state to formally establish a Statewide Independent Living Council under the state's authority to be eligible for federal funding through the Rehabilitation Act; and

WHEREAS, using the state's authority to establish a Statewide Independent Living Council is mandated by federal law and provides the Governor the opportunity to promulgate his aspirations and criteria for advancing opportunities for independent living with equity and dignity for all North Carolinians with disabilities.

NOW, THEREFORE, by the power vested in me as Governor by the laws and Constitution of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

a. The North Carolina Statewide Independent Living Council (hereinafter the "New Council") is hereby established. The New Council shall serve the citizens of North Carolina in fulfillment of the requirements of the Federal Rehabilitation Act of 1973 and the Rehabilitation Act. The New Council shall advise state efforts to improve and expand the provision of independent living services, and foster the development and growth of statewide networks of centers for independent living.

b. The New Council shall exist as an entity independent of any state agency or political subdivision. The New Council may operate as a 501(c)(3) nonprofit entity organized under Chapter 55A of the North Carolina General Statutes.

Section 2. Membership

a. The Governor shall appoint all members of the New Council and all members shall serve at the pleasure of the Governor. The Governor shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in ensuring strong support for individuals with disabilities.

b. The New Council shall consist of no more than twenty (20) voting members.

c. The New Council's membership should reflect North Carolina's demographic diversity with respect to race, gender, and age, and should provide statewide geographic representation, while representing individuals with disabilities from diverse backgrounds who are knowledgeable about centers for independent living.

d. The majority of New Council members, including both voting and ex-officio members, shall be individuals with disabilities (as defined by the Rehabilitation Act) and shall not be employed by any State agency or center for independent living. Additionally, a majority of the New Council's voting members also shall be individuals with disabilities, as defined in the Rehabilitation Act, and shall not be employed by any State Agency or center for independent living.

e. The New Council's voting membership shall be compromised of the following:

1. One director of a center for independent living, who is selected by the Governor from two nominees put forward by the directors of centers within the State.
2. One director of an American Indian Vocational Rehabilitation Services project that is administered under Section 121 of the Rehabilitation Act.
3. At least twelve (60% of the voting membership) individuals with disabilities, including at least one veteran and one youth age eighteen (18) to twenty-six (26).

f. The New Council may also include the following voting members, if such appointments are consistent with the requirements provided in Section 2.d:

1. A parent and/or legal guardian of an individual with a disability.
2. A representative of the private business sector.
3. A representative of a community college, four-year college, or university who is familiar with centers for independent living and services for individuals with disabilities.
4. A representative of a nonprofit organization that provides services to or advocates for individuals with disabilities.
5. A representative from the NCWorks Commission.
6. Other individuals as determined by the Governor.

g. The New Council shall include the following ex-officio members:

1. A representative of each of the designated state entities (the Division of Vocational Rehabilitation and the Division of Services for the Blind).
2. A representative of the Division of Services for the Deaf and Hard of Hearing.
3. A representative of the Council on Developmental Disabilities.

4. A representative of the Client Assistance Program.
5. A representative from Disability Rights NC, the state's federally mandated protection and advocacy entity.

h. New Council members shall serve terms of three years and until their successors are appointed and qualify. The initial appointment terms shall be staggered by one, two, or three years such that approximately one-third of the New Council's terms shall expire annually on August 15. Vacancies on the New Council shall be filled by the Governor. In the event of a vacancy caused by a reason other than the expiration of a term, the Governor shall appoint a person to serve for the remainder of the unexpired term. A vacancy shall not affect the power of the remaining members to execute the duties of the New Council.

i. No member of the New Council may serve for more than two full consecutive terms. Individuals serving two or more years of an unexpired or partial term are considered to have served one full term. Members who have served for two full consecutive terms are ineligible to serve on the New Council again.

Section 3. Meetings and Operations of the New Council

a. The New Council shall select a Chair from the New Council's voting membership. The New Council may select other officers from the New Council's voting membership as needed.

b. The New Council shall adopt procedures and bylaws consistent with state and federal laws, and this Executive Order, which governs the New Council's organization and operations.

c. The New Council shall meet at least quarterly, and may also convene at the call of the Chair or the Governor, or as otherwise provided in procedures adopted by the New Council. The New Council may hold any hearings or forums that are necessary to fulfill the New Council's duties.

d. The New Council shall conduct all business at public meetings in compliance with the North Carolina Open Meetings Law. Public notice of the meeting's time, date, and place shall be provided in the manner required by the North Carolina Open Meetings Law.

e. For transacting the business of the New Council, a quorum shall consist of a simple majority of voting members.

Section 4. Ethics and Other Standards

Members of the New Council shall be subject to the requirements of the State Government Ethics Act.

Section 5. Duties

In collaboration with the designated state entities, other state agencies, and private entities, the New Council shall have the following duties in service of North Carolinians with disabilities:

a. Jointly develop and sign the State Plan required by the Rehabilitation Act in conjunction with the designated state unit(s).

b. Monitor, review, and evaluate the implementation of the State Plan.

c. Coordinate activities with the North Carolina Vocational Rehabilitation Council and other state entities that address the needs and issues of specific populations with disabilities as mandated by other federal laws.

d. Submit all periodic reports to the United States Secretary of Health and Human Services at the reasonable request of the Secretary. Maintain records and afford access to the Secretary when necessary to verify the periodic reports. Copies of any submitted reports shall be provided to the Office of the Governor as well as representatives of the state agencies identified in Section 2.g.

e. Collaborate with designated state unit(s) to prepare a resource plan for the provision of New Council resources, including staff and personnel, which are made available under parts B and C of Chapter 1 of Title VII of the Rehabilitation Act, Section 110 (consistent with Section 101(a)(18)), and from other public and private sources which may be necessary to carry out the New Council's duties. The New Council must include a description of the New Council's resource plan in the State Plan. The New Council is responsible for the proper utilization of any funds or materials it receives under the resource plan. The New Council shall ensure that it meets any additional federal requirements regarding the resource plan.

f. Supervise and evaluate staff and personnel as necessary to execute the New Council's functions under this Executive Order and the Rehabilitation Act and with consistency with applicable state and federal laws.

g. Perform other duties as requested by the Governor and as deemed necessary by the New Council to meet its responsibilities under this Executive Order and the Rehabilitation Act.

Section 6. Administration and Expenses

State designated unit(s) may provide necessary administrative and staff support services to the New Council as requested by either the New Council or the Governor. State designated unit(s) may not assign such staff duties that would create a conflict of interest. The New Council may pay compensation to New Council members if the member is not employed or must forfeit wages from other employment for each day the member is engaged in performing New Council duties. The New Council may also reimburse members of the New Council for reasonable and necessary expenses for attending meetings and performing duties (including transportation, child care, and personal assistance services). All monetary compensation and reimbursements shall be derived from the funds provided under the New Council's resource plan and must be in accordance with Section 705 of the Rehabilitation Act. The New Council may only use federal funds to perform the duties promulgated by Section 705 of the Rehabilitation Act.

Section 7. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject. This Executive Order shall remain in effect until December 31, 2020, pursuant to N.C. Gen. Stat. §147-16.2, or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of July in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

August 14, 2017

EXECUTIVE ORDER NO. 15

DISASTER DECLARATION FOR THE TOWN OF WINDSOR

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, starting on September 21, 2016, the Town of Windsor in Bertie County, North Carolina was impacted by the remnants of Tropical Storm Julia, which produced heavy rains and caused severe flooding in the area and extensive damage; and

WHEREAS, as a result of the severe weather the Town of Windsor proclaimed a local state of emergency on September 21, 2016; and

WHEREAS, due the impact of the severe weather, a joint preliminary damage assessment was done by local, state and federal emergency management officials on September 28, 2016; and

WHEREAS, I determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in the Town of Windsor in Bertie County, North Carolina; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the Town of Windsor declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in N.C.G.S. 166A-19.41(b)(2)(a); and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the Town of Windsor in Bertie, County North Carolina.

Section 2. I authorize state disaster assistance in the form of public assistance grants to the eligible government located within the emergency area that meets the terms and conditions under N.C.G.S. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris clearance.
b. Emergency protective measures.
c. Roads and bridges.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 14th day of August in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

August 14, 2017

EXECUTIVE ORDER NO. 16

GOVERNOR'S TEACHER ADVISORY COMMITTEE

WHEREAS, teachers are highly skilled professionals who are essential to the success of our public schools in North Carolina; and

WHEREAS, teachers work to support all students as they learn, develop, and grow; and

WHEREAS teachers are committed to working with a wide range of community organizations, businesses, and other partners to address students' educational potential and needs; and

WHEREAS teachers seek to develop the whole child, meeting the physical, social, and emotional needs of their students; and

WHEREAS, teachers strive to use cutting edge technology and innovative approaches to ensure that all students receive individualized instruction; and

WHEREAS, teachers pursue high quality professional development to bring best practices to the classroom; and

WHEREAS, teachers prepare students across North Carolina from pre-kindergarten through grade 12 to graduate from high school ready to pursue post-secondary education or a career; and

WHEREAS, it is important for teachers to share their specialized knowledge and skills to enhance public education and help public officials understand how the impact of their decisions affects the classroom;

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

The Governor's Teacher Advisory Committee ("Committee") is hereby established.

Section 2. Membership

a. The Committee shall be composed of up to twenty-five members appointed by the Governor. Members shall be active classroom teachers and may include other educational support personnel serving in North Carolina public schools. Members should represent diverse demographic and geographic regions of the state, grade levels, and subject areas.

b. Committee members shall serve terms of two years and may be reappointed to successive terms. Committee members serve at the pleasure of the Governor.

c. The Governor's Teacher Advisor shall serve as the Chair of the Committee. The Committee shall select a Vice-Chair from its membership.

Section 3. Duties

Committee members shall have the following responsibilities:

a. Advise the Governor regarding the impact of the following on teachers, students, and schools:

   1) state and federal education policies for pre-kindergarten through grade 12;
   2) local board of education policies that are not required by state or federal laws, policies or regulations;
   3) the state budget;
   4) proposed or pending state or federal legislation, policies or regulations; and
   5) other issues deemed appropriate by the Governor.

b. Serve as Education Ambassadors for the Governor, including, but not limited to the following:

   1) representing the Governor at designated events;
   2) establishing and maintaining positive communications with local boards of education and education stakeholders for the purpose of sharing the Governor's education agenda; and
   3) sharing information about opportunities for the Governor to support teachers in their critical roles.

c. Advise the Governor regarding other issues related to education as requested by the Governor.

Section 4. Meetings

a. The Committee shall meet as a body of the whole once a quarter and at other times at the call of the Chair or the Governor. The Committee may conduct meetings using electronic conferencing or other electronic means.

b. A simple majority of the Committee members shall constitute a quorum for the purpose of transacting the business of the Committee.

Section 5. Administration

The Office of the Governor shall provide staff and administrative support services for the Committee.

Members shall serve without compensation, but may receive necessary travel and subsistence expenses in accordance with State law and the policies and regulations of the Office of State Budget and Management.

Section 6. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject and specifically rescinds Executive Order No. 26, dated September 3, 2013. This Executive Order shall remain in effect until August 14, 2021, pursuant to N.C. Gen. Stat.§ 147-16.2, or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 14th day of August in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER

GOVERNOR

August 15, 2017

EXECUTIVE ORDER NO. 17

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 12 AND 13

WHEREAS, Executive Order No. 12, issued on July 27, 2017, declared a state of emergency in a portion of North Carolina due to a construction accident at the Bonner Bridge that resulted in damage to the main transmission power lines that provides power to Hatteras Island in Dare County and Ocracoke Island in Hyde County; and

WHEREAS, Executive Order No. 13, issued on July 27, 2017, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways in North Carolina.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 12 and the suspension of transportation regulations in Executive Order No. 13 are hereby terminated immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 15th day of August in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER

GOVERNOR

August 31, 2017

EXECUTIVE ORDER NO. 18

ABNORMAL MARKET DISRUPTION

WHEREAS, the uninterrupted supply of fuel oil, diesel oil, and gasoline is essential for the health, safety or economic well-being of persons or property in North Carolina, and any interruption in the delivery of those fuels threatens the public welfare; and

WHEREAS, as a result of Hurricane Harvey, oil refineries in Texas and Louisiana have suffered a temporary interruption of production which has caused a disruption in the delivery of petroleum products, including gasoline to North Carolina; and

WHEREAS, the President of the United States has issued a Major Disaster Declaration under the Robert T. Stafford Act for portions of the State of Texas (FEMA-4332-DR-TX) on August 25, 2017 and an Emergency Declaration for the State of Louisiana (FEMA-3382-EM-LA) on August 28, 2017; and

WHEREAS, I have determined that an abnormal market disruption has occurred to the distribution or sale of goods and services in North Carolina pursuant to N.C.G.S. § 75-38.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS HEREBY ORDERED:**

(1) Pursuant to N.C.G.S. § 75-38, an abnormal market disruption exists because of the temporary shutdown of refineries that serve North Carolina because of Hurricane Harvey.

(2) The execution of this Executive Order triggers the enforcement of N.C.G.S. § 75-38, "Prohibit excessive pricing during states of disaster, states of emergency, or abnormal market disruptions."

(3) The investigation and enforcement of N.C.G.S. § 75-38 is hereby vested in the Attorney General of North Carolina.

This Executive Order is effective immediately and shall remain in effect for forty-five (45) days.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 31st day of August in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Rodney S. Maddox
Chief Deputy Secretary of State

State of North Carolina

ROY COOPER

GOVERNOR

August 31, 2017

EXECUTIVE ORDER NO. 19

DECLARATION OF STATE OF EMERGENCY IN ORDER TO SUSPEND MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES IN THE STATE OF NORTH CAROLINA AND TO SUPPORT RELIEF EFFORTS FOR HURRICANE HARVEY

WHEREAS, Hurricane Harvey made landfall on the coast of Texas on August 25, 2017 and the remnants of the storm also impacted Louisiana; and

WHEREAS, the storm continues to cause major catastrophic impacts to areas in both Texas and Louisiana; and

WHEREAS, many states and organizations will be supporting emergency relief efforts to Texas and Louisiana and those vehicles transporting emergency relief supplies and services will be traveling through North Carolina; and

WHEREAS, due to the impact of Hurricane Harvey there has been a temporary shutdown of refineries in Texas and Louisiana, which has caused a disruption in the delivery of petroleum products, including gasoline; and

WHEREAS, vehicles carrying gasoline and other petroleum products need to be moved to communities on the highways of North Carolina; and

WHEREAS, the supply of gasoline and petroleum products to citizens is essential to their safety and well-being; and

WHEREAS, I have found that there is an abnormal market disruption in North Carolina, as a result of the impact of the temporary shutdown of refineries due to Hurricane Harvey, in Executive Order number 18; and

WHEREAS, due to the finding of an abnormal market disruption and the catastrophic damages in Texas and Louisiana, I have determined that it is necessary to declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6), 166A-19.3(19) and 166A-19.20 exists in the State of North Carolina for the purpose of temporarily waiving certain motor vehicle regulations for vehicles that transport gasoline and petroleum products. This emergency declaration is also necessary to provide coverage to vehicles providing emergency relief and services to Texas and Louisiana due to Hurricane Harvey. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHERAS, under the provisions of N.C.G.S. § 166A-19.30(b)(4) the Governor, with the concurrence of the Council of State, may waive a provision of any regulation or ordinance of a State agency which restricts the immediate relief of human suffering; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles carrying gasoline and petroleum products and carrying emergency relief supplies or services for Hurricane Harvey must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens will likely suffer further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, 49 C.F.R. § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 C.F.R. Parts 390-399 for up to thirty (30) days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, and for vehicles used in the restoration of utility services; and

WHEREAS, on August 25, 2017, the Federal Motor Carrier Safety Administration issued a regional emergency declaration, pursuant to 49 C.F.R 390.23 to provide for regulatory relief for commercial motor vehicle operations under 49 C.F.R Parts 390-399, while providing direct assistance supporting emergency relief efforts transporting supplies, equipment and persons into or from the States of Texas and Louisiana or providing other assistance in the form of emergency services during the emergency resulting from Hurricane Harvey in the States of Texas and Louisiana.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The North Carolina Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The North Carolina Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for the vehicles transporting gasoline and other petroleum products to areas within North Carolina and for vehicles transporting emergency relief or services for Hurricane Harvey to Texas and Louisiana.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the Commercial Driver's License and Insurance Requirements. This waiver shall be in effect for thirty (30) days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner, which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with transporting gasoline, other petroleum products or for emergency relief efforts associated with Hurricane Harvey.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

The gasoline truck tank and vapor system requirements of 15A N.C.A.C. 02D.0932(c) shall be waived during this time if Method 27 is followed.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 31st day of August in the year of our Lord two thousand-seventeen.

Roy Cooper
Governor

ATTEST:

Rodney S. Maddox
Chief Deputy Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

September 6, 2017

EXECUTIVE ORDER NO. 20

DECLARATION OF A STATE OF EMERGENCY

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare, pursuant to N.C.G.S. § 166A-19.20, that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach and potential impacts from Hurricane Irma.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Erik A. Hooks, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Hooks, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 5.

I further direct Secretary Hooks or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective at 8:00 a.m. on September 7, 2017 and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 6th day of September in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

ROY COOPER
GOVERNOR

September 6, 2017

EXECUTIVE ORDER NO. 21

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach and potential impacts of Hurricane Irma, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry or crops ready to be harvested need to be moved on the highways of North Carolina; and

WHEREAS, Hurricane Irma may have major impacts to the states of Florida, Georgia and South Carolina; and

WHEREAS, many states and organizations will be supporting emergency relief efforts to Florida, Georgia and South Carolina and those vehicles transporting those emergency relief supplies and services will be traveling through North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6), 166A-19.3(19) and 166A-19.20 exists due Hurricane Irma and its likely impact in this State; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after Hurricane Irma impacts North Carolina and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal from the impacts of Hurricane Irma must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118 and 20-119. I have further found that citizens in this North Carolina, Florida, Georgia and South Carolina may suffer

losses and will likely suffer further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock, poultry or crops ready to be harvested, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock, poultry or crops; and

WHEREAS, 49 C.F.R. § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 C.F.R. Parts 390-399 for up to thirty (30) days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock, poultry, or crops ready to be harvested and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The North Carolina Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The North Carolina Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118 and 20-119, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1 and 20-382, and certain registration and filing requirements and penalties arising under N.C.G.S. §§ 105-449.45, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock, poultry or crops ready to be harvested in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.
b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.
c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The requirement to obtain a temporary trip permit and pay the associated $50.00 fee listed in N.C.G.S. § 105-449.49 is waived for the vehicles described above. No filing of a quarterly fuel tax return is required because the exemption in N.C.G.S. § 105-449.45(b)(1) is recognized.
b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and N.C.G.S. § 20-382 concerning interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.
c. Non-participants in North Carolina's International Registration Plan and International Fuel Tax Agreement will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the Commercial Driver's License and Insurance Requirements. This waiver shall be in effect for thirty (30) days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry, or crops ready to be harvested in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective at 8:00 a.m. on September 7, 2017 and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 6th day of September in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

September 18, 2017

EXECUTIVE ORDER NO. 22

NOTICE OF TERMINATION OF EXECUTIVE ORDER NO. 20 AND AMENDING EXECUTIVE ORDER NO. 21

WHEREAS, Executive Order No. 20 was issued on September 6, 2017, declaring a state of emergency due to the approach of Hurricane Irma for the entire State of North Carolina; and

WHEREAS, Executive Order No. 21 was issued on September 6, 2017, waiving the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration, carrying essentials and agricultural commodities on the interstate and intrastate highways due to the anticipated damage and impacts from Hurricane Irma.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Section 1.

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 20 is hereby terminated immediately.

Section 2.

Executive Order No. 21 will remain in effect until 11:59 p.m. October 6, 2017. The order is amended to repeal the following clause:

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6), 166A-19.3(19) and 166A-19.20 exists due Hurricane Irma and its likely impact in this State; and

Replacing it with the following clause:

> **WHEREAS;** although I have terminated Executive Order No. 20, issued on September 6, 2017, there continues to be a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) for the purposes of responding to the ongoing impacts from Hurricane Irma in Florida, Georgia, South Carolina, and the U.S. Virgin Islands. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the state of North Carolina for the purpose of allowing vehicles used for emergency response and relief to pass through the State without undue delay.

Section 3.

Section 10 of Executive Order No. 21 is rewritten to read as follows:

> This order will not trigger the prohibitions against excessive pricing in the emergency area in North Carolina for Hurricane Irma, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 4.

The remaining provisions in Executive Order No. 21 remain in effect until 11:59 p.m. October 6, 2017, and maybe extended if necessary to provide relief to the impacted states and territories.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 18th day of September in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER

GOVERNOR

October 5, 2017

EXECUTIVE ORDER NO. 23

GOVERNOR'S ADVISORY COUNCIL ON HISPANIC/LATINO AFFAIRS

WHEREAS, the Hispanic/Latino community plays a vital role in the economy and diverse society of North Carolina; and

WHEREAS, the Hispanic/Latino population contributes to the economic development and progress of the state by working in different industries and by participating in civic affairs; and

WHEREAS, many unique challenges confront the Hispanic/Latino community as they attempt to access housing, education opportunities, health care, and employment services; and

WHEREAS, the state should promote collaboration and effective planning and delivery of services among state agencies that serve the Hispanic/Latino population; and

WHEREAS, partnership and communication with Hispanic/Latino individuals and organizations allows for greater contributions by the Hispanic/Latino community as part of the fabric of North Carolina;

NOW THEREFORE, by the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

The Governor's Advisory Council on Hispanic/Latino Affairs (hereinafter the "Advisory Council") is hereby reestablished.

Section 2. Membership

The Governor's Advisory Council on Hispanic/Latino Affairs shall consist of a minimum of twelve (12) voting members. All members shall be appointed by the Governor for a term of two (2) years and serve at the pleasure of the Governor. A member may not be appointed for more than two consecutive terms of two (2) years. A vacancy occurring during a term of appointment shall be filled by the Governor for the balance of the unexpired term. The Governor shall appoint a Chair and Vice-Chair from among the membership of the Advisory Council.

In addition to a minimum of twelve (12) voting members, the following or their designees shall serve as ex-officio, non-voting members:

a. The Secretary of the Department of Administration;
b. The Secretary of the Department of Commerce;
c. The Secretary of the Department of Cultural and Natural Resources;
d. The Secretary of the Department of Environmental Quality;
e. The Secretary of the Department of Health and Human Services;
f. The Secretary of the Department of Information and Technology;
g. The Secretary of the Department of Military and Veteran Affairs;
h. The Secretary of the Department of Public Safety;
i. The Secretary of the Department of Revenue;

j. The Secretary of the Department of Transportation;
k. One representative from the Office of the Governor selected by the Governor;
l. The Director of the Office of State Human Resources

The following individuals or their designees are invited to serve as ex-officio, non-voting members of the Advisory Council:

a. The Commissioner of the Department of Agriculture and Consumer Services;
b. The Attorney General;
c. The Commissioner of Insurance;
d. The Commissioner of Labor;
e. The Superintendent of the Department of Public Instruction;
f. The Secretary of State;

Section 3. Meetings

The Advisory Council shall meet quarterly or upon the call of the Governor or the chair. The chair shall set the agenda for the Advisory Council's meetings. The Advisory Council may establish such committees or other working groups as are necessary to assist in performing its duties.

Section 4. Duties

The Governor's Advisory Council on Hispanic/Latino Affairs shall advise the Governor on issues related to the Hispanic/Latino community in North Carolina and support State efforts to promote cooperation and understanding between the Hispanic/Latino community, the general public, the state, federal, and local governments.

The Advisory Council shall provide a forum for the discussion of issues concerning the Hispanic/Latino community in North Carolina and support efforts toward the improvement of race and ethnic relations.

The Advisory Council will submit a report annually that details its accomplishments, identifies barriers, and recommends short and long-term state-wide policy initiatives that are specific to the Hispanic/Latino community.

The Advisory Council shall perform other duties as directed by the Governor.

Section 5. Administration

The Office of the Governor shall provide all administrative and staff support services required by the Advisory Council. Members shall serve without compensation, but may receive reimbursement, contingent upon the availability of funds, for travel and subsistence in accordance with North Carolina General Statutes 138-6, and 120-3.1.

Section 6. Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject and specifically rescinds Executive Order No. 14, dated June 10, 2013. This Executive Order shall remain in effect until October 5, 2021, pursuant to N.C. Gen. Stat. § 147-16.2(b), or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 5th day of October, in the year of our Lord two thousand seventeen.

Roy Cooper
Governor



ATTEST:

Rodney S. Maddox
Chief Deputy Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

October 18, 2017

EXECUTIVE ORDER NO. 24

POLICIES PROHIBITING DISCRIMINATION, HARASSMENT, AND RETALIATION IN STATE EMPLOYMENT, SERVICES, AND CONTRACTS UNDER THE JURISDICTION OF THE OFFICE OF THE GOVERNOR

WHEREAS, North Carolina welcomes all people and recognizes the importance of diversity; and

WHEREAS, North Carolina has a strong commitment to maintaining an excellent statewide workforce and a robust economy, and must eliminate discrimination, harassment, and retaliation to attract, grow, and retain its workforce and build its economy; and

WHEREAS, robust workplace protections produce greater employee job commitment, improved workplace relationships, increased job satisfaction, improved productivity, and improved health outcomes; and

WHEREAS, protecting against discrimination, harassment, and retaliation in the provision of government services promotes solidarity, government accountability, and economic efficiency; and

WHEREAS, the United States Supreme Court in *Grutter v. Bollinger* recognized a compelling state interest in diversity; and

WHEREAS, the United States Supreme Court in *Obergefell v. Hodges* recognized that "[t]he fundamental liberties protected by the Fourteenth Amendment's Due Process Clause extend to certain personal choices central to individual dignity and autonomy, including intimate choices defining personal identity and beliefs," and laws burdening this liberty interest "abridge central concepts of equality"; and

WHEREAS, the majority of federal courts that have addressed the issue to date have held that discrimination on the basis of transgender status is unlawful; and

WHEREAS, a 2013 Pew Research study found that twenty-one percent of LGBT respondents "had been treated unfairly by an employer in hiring, pay, or promotions" due to their sexual orientation and/or gender identity; and

WHEREAS, a 2015 study conducted by the National Center for Transgender Equality found that thirty-two percent of transgender workers in North Carolina experienced workplace harassment or discrimination in the past year; and

WHEREAS, discrimination, harassment, and retaliation based on activities and identities protected under existing federal and state law, including but not limited to race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual

orientation, gender identity or expression, is prohibited and unlawfully infringes upon individual dignity and autonomy; and

WHEREAS, it is in the State's interest to invite private businesses, private non-profit organizations, and other private entities to adopt policies protecting transgender individuals from discrimination, harassment, and retaliation; and

WHEREAS, it is necessary to provide state and local government actors with clarity and guidance regarding existing laws and policies prohibiting discrimination, harassment, and retaliation; and

WHEREAS, the measures set forth in this Executive Order are not inconsistent with existing federal and state law.

NOW, THEREFORE, I, Roy Cooper, Governor of the State of North Carolina, by virtue of the authority vested in me under the Constitution and the laws of the State of North Carolina, do hereby order the following:

I. Definitions and Standards

A. Prohibited Grounds

Activities and identities protected under existing federal and state law, including but not limited to race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual orientation, gender identity or expression, shall be referred to in this Executive Order as "Prohibited Grounds" for discrimination, harassment, or retaliation.

B. Guidance

As used in this Executive Order, "Guidance" is defined to be a statement within the scope of one or more of the sub-subdivisions of N.C. Gen. Stat. § 150B-2(8a)a - l.

C. State Employment, State Government Services and Programs, State Contracts, and State Grants

1. State agencies, boards, commissions, and departments under the jurisdiction of the Office of the Governor shall not discriminate, harass or retaliate on the basis of Prohibited Grounds in employment against an individual;

2. State agencies, boards, commissions, and departments under the jurisdiction of the Office of the Governor shall not discriminate, harass or retaliate on the basis of Prohibited Grounds in the provision of government services or in the administration of government programs, including, but not limited to, programs and services concerning public safety, health, and welfare;

3. State agencies, boards, commissions, and departments under the jurisdiction of the Office of the Governor shall not discriminate, harass or retaliate on the basis of Prohibited Grounds in awarding state contracts and state grants; and

4. State agencies, boards, commissions, and departments under the jurisdiction of the Office of the Governor will not adopt policies or regulations barring, prohibiting, blocking, deterring, or impeding any individual who lawfully uses public facilities under their control or supervision, in accordance with that individual's gender identity.

II. Access to State Services

State agencies and departments under the jurisdiction of the Office of the Governor (referred to hereafter as "State Agencies" or "State Agency") are directed to adopt additional rules and policies permissible under existing federal and state law that are necessary to provide the public with equal access and opportunity, without discrimination, harassment, or retaliation based upon Prohibited Grounds, to:

a. Services provided by the State;
b. Services both:
    i. Funded directly by State treasury funds that are disbursed by a State Agency; and
    ii. Provided by a private entity receiving those funds (a "Grantee"); a private entity receiving those funds from a Grantee (a "Sub-Grantee"); a private contractor pursuant to an agreement with a State Agency (referred to in this section, and this section alone, as a "Service Contractor"); or a private subcontractor pursuant to an agreement with a Service Contractor.

State Agencies will notify their employees of measures undertaken pursuant to this Section and will ensure that those employees provide the public with equal access and opportunity without discrimination, harassment, or retaliation based upon Prohibited Grounds, to services provided by the State.

III. Policy Development

A. State Agency Specific Policies Addressing Discrimination, Harassment, and Retaliation

By the authority vested in me as the Governor of the State of North Carolina under the Constitution, *see* N.C. CONST. art. III, §§ 1, 5(4), (8), (10), and as chief supervisor of State Agencies, *see* N.C. Gen. Stat. §§ 126-1 – 99, 143B-1 – 30.4, 147-12 – 33, I further direct the Office of State Human Resources ("OSHR") to take the following actions in furtherance of the goals set forth in this Executive Order:

1. Issue Guidance applicable to all state agencies, boards, commissions, and departments under the jurisdiction of the Office of the Governor, and all directors, supervisors, officers, officials, managers, staff, and employees covered under N.C. Gen. Stat. § 126-1 – 99 (2017) (the "Human Resources Act") that addresses state government non-discrimination policy and facilitates compliance with Section II of this Executive Order. At a minimum, this Guidance will:

    a. Set forth internal State Agency standards addressing discrimination, harassment, and retaliation based upon Prohibited Grounds;

    b. Set forth standards which may be used by State Agencies as guidelines for complying with Section II of this Executive Order; and

    c. Charge OSHR with adopting measures that would identify under what circumstances State Agencies may impose consequences on Grantees and Sub-Grantees who discriminate, harass, or retaliate based upon Prohibited Grounds, up to and including grant revocation and exclusion from consideration for future state grants.

2. Take any additional steps necessary to prevent and stop discrimination, retaliation, and harassment based upon Prohibited Grounds; and

3. Periodically report on efforts to comply with and implement this Executive Order.

I further direct State Agencies to take the following actions in furtherance of the goals set forth in this Executive Order.

1. Consult with OSHR and thereafter develop State Agency specific internal dispute procedures that will remain continuously in effect for State Agency employees alleging discrimination, harassment or retaliation based upon Prohibited Grounds in connection with state employment;

2. Take any additional steps necessary to prevent and stop discrimination, retaliation, and harassment based upon Prohibited Grounds; and

3. Periodically report on efforts to comply with and implement this Executive Order.

B. State Procurement Measures

I further direct the Department of Administration ("DOA") to take the following actions in furtherance of the goals set forth in this Executive Order:

1. Issue Guidance addressing discrimination, retaliation, and harassment based upon Prohibited Grounds in state procurements. At a minimum, this Guidance will;

    a. Require, where necessary, that state contracts or subcontracts managed by and through DOA for (i) construction of public buildings, (ii) other public works, and (iii) goods or services include provisions, in accordance with existing federal and state law, which establish that bids are awarded on the basis of merit and qualifications and prospective contractors will not be discriminated, harassed or retaliated against on the basis of Prohibited Grounds;

    b. Charge DOA with adopting measures that would identify under what circumstances:

        i. State contractors would have to attest that they will not discriminate, harass, or retaliate based upon Prohibited Grounds prior to providing goods and services to the State;

        ii. State contractors would be required to have in place internal policies prohibiting discrimination, harassment, and retaliation based upon Prohibited Grounds, and ensure subcontractors working on any state project under this Section have similar policies in place; and

        iii. DOA may set forth consequences for state contractors and subcontractors who discriminate, harass or retaliate based upon Prohibited Grounds, up to and including contract termination and exclusion from consideration for future state contracts and subcontracts.

    c. Affirm DOA's commitment to retain contractors from diverse backgrounds.

2. Notify State Agencies of DOA's measures to address discrimination, harassment, and retaliation in state procurements;

3. Take any additional steps necessary to prevent and stop discrimination, retaliation, and harassment based upon Prohibited Grounds in state procurements; and

4. Periodically report on efforts to comply with and implement this Executive Order.

IV. <u>Commission on Inclusion</u>

In furtherance of the goals set forth in this Executive Order, the Secretary of the Department of Administration is hereby directed to establish a commission (the "Commission") comprised of members from state government, private businesses, and non-profit organizations to (i) assist DOA and OSHR in carrying out their duties under Section III of this Executive Order and (ii) identify additional policies and measures that would promote inclusion and address discrimination, harassment, and retaliation based upon Prohibited Grounds. The Commission will meet at the request of the Secretary of the Department of Administration and work in consultation with State Agencies. DOA shall adopt any rules and policies necessary to further the Commission's objectives and the goals set forth in this Executive Order.

V. <u>Counties, Municipalities, Political Subdivisions, Local Government Agencies, and Private Entities</u>

1. Consistent with existing federal and state law, I affirm that all counties, municipalities, political subdivisions, local government agencies, and private entities in North Carolina may establish their own policies prohibiting discrimination, harassment, and retaliation based upon Prohibited Grounds in employment, the provision of services, and contracting.

2. Consistent with existing federal and state law, all private entities in North Carolina, along with all North Carolina counties, municipalities, political subdivisions, and local government agencies, are encouraged to adopt policies similar to those outlined in this Executive Order.

VI. Miscellaneous

1. This Executive Order does not create a private cause of action.

2. Except as provided in Section VI.4, this Executive Order is subject to and does not otherwise conflict with or abrogate existing state law.

3. The "whereas" recitals in this Executive Order are for convenience of reference only, are not operative, and shall not be deemed to alter or affect the meaning or interpretation of any provisions thereof.

4. Unless otherwise provided, this Executive Order supersedes and rescinds Executive Order No. 93, issued on April 12, 2016.

5. This Executive Order is effective immediately and shall remain in effect until amended or rescinded by future Executive Order of the Governor.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this the 18th day of October, in the year of our Lord two thousand seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

November 2, 2017

EXECUTIVE ORDER NO. 25

Governor's Advisory Council on Historically Underutilized Businesses

WHEREAS, it is vital that all North Carolinians have an opportunity to contribute economically by participating in business opportunities existing in government; and

WHEREAS, the utilization of historically underutilized businesses ("HUBs") is critical to creating a vibrant, sustainable, and diverse business community in the State of North Carolina; and

WHEREAS, the state's commitment to HUBs is an important component of ongoing efforts to create jobs and expand economic opportunity; and

WHEREAS, the North Carolina Department of Administration's Office of Historically Underutilized Businesses ("HUB Office"), and the North Carolina Department of Transportation's Office of Civil Rights ("DOT Civil Rights Office" or "Civil Rights Office") strive to support the HUB program and HUBs; and

WHEREAS, pursuant to N.C. Gen. Stat. §§143-48, 128.4, state agencies are authorized to provide contracting opportunities to HUBs; and

WHEREAS, each executive branch agency should increase the total amount of goods and services it acquires from HUBs, whether the HUBs are prime contractors or more remote subcontractors; and

WHEREAS, it is expected that each agency will endeavor to obtain ten percent (10%) of the State's purchases of goods and services, as measured in dollars, from HUBs; and

WHEREAS, it is expected that this goal of obtaining ten percent (10%) of the State's purchases from HUBs shall be adjusted in line with any disparity study findings as recommended by the HUB Office and the Civil Rights Office; and

WHEREAS, a coordinated effort is necessary to eliminate any barriers impeding equal opportunity for HUBs doing business with the State.

NOW THEREFORE, by the authority vested in me as the Governor of the State of North Carolina, and by the laws and the Constitution of the State of North Carolina, **IT IS ORDERED:**

Section I. Creation of the Governor's Advisory Council on Historically Underutilized Businesses

There is established an Advisory Council on HUBs ("the Governor's Advisory Council"), which shall provide support and guidance to the Secretary of the Department of Administration and to the HUB Office on matters specific to the furtherance of the objectives of this Executive Order.

Section II. Membership and Terms on the Governor's Advisory Council

1. The Governor's Advisory Council shall consist of the following members, all of whom will be appointed by the Governor:

    a. Liaison from the Governor's Office;
    b. The State Purchasing Officer;
    c. The Director of the State Construction Office;
    d. The Executive Director of the North Carolina Council for Women;
    e. The Executive Director of the North Carolina State Commission of Indian Affairs;
    f. A Member of the North Carolina Board of Transportation;
    g. A Senior Level Administrator from the University of North Carolina or the North Carolina Community College System;
    h. Nine HUB owners, all of whom shall be members of one or more of the groups identified in N.C. Gen. Stat. § 143-128.4(b);
    i. Two representatives from a non-profit organization possessing knowledge of, and expertise in, HUBs; and
    j. Two representatives, both of whom have one of the following positions at a large, non-HUB business entity (i) executive officer, (ii) financial officer, (iii) purchasing officer, or (iv) supplier diversity chief.

2. Each appointee selected under Section II.1.a, f - j shall serve for a two (2) year term. The remaining appointees shall serve at the pleasure of the Governor.

3. Vacancies shall be filled by the Governor for the remainder of the unexpired term.

4. Members appointed to fill unexpired terms shall serve for the remainder of that term.

Section III. Goods and Services

1. It is the State's priority to promote the recruitment and utilization of HUBs by providing them access to purchasing and contracting opportunities.

2. In an effort to improve HUB participation at the outset of the procurement process, I hereby direct all participating agencies under the jurisdiction of the Office of the Governor to work with the HUB Office as part of the Development Team of Solicitations prior to awarding bids on all statewide master contracts or procurements.

3. For HUBs interested in contracting with the State, the HUB Office website shall include forecasting reports on state contracts. These reports shall aid HUBs in identifying which agencies buy what the HUBs sell, and at what frequency. These reports shall also provide HUBs with enough time to effectively compete for state contracting opportunities.

4. The North Carolina Division of Purchase and Contracts ("State Purchase and Contracts") shall work with the HUB Office to create standard inclusion language that supports utilization of HUBs on all contracts as prime contractors or second tier contractors.

5. State Purchase and Contracts, along with cabinet agencies, shall work with the HUB Office as part of the Review and Selection Team to select vendors, including term contract vendors.

6. State Purchase and Contracts shall work with the HUB Office to track the spending of (i) agencies under the jurisdiction of the Office of the Governor and (ii) vendors in meeting the HUB utilization goal on state contracts.

Section IV. Construction and Design Services

1. The State Construction Office, along with cabinet agencies managing projects subject to State Building Commission approval, shall work with the HUB Office to review the agencies' "good faith efforts" of identifying HUBs that may provide proposals or qualifications in response to formal bid notices for services, including construction services and designer related services.

2. Cabinet agencies shall provide the HUB Office with the following information no later than thirty (30) days prior to solicitations:

    a. Project description and location; and
    b. The date, time, and location of the pre-bid conference; and
    c. The date, time, and, where relevant, location of a bid date or proposal deadline.

3. If an agency under the jurisdiction of the Office of the Governor does not have a HUB coordinator, the HUB Office shall serve on the Review Team of all formal construction and designer selections.

    a. If an agency lacks a HUB coordinator, the HUB Office shall review and approve the "good faith efforts" of a contractor.

    b. The HUB Office shall provide compliance oversight for the duration of the formal project.

Section V. Additional Measures

1. Within the next thirty (30) days, each agency under the jurisdiction of the Office of the Governor shall develop a HUB Plan that will be used as a guide to help the agency to achieve the required HUB participation within its business activities, including construction, goods, and services.

2. The North Carolina Department of Public Safety Emergency Management and the North Carolina Department of Commerce shall work with the HUB Office as part of the Disaster Relief Recovery Efforts to provide opportunities to HUBs when awarding contracts for construction, goods, and services.

Section VI. Miscellaneous

1. This Executive Order does not conflict with or abrogate existing state law.

2. All other Executive Orders or portions of Executive Orders inconsistent with this Executive Order are hereby rescinded.

3. This Executive Order shall be effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of November in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

November 9, 2017

EXECUTIVE ORDER NO. 26

ALBEMARLE-PAMLICO NATIONAL ESTUARY PARTNERSHIP

WHEREAS, the Albemarle-Pamlico region includes one of the nation's largest estuarine systems; and

WHEREAS, the Albemarle-Pamlico estuarine system possesses incredible natural diversity, natural resources, and history, and bestows extensive economic benefits on the State; and

WHEREAS, the United States Congress designated the Albemarle-Pamlico Sounds as an "estuary of national significance" in 1987; and

WHEREAS, the protection and restoration of the Albemarle-Pamlico estuarine system supports its ecological integrity, the regional economy, and local communities; and

WHEREAS, the Albemarle-Pamlico National Estuary Partnership ("APNEP") excels as a science-based cooperative among the State of North Carolina, the Commonwealth of Virginia, the United States Environmental Protection Agency ("EPA"), and many other federal, state, and local agencies and organizations; and

WHEREAS, APNEP requires a legal framework specifying its governance structure and organizational processes and establishing an APNEP Office ("Office"); and

WHEREAS, APNEP's thirty-year legacy of supporting and synthesizing scientific research and monitoring continues to provide extensive information that addresses natural resource and environmental issues; and

WHEREAS, scientific information from the Albemarle-Pamlico Estuarine Study (1987-1994) was combined with extraordinary citizen involvement to develop a Comprehensive Conservation and Management Plan ("CCMP") that was first adopted in 1994 and later revised in 2012; and

WHEREAS, APNEP solicits and fosters citizen involvement to implement the CCMP, which guides efforts to identify, protect, and restore the region's significant resources; and

WHEREAS, the State of North Carolina is committed to protecting and restoring our natural resources and supports APNEP's mission by encouraging and supporting cooperation and collaborative partnerships among diverse stakeholders.

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED**:

Section 1. Office and Host

The Office is established in the Department of Environmental Quality ("Department") to coordinate and facilitate CCMP implementation and support APNEP's mission. The Office shall serve as a conduit for information, collaboration, and coordination among the state and federal agencies, local governments, tribes, academia, and the public.

The Office shall consist of the Director of the Office ("Director") along with the requisite staff necessary to meet the needs identified by the Management Conference, which is described in Section 2 of this Executive Order.

The Department shall serve as the host for the Office, and the Office will be housed within the Department's Office of the Secretary. The Department shall efficiently assist in the operation and support of the Management Conference. The Department shall only be responsible for assisting with administrative and fiscal management of the APNEP-EPA cooperative agreement, which provides federal funds for APNEP, and for assisting with the management of other funding sources.

Section 2. Management Conference

A. Purpose

1. A Management Conference consistent with Section 320 of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 – 1376, shall be established to advise, support, and guide CCMP implementation, and to assist the Office in fulfilling its mission.

2. The Management Conference shall advise APNEP on APNEP's overall policy, budget, and community engagement direction.

3. The Management Conference shall review and revise the CCMP as necessary in response to changes in the environment or resource management actions. Unless otherwise authorized by the Governor of the State of North Carolina or the Governor's designee, the Management Conference shall have no authority other than to provide direction to APNEP.

B. Membership

1. The Management Conference shall consist of diverse stakeholders with interests in the Albemarle-Pamlico estuarine system and utilize a collaborative, consensus-building approach to implement the CCMP.

2. The Management Conference shall consist of a Leadership Council, an Implementation Advisory Committee, and a Science and Technical Advisory Committee.

3. The Director shall appoint the initial membership of the Management Conference and, to the greatest extent possible, shall ensure geographic and demographic diversity as well as a willingness to serve. The addition and replacement of members to the Leadership Council and each of the advisory committees shall be determined under each entity's individual bylaws.

C. Leadership Council

1. Purpose

   The Leadership Council shall work with the Office, advisory committees, and other groups to advise, support, evaluate, update, advocate for, and guide CCMP implementation. The Leadership Council is the Office's primary guidance body.

2. Membership

   a. The Leadership Council shall include the following voting members:

i. The Secretary of the Department or designee;

ii. The Secretary of the North Carolina Department of Natural and Cultural Resources or designee;

iii. Director of North Carolina Sea Grant or designee;

iv. Two members of the Implementation Advisory Committee;

v. Two members of the Science and Technical Advisory Committee;

vi. A representative of a local government or regional council of governments;

vii. A representative of a local, state, or national conservation organization; and

viii. Three at-large members who have vested interests in the region, with at least one being a resident of the Commonwealth of Virginia.

b. The Secretary of Natural Resources of the Commonwealth of Virginia, or designee, shall be invited to participate as a voting member.

c. A representative of the EPA's National Estuary Program shall be invited to participate as a non-voting, ex-officio member.

d. The Leadership Council may expand its membership, as it deems necessary, upon a two-thirds affirmative vote.

D. Implementation Advisory Committee

1. Purpose

The Implementation Advisory Committee shall work with the Leadership Council on CCMP implementation activities. Committee members shall serve as liaisons to citizens, agencies, and relevant parties regarding environmental and natural resource management relevant to CCMP implementation.

2. Membership

The membership of the Implementation Advisory Committee shall be broad based and may include the following natural resource management interests within the Albemarle-Pamlico estuarine system: local governments; local or regional planning; commerce and industry; education; recreation; tourism; fishing or seafood industry; agriculture; forestry; military; tribal organizations; local, state, or national conservation organizations; soil and water conservation districts; finance; communications and media; state agencies; and federal agencies.

E. Science and Technical Advisory Committee

1. Purpose

The Science and Technical Advisory Committee shall provide independent advice to the Leadership Council and the Implementation Advisory Committee on scientific and technical issues, including ecosystem assessment and monitoring in support of CCMP implementation.

2. Membership

a. The membership of the Science and Technical Advisory Committee shall be broad based and should include scientists and researchers from local colleges, universities, and research institutes as well as technical staff from federal and local agencies, industry, and environmental

organizations, with expertise in science and technology relevant to environment and natural resource management in the Albemarle-Pamlico estuarine system.

b. All members shall have substantive and extensive expertise in scientific and technical fields germane to APNEP's mission and relevant to environment and natural resource management, including, but not limited to, landscape ecology, terrestrial ecology, wetlands ecology, submerged aquatic ecology, marine biology, fisheries, hydrology, remote sensing, ecological assessment, engineering, agricultural technologies, forest technologies, soil conservation, water quality modeling, environmental policy, economics, public policy, planning, spatial statistics, education, and law.

F. Administration and Expenses

1. Each standing body within the Management Conference shall be responsible for determining its own meeting schedules, rules of order, terms of service, bylaws, chairmanship, attendance requirements, ad hoc committees, and other matters of protocol.

2. Members shall serve voluntarily and without compensation or per diems. Extraordinary expenses may be reimbursed subject to approval by the Director and in accordance with EPA cooperative agreement requirements, the Department's travel policies, state law, and the policies and regulations of the Office of State Budget and Management.

Section 3. State Programmatic Support

1. Executive Branch agencies of the State of North Carolina shall work cooperatively with the Management Conference and the Office to implement the CCMP.

2. Council of State agencies of the State of North Carolina are invited to work cooperatively with the Management Conference and the Office on CCMP implementation.

3. Campuses and institutes of the University of North Carolina system are invited to work cooperatively with the Management Conference and the Office on CCMP implementation.

Section 4. Effect and Duration

Unless otherwise provided, this Executive Order supersedes and rescinds any previous executive orders to the extent that they conflict with this Executive Order. This Executive Order is effective immediately and shall remain in effect until November 9, 2025, pursuant to N.C. Gen. Stat. § 147-16.2(b), or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 9th day of November in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Rodney S. Maddox
Chief Deputy Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

November 15, 2017

EXECUTIVE ORDER NO. 27

AMENDING THE GOVERNOR'S COMMISSION ON ACCESS TO SOUND BASIC EDUCATION

WHEREAS, "[t]he people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right," N.C. CONST. ART. I, § 15; and

WHEREAS, the State of North Carolina is invested in meeting the diverse needs of the State's children and students; and

WHEREAS, *Leandro v. North Carolina*, 346 N.C. 336 (1997) recognizes and reaffirms the State's constitutional duty to provide all North Carolina children the opportunity to receive a sound basic education; and

WHEREAS, in accordance with the requirements of the North Carolina State Constitution: (1) every classroom must be staffed by a competent, well-trained teacher and (2) every school must be staffed by a competent, well-trained principal; and

WHEREAS, in accordance with the requirements of the North Carolina State Constitution, the State of North Carolina must also identify additional, specific resources necessary to ensure that all children, including those at risk, have an opportunity to receive a sound basic education, no matter where they live in our state; and

WHEREAS, rural and underserved communities across North Carolina require a particular commitment from the State to maintain an education system that produces an educated and skilled workforce ready to compete for jobs and opportunity; and

WHEREAS, providing all North Carolina children the opportunity to obtain a sound basic education will spur economic growth and development, strengthen our workforce, increase employee wages, increase worker productivity, foster job readiness, improve health outcomes, reduce racial and gender inequality, and improve civic engagement; and

WHEREAS, the State of North Carolina has an ongoing obligation under the North Carolina State Constitution to provide all children enrolled in public schools in the State the opportunity to receive a sound basic education; and

WHEREAS, the costs of the State's inability to meet its constitutional duty are especially significant for at-risk children; and

WHEREAS, certain matters involving the *Leandro* parties in *Hoke County Board of Education v. North Carolina* remain pending before the North Carolina Superior Court Division in the General Court of Justice for Wake County; and

WHEREAS, it is far past time for the State to implement comprehensive, inter-disciplinary measures that allocate the resources necessary to ensure that the promise of *Leandro* is realized.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section I. Establishment

The Governor's Commission on Access to Sound Basic Education (the "Commission") is hereby established.

Section II. Mission Statement

The Commission shall undertake a comprehensive review, in conjunction with a subsequently selected independent consultant, to assess the State of North Carolina's ability to staff schools with competent well-trained teachers and principals and the State's commitment of resources to public education.

Section III. Membership

a. The Commission shall be composed of nineteen (19) members appointed by the Governor. Members shall represent the diverse demographic groups and geographic regions of the state. The following representatives shall serve on the Commission:

1) Teacher Representative
2) Principal Representative
3) Superintendent Representative
4) School Board Representative
5) County Commissioner Representative
6) Business Community Representative
7) Workforce Board Representative
8) Community College Representative
9) University Representative
10) Early Childhood Education Representative
11) Healthcare Representative
12) 501(c)(3) Non-Profit Representative
13) Judicial Representative (To be reserved for a former member of the judiciary)
14) Public Safety Representative
15) Education Researcher Representative
16) School Psychologist Representative
17) At-Large Representative
18) At-Large Representative
19) At-Large Representative

b. The Commission will work with an independent consultant to develop detailed, comprehensive, written recommendations for specific actions necessary to achieve sustained compliance with the constitutional mandates established in *Leandro*.

c. Unless otherwise provided by subsequent Executive Order, the Commission members shall serve at least until both the independent consultant identified in Section II and the Commission file final recommendations. Commission members serve at the pleasure of the Governor.

d. The Commission shall be led by a six (6) member executive committee (the "Executive Committee"), with members appointed by the Governor from among the Commission's membership. Executive Committee members serve at the pleasure of the Governor. The Executive Committee shall consult with the *Leandro* parties in selecting an independent consultant to assess the importance of competent, well-trained teachers in classrooms, competent, well-trained principals in schools, and dedicated resources to meet the needs of the State's students.

e. The Department of Justice will serve as the Commission's and the Executive Committee's legal counsel.

f. Any vacancy occurring in the Commission and the Executive Committee shall be filled by the Governor.

Section IV. Duties

Commission members shall have the following responsibilities:

a. Work with the independent consultant to gather information and evidence relevant to developing a comprehensive plan to ensure compliance with the *Leandro* rulings.

b. Formulate recommendations for achieving compliance with the *Leandro* rulings.

c. Ensure the recommended compliance measures accomplish and address the following criteria:

   1. Staffing each classroom with a competent, well-trained teacher;

   2. Staffing each school with a competent, well-trained principal; and

   3. Identifying the resources necessary to ensure that all children, including those at risk, have an equal opportunity to obtain a sound basic education.

d. Provide the Governor with advice when requested regarding other issues related to education and compliance with *Leandro*.

Section V. Meetings

a. The Commission shall meet once a quarter and at other times at the call of a majority of the Commission. The Commission may conduct meetings using electronic conferencing or other electronic means.

b. A simple majority of the Commission shall constitute a quorum for the purpose of transacting the business of the Commission.

Section VI. Administration

Except as provided by this Executive Order or other law, the Executive Committee shall adopt any rules or definitions necessary to interpret the provisions of this Executive Order and adopt any rules necessary to administer the provisions of this Executive Order.

Where necessary, the Office of the Governor shall provide staff and administrative support services for the Commission in consultation with the Governor's Policy Director, Education Advisor, and Teacher Advisor, along with the North Carolina Business Committee for Education.

Commission members shall serve without compensation, but may receive necessary travel and subsistence expenses in accordance with state law and the policies and regulations of the Office of State Budget and Management.

Section VII. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces Executive Order No. 10, *Establishing the Governor's Commission on Access to Sound Basic Education*, signed July 21, 2017, along with all other executive orders on this subject and shall remain in effect until amended or rescinded by future Executive Order of the Governor.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 15th day of November, in the year of our Lord two thousand seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

ROY COOPER
GOVERNOR

November 15, 2017

EXECUTIVE ORDER NO. 28

DISASTER DECLARATION FOR THE CITY OF EDEN

WHEREAS, the North Carolina Emergency Management Act authorizes the issuance of a disaster declaration for an emergency area as defined in N.C. Gen. Stat. § 166A-19.3(7) if there is a Type I, Type II or Type III disaster as defined in N.C. Gen. Stat. § 166A-19.21(b); and

WHEREAS, on May 5, 2017, the City of Eden, located in Rockingham County, North Carolina, was struck by an EF-1 Tornado; and

WHEREAS, as a result of the tornado's severe weather impacts, the City of Eden declared a local state of emergency on May 5, 2017; and

WHEREAS, due to the tornado's severe impact, a joint preliminary damage assessment was completed by local, state, and federal emergency management officials on May 9, 2017; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C. Gen. Stat. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in the City of Eden; and

WHEREAS, pursuant to N.C. Gen. Stat. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety ("Secretary of Public Safety") has provided a preliminary damage assessment to the Governor and the General Assembly; (2) a local state of emergency has been declared pursuant to N.C. Gen. Stat. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in N.C. Gen. Stat. § 166A-19.41(b)(2)a.; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C. Gen. Stat. § 166A-19.41(b), if a disaster is declared, the Governor may make state funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED**:

Section 1. Pursuant to N.C. Gen. Stat. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the City of Eden.

Section 2. I authorize state disaster assistance in the form of public assistance grants to eligible governments located within the emergency area that meet the terms and conditions under N.C. Gen. Stat. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris clearance.
b. Emergency protective measures.
c. Roads and bridges.

Section 3. I hereby order that this declaration be: (a) distributed to the news media and other organizations that have the capacity to alert the general public of its contents; (b) promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire sixty (60) days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of thirty (30) days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 15th day of November in the year of our Lord two thousand and seventeen.

Roy Cooper
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

STATE OF NORTH CAROLINA
DEPARTMENT OF STATE,
RALEIGH, NOVEMBER 17, 2017

I, ELAINE F. MARSHALL, Secretary of State of North Carolina, hereby certify pursuant to G.S. 120-34 that the foregoing volume was printed under the direction of the Legislative Services Commission from ratified acts and resolutions and executive orders of the Governors on file in the office of the Secretary of State.

This publication includes Session Laws 2016-124 through 2016-126 and Session Laws 2017-1 through 2017-214, Resolutions 2016-24 through 2016-29 and Resolutions 2017-1 through 2017-17, and Executive Orders 94 through 120 of Governor Pat McCrory and Executive Orders 1 through 28 of Governor Roy Cooper.

Elaine F. Marshall

Secretary of State

THE JOINT CONFERENCE COMMITTEE REPORT ON THE BASE, CAPITAL, AND EXPANSION BUDGET

Senate Bill 257

North Carolina General Assembly

June 19, 2017

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General Fund Availability Statement

General Fund Availability Statement

		Fiscal Year 2017-18	Fiscal Year 2018-19
1	Unappropriated Balance	208,607,416	499,303,328
2	Disaster Recovery Appropriations (S.L. 2016-124)	(200,928,370)	0
3	Transfer From Savings Reserve	100,928,370	0
4	Revised Unappropriated Balance	108,607,416	499,303,328
5			
6	Over Collections FY 2016-17	580,600,000	0
7	Reversions FY 2016-17	271,000,000	0
8	Replenish Savings Reserve (S.L. 2016-124)	(100,928,370)	0
9	Earmarkings of Year End Fund Balance:		
10	Savings Reserve	(263,000,000)	0
11	Repairs and Renovations	(125,000,000)	0
12	**Beginning Unreserved Fund Balance**	**471,279,046**	**499,303,328**
13			
14	**Revenues Based on Existing Tax Structure**	**22,303,700,000**	**23,299,200,000**
15			
16	**Non-tax Revenues**		
17	Investment Income	60,100,000	60,600,000
18	Judicial Fees	240,900,000	240,500,000
19	Disproportionate Share	164,700,000	149,600,000
20	Insurance	75,500,000	75,500,000
21	Master Settlement Agreement (MSA)	127,200,000	127,200,000
22	Other Non-Tax Revenues	180,600,000	182,900,000
23	**Subtotal Non-tax Revenues**	**849,000,000**	**836,300,000**
24			
25			
26	**Total General Fund Availability**	**23,623,979,046**	**24,634,803,328**
27			
28	**Adjustments to Availability: 2017 Session**		
29	Tax Law Changes	(6,900,000)	(521,800,000)
30	Transfer of Taxes from Short-Term Lease or Rental of Motor Vehicles to Highway Fund	(10,000,000)	(10,000,000)
31	Transfer to Savings Reserve (S.L. 2017-5)	0	(72,090,000)
32	Transfer Additional MSA funds to Golden L.E.A.F.	(7,500,000)	(7,500,000)
33	Transfer to Medicaid Transformation Reserve	(75,000,000)	0
34	Transfer from Contingency and Emergency Fund	7,000,000	0
35	Transfer from Department of Insurance	3,655,405	4,026,728
36	Transfer from the Department of the State Treasurer	(5,453,230)	(5,434,773)
37	**Subtotal Adjustments to Availability: 2017 Session**	**(94,197,825)**	**(612,798,045)**
38			
39	**Revised General Fund Availability**	**23,529,781,221**	**24,022,005,283**
40			
41	Less General Fund Net Appropriations	(23,030,477,893)	(23,652,171,951)
42			
43	**Unappropriated Balance Remaining**	**499,303,328**	**369,833,332**

Summary: General Fund Appropriations

Summary of General Fund Appropriations Fiscal Year 2017-18 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2017-18	Changes	Changes	Changes	Changes	2017-18
Education						
Community Colleges	1,068,233,344	50,170,951	3,410,706	53,581,657	11.00	1,121,815,001
Public Education	8,739,220,986	289,316,731	17,865,905	307,182,636	(6.39)	9,046,403,622
University System	2,801,596,348	71,854,001	20,325,000	92,179,001	0.00	2,893,775,349
Total Education	**12,609,050,678**	**411,341,683**	**41,601,611**	**452,943,294**	**4.61**	**13,061,993,972**
Health and Human Services						
Central Management and Support	97,331,832	3,470,583	16,352,794	19,823,377	52.00	117,155,209
Aging and Adult Services	44,085,295	61,189	1,929,549	1,990,738	0.00	46,076,033
Blind and Deaf / Hard of Hearing Services	8,333,453	113,314	0	113,314	0.00	8,446,767
Child Development and Early Education	265,443,810	8,556,366	(3,571,675)	2,984,691	0.00	268,428,501
Health Service Regulation	17,446,527	967,100	360,180	1,327,280	7.00	18,773,807
Medical Assistance	3,684,796,055	52,381,899	(46,422,783)	5,959,116	0.00	3,690,755,171
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	3,493,640	(38,878,009)	(35,384,369)	15.00	696,268,319
NC Health Choice	43,446,936	1,497,347	(44,485,035)	(42,987,688)	0.00	459,248
Health Benefits	9,671,582	63,469	0	63,469	0.00	9,735,051
Public Health	146,707,017	5,587,506	5,100,000	10,687,506	8.00	157,394,523
Social Services	186,595,053	5,754,553	8,623,519	14,378,072	0.00	200,973,125
Vocational Rehabilitation	38,402,154	431,634	0	431,634	0.00	38,833,788
Total Health and Human Services	**5,273,912,402**	**80,378,600**	**(100,991,460)**	**(20,612,860)**	**82.00**	**5,253,299,542**
Justice and Public Safety						
Public Safety	1,935,266,736	59,488,820	7,944,490	67,433,310	(67.00)	2,002,700,046
Judicial Department	513,656,896	16,207,676	375,000	16,582,676	98.00	530,239,572
Judicial - Indigent Defense	120,156,248	1,147,842	0	1,147,842	0.00	121,304,090
Justice	54,793,859	(8,892,868)	1,810,303	(7,082,565)	5.00	47,711,294
Total Justice and Public Safety	**2,623,873,739**	**67,951,470**	**10,129,793**	**78,081,263**	**36.00**	**2,701,955,002**
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,969,776	2,705,206	11,994,922	14,700,128	0.00	133,669,904
Commerce	134,414,931	(5,433,231)	11,668,032	6,234,801	(52.24)	140,649,732
Commerce - State Aid	15,955,810	200,000	3,945,000	4,145,000	0.00	20,100,810
Environmental Quality	77,854,912	(1,079,585)	1,395,000	315,415	(16.75)	78,170,327
Natural and Cultural Resources	166,273,456	6,264,180	13,075,713	19,339,893	12.00	185,613,349
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,521,928	1,093,051	0	1,093,051	0.00	17,614,979
Wildlife Resources Commission	11,328,209	(261,222)	112,000	(149,222)	1.00	11,178,987
Total Agriculture, Natural and Economic Resources	**541,874,593**	**3,488,399**	**42,190,667**	**45,679,066**	**(55.99)**	**587,553,659**

Summary of General Fund Appropriations						
Fiscal Year 2017-18						
2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2017-18	Changes	Changes	Changes	Changes	2017-18
General Government						
Administration	61,986,403	294,976	1,409,642	1,704,618	(10.29)	63,691,021
Auditor	13,379,738	248,470	200,000	448,470	0.00	13,828,208
General Assembly	63,476,017	1,755,684	743,912	2,499,596	0.00	65,975,613
Governor	5,794,114	(875,579)	456,442	(419,137)	0.00	5,374,977
Governor - Special Projects	2,001,118	(2,001,118)	0	(2,001,118)	(0.65)	0
Housing Finance Agency	10,660,000	0	3,949,159	3,949,159	0.00	14,609,159
Insurance	39,790,684	8,952,528	95,000	9,047,528	88.24	48,838,212
Lieutenant Governor	703,302	60,406	30,000	90,406	1.00	793,708
Military and Veterans Affairs	8,199,025	892,333	2,566,000	3,258,333	0.00	11,457,358
Office of Administrative Hearings	5,354,257	557,147	51,076	608,223	6.29	5,962,480
Revenue	83,206,070	1,439,541	0	1,439,541	(5.00)	84,645,611
Secretary of State	12,751,423	352,888	0	352,888	0.00	13,104,311
State Board of Elections	6,621,306	2,977	0	2,977	(3.00)	6,624,283
State Budget and Management	7,960,470	220,076	0	220,076	0.00	8,180,546
State Budget and Management -- Special	2,000,000	0	6,740,000	6,740,000	0.00	8,740,000
State Controller	23,353,209	438,297	(2,917,638)	(2,479,341)	0.00	20,873,868
Treasurer - Operations	10,266,826	(5,453,230)	0	(5,453,230)	(3.00)	4,813,596
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	972,580	0	972,580	0.00	27,861,861
Total General Government	**384,393,243**	**7,657,976**	**13,323,593**	**20,981,569**	**73.59**	**405,374,812**
Department of Information Technology	**51,279,650**	**(29,069)**	**250,000**	**220,931**	**(4.50)**	**51,500,581**
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	24,064,101	0	24,064,101	0.00	727,166,339
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**704,718,618**	**24,064,101**	**0**	**24,064,101**	**0.00**	**728,782,719**

Summary of General Fund Appropriations

Fiscal Year 2017-18

2017 Legislative Session

	Base Budget 2017-18	Legislative Changes			FTE Changes	Revised Net Appropriation 2017-18
		Recurring Changes	Nonrecurring Changes	Net Changes		
Statewide Reserves						
Contingency and Emergency Fund	5,000,000	(5,000,000)	0	(5,000,000)	0.00	0
Classification and Compensation System	0	3,900,000	0	3,900,000	0.00	3,900,000
Workers' Compensation Settlement Reserve	0	0	2,000,000	2,000,000	0.00	2,000,000
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	46,571,112	0	46,571,112	0.00	46,571,112
Pay Plan Reserve	0	0	9,688,494	9,688,494	0.00	9,688,494
Film and Entertainment Grant Fund	0	15,000,000	0	15,000,000	0.00	15,000,000
Pending Legislation (Supplemental Disaster Recovery Funds and Competitive Energy Solutions for N.C.)	500,000	0	99,650,000	99,650,000	0.00	100,150,000
Enterprise Resource Planning	0	0	3,000,000	3,000,000	0.00	3,000,000
Public School's Average Daily Membership	0	0	0	0	0.00	0
NC Promise Tuition Grant	0	0	0	0	0.00	0
Subtotal Statewide Reserves	5,500,000	65,471,112	114,338,494	179,809,606	0.00	185,309,606
Total Reserves and Debt Service	710,218,618	89,535,213	114,338,494	203,873,707	0.00	914,092,325
Total General Fund for Operations	22,194,602,923	660,324,272	120,842,698	781,166,970	135.71	22,975,769,893
Capital Improvements						
Water Resources Development Projects	0	0	15,648,000	15,648,000	0.00	15,648,000
Capital Projects	0	0	39,060,000	39,060,000	0.00	39,060,000
Total Capital Improvements	0	0	54,708,000	54,708,000	0.00	54,708,000
Total General Fund Budget	22,194,602,923	660,324,272	175,550,698	835,874,970	135.71	23,030,477,893

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Summary of General Fund Appropriations Fiscal Year 2018-19 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2018-19	Changes	Changes	Changes	Changes	2018-19
Education						
Community Colleges	1,068,233,344	67,474,501	6,050,000	73,524,501	11.00	1,141,757,845
Public Education	8,723,720,966	686,028,440	15,360,000	701,388,440	(6.39)	9,425,109,426
University System	2,851,602,607	113,018,172	3,154,253	116,172,425	0.00	2,967,775,032
Total Education	**12,643,556,937**	**866,521,113**	**24,564,253**	**891,085,366**	**4.61**	**13,534,642,303**
Health and Human Services						
Central Management and Support	97,331,832	10,507,204	14,930,369	25,437,573	74.00	122,769,405
Aging and Adult Services	44,085,295	94,261	969,549	1,063,810	0.00	45,149,105
Blind and Deaf / Hard of Hearing Services	8,333,453	173,628	0	173,628	0.00	8,507,081
Child Development and Early Education	265,443,810	13,183,202	(294,697)	12,888,505	0.00	278,332,315
Health Service Regulation	17,446,527	1,590,011	360,180	1,950,191	14.00	19,396,718
Medical Assistance	3,684,796,140	164,423,408	(47,538,336)	116,885,072	0.00	3,801,681,212
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	14,933,724	(41,555,823)	(26,622,099)	15.00	705,030,589
NC Health Choice	43,446,936	3,857,619	(46,908,146)	(43,050,527)	0.00	396,409
Health Benefits	9,671,582	107,508	0	107,508	0.00	9,779,090
Public Health	146,713,455	6,171,763	2,100,000	8,271,763	8.00	154,985,218
Social Services	186,595,053	8,499,575	10,110,216	18,609,791	0.00	205,204,844
Vocational Rehabilitation	38,419,567	635,924	0	635,924	0.00	39,055,491
Total Health and Human Services	**5,273,936,338**	**224,177,827**	**(107,826,688)**	**116,351,139**	**111.00**	**5,390,287,477**
Justice and Public Safety						
Public Safety	1,935,343,754	80,358,047	4,890,236	85,248,283	(259.50)	2,020,592,037
Judicial Department	515,073,634	23,949,788	0	23,949,788	127.00	539,023,422
Judicial - Indigent Defense	120,508,461	1,771,898	0	1,771,898	0.00	122,280,359
Justice	54,796,127	(8,284,596)	0	(8,284,596)	5.00	46,511,531
Total Justice and Public Safety	**2,625,721,976**	**97,795,137**	**4,890,236**	**102,685,373**	**(127.50)**	**2,728,407,349**
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,971,776	3,881,909	0	3,881,909	0.00	122,853,685
Commerce	134,414,931	(4,256,053)	0	(4,256,053)	(52.24)	130,158,878
Commerce - State Aid	15,955,810	200,000	0	200,000	0.00	16,155,810
Environmental Quality	77,854,912	(842,198)	0	(842,198)	(16.75)	77,012,714
Natural and Cultural Resources	166,277,458	7,949,966	250,000	8,199,966	12.00	174,477,424
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,529,525	1,290,426	0	1,290,426	0.00	17,819,951
Wildlife Resources Commission	11,328,209	(484,668)	0	(484,668)	1.00	10,843,541
Total Agriculture, Natural and Economic Resources	**541,888,192**	**7,739,382**	**250,000**	**7,989,382**	**(55.99)**	**549,877,574**

Summary of General Fund Appropriations Fiscal Year 2018-19 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2018-19	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2018-19
General Government						
Administration	61,986,403	675,707	734,642	1,410,349	(10.29)	63,396,752
Auditor	13,379,738	400,793	0	400,793	0.00	13,780,531
General Assembly	63,476,017	2,496,990	0	2,496,990	0.00	65,973,007
Governor	5,794,114	(817,705)	0	(817,705)	0.00	4,976,409
Governor - Special Projects	2,001,118	(2,001,118)	0	(2,001,118)	(0.65)	0
Housing Finance Agency	10,660,000	0	20,000,000	20,000,000	0.00	30,660,000
Insurance	39,792,849	8,521,851	0	8,521,851	88.24	48,314,700
Lieutenant Governor	703,302	68,195	0	68,195	1.00	771,497
Military and Veterans Affairs	8,199,025	761,718	0	761,718	0.00	8,960,743
Office of Administrative Hearings	5,354,257	656,430	0	656,430	6.29	6,010,687
Revenue	83,206,070	2,277,900	0	2,277,900	(5.00)	85,483,970
Secretary of State	12,812,071	502,872	0	502,872	0.00	13,314,943
State Board of Elections	6,621,306	65,308	0	65,308	(3.00)	6,686,614
State Budget and Management	7,960,470	294,774	0	294,774	0.00	8,255,244
State Budget and Management -- Special	2,000,000	0	0	0	0.00	2,000,000
State Controller	23,353,209	624,909	(734,642)	(109,733)	0.00	23,243,476
Treasurer - Operations	10,266,826	(5,434,773)	0	(5,434,773)	(3.00)	4,832,053
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	1,322,580	0	1,322,580	0.00	28,211,861
Total General Government	**384,456,056**	**10,416,431**	**20,000,000**	**30,416,431**	**73.59**	**414,872,487**
Department of Information Technology	**51,279,650**	**367,195**	**0**	**367,195**	**(4.50)**	**51,646,845**
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	67,356,498	0	67,356,498	0.00	770,458,736
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**704,718,618**	**67,356,498**	**0**	**67,356,498**	**0.00**	**772,075,116**

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Summary of General Fund Appropriations Fiscal Year 2018-19 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2018-19	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2018-19
Statewide Reserves						
Contingency and Emergency Fund	5,000,000	(5,000,000)	0	(5,000,000)	0.00	0
Classification and Compensation System	0	7,800,000	0	7,800,000	0.00	7,800,000
Workers' Compensation Settlement Reserve	0	0	0	0	0.00	0
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	94,734,518	0	94,734,518	0.00	94,734,518
Pay Plan Reserve	0	0	0	0	0.00	0
Film and Entertainment Grant Fund	0	31,000,000	0	31,000,000	0.00	31,000,000
Pending Legislation	500,000	0	0	0	0.00	500,000
Enterprise Resource Planning	0	0	10,000,000	10,000,000	0.00	10,000,000
Public Schools Average Daily Membership	0	48,410,289	0	48,410,289	0.00	48,410,289
NC Promise Tuition Grant	0	11,000,000	0	11,000,000	0.00	11,000,000
Subtotal Statewide Reserves	**5,500,000**	**192,944,807**	**10,000,000**	**202,944,807**	**0.00**	**208,444,807**
Total Reserves and Debt Service	**710,218,618**	**260,301,305**	**10,000,000**	**270,301,305**	**0.00**	**980,519,923**
Total General Fund for Operations	**22,231,057,767**	**1,467,318,390**	**(48,122,199)**	**1,419,196,191**	**1.21**	**23,650,253,958**
Capital Improvements						
Water Resources Development Projects	0	0	0	0	0.00	0
Capital Projects	0	0	1,917,993	1,917,993	0.00	1,917,993
Total Capital Improvements	**0**	**0**	**1,917,993**	**1,917,993**	**0.00**	**1,917,993**
Total General Fund Budget	**22,231,057,767**	**1,467,318,390**	**(46,204,206)**	**1,421,114,184**	**1.21**	**23,652,171,951**

Education
Section F

Public Education
Budget Code 13510

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$13,023,846,639	$13,008,346,639
Receipts	$4,284,625,653	$4,284,625,653
Net Appropriation	$8,739,220,986	$8,723,720,986
Legislative Changes		
Requirements	$377,769,868	$716,422,125
Receipts	$70,587,232	$15,033,685
Net Appropriation	$307,182,636	$701,388,440
Revised Budget		
Requirements	$13,401,616,507	$13,724,768,764
Receipts	$4,355,212,885	$4,299,659,338
Net Appropriation	$9,046,403,622	$9,425,109,426

General Fund FTE		
Base Budget	1,138.45	1,138.45
Legislative Changes	(7.39)	(7.39)
Revised Budget	1,131.06	1,131.06

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Public Education										
Budget Code 13510		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	7,946,007	-	7,946,007	16,348,704	3,628,649	12,720,055
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,587,380	22,216,974	5,370,406	(59,988)	-	(59,988)	27,527,392	22,216,974	5,310,418
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	18,888,958	-	18,888,958	22,641,509	836,474	21,805,035
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	(66,121)	-	(66,121)	17,004,915	12,688,176	4,316,739
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	(130,254)	-	(130,254)	77,213,092	69,704,768	7,508,324
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	254,794	-	254,794	60,508,715	48,133,468	12,375,247
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(98,998)	-	(98,998)	46,072,930	43,396,353	2,676,577
1800	K-12 Classroom Instruction -SPSF	7,377,797,048	615,835,919	6,761,961,129	32,268,930	18,664,579	13,604,351	7,410,065,978	634,500,498	6,775,565,480
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,915,960	-	94,915,960	(7,000,000)	-	(7,000,000)	87,915,960	-	87,915,960
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	33,285,254	-	33,285,254	(3,882,286)	-	(3,882,286)	29,402,968	-	29,402,968
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	2,500,000	45,777,192	(43,277,192)	740,080,266	248,266,561	491,813,705
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	3,014,247	-	3,014,247	1,699,834,377	694,936,512	1,004,897,865
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	1,000,000	-	1,000,000	9,100,571	242,584	8,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	3,345,000	6,145,461	(2,800,461)	61,401,139	26,867,580	34,533,559
1901	Pass-through Grants	9,450,966	-	9,450,966	2,165,000	-	2,165,000	11,615,966	-	11,615,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	204,906,164	-	204,906,164	204,906,164	-	204,906,164
N/A	State Retirement Contribution	-	-	-	48,150,493	-	48,150,493	48,150,493	-	48,150,493
N/A	State Health Plan Reserve	-	-	-	32,107,889	-	32,107,889	32,107,889	-	32,107,889
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,165,790	-	3,165,790	3,165,790	-	3,165,790
N/A	Department of Public Instruction	-	-	-	(3,239,205)	-	(3,239,205)	(3,239,205)	-	(3,239,205)
Total		$13,023,846,639	$4,284,625,853	$8,739,220,886	$377,769,888	$70,587,232	$307,182,636	$13,401,616,507	$4,355,212,885	$9,046,403,622

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Public Education										
Budget Code 13510		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	2,146,007	-	2,146,007	10,548,704	3,628,649	6,920,055
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,567,360	22,216,974	5,370,406	(59,986)	-	(59,986)	27,527,352	22,216,974	5,310,418
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	9,888,958	-	9,888,958	13,641,509	836,474	12,805,035
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	(66,121)	-	(66,121)	17,004,915	12,688,176	4,316,739
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	(130,254)	-	(130,254)	77,213,092	69,704,768	7,508,324
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	54,794	-	54,794	60,308,715	48,133,468	12,175,247
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(98,998)	-	(98,998)	46,072,930	43,396,353	2,676,577
1800	K-12 Classroom Instruction -SPSF	7,362,297,048	615,835,919	6,746,461,129	9,591,457	13,647,595	(4,056,138)	7,371,888,505	629,483,514	6,742,404,991
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,915,960	-	94,915,960	(11,000,000)	-	(11,000,000)	83,915,960	-	83,915,960
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	33,285,254	-	33,285,254	(4,445,948)	-	(4,445,948)	28,839,306	-	28,839,306
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	-	1,366,090	(1,366,090)	737,580,266	203,875,459	533,704,807
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1850	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	3,014,247	-	3,014,247	1,699,834,377	694,936,512	1,004,897,865
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	-	-	-	8,100,571	242,584	7,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	2,565,000	-	2,565,000	60,621,139	20,722,119	39,899,020
1901	Pass-through Grants	9,450,966	-	9,450,966	-	-	-	9,450,966	-	9,450,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	481,434,198	-	481,434,198	481,434,198	-	481,434,198
N/A	State Retirement Contribution	-	-	-	126,996,925	-	126,996,925	126,996,925	-	126,996,925
N/A	State Health Plan Reserve	-	-	-	68,038,146	-	68,038,146	68,038,146	-	68,038,146
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,258,025	-	3,258,025	3,258,025	-	3,258,025
N/A	Department of Public Instruction	-	-	-	(7,297,771)	-	(7,297,771)	(7,297,771)	-	(7,297,771)
Total		$13,008,346,639	$4,284,525,653	$8,723,720,986	$716,422,125	$15,033,685	$701,388,440	$13,724,768,764	$4,299,559,338	$9,425,109,426

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Education					
Budget Code 13510		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	(3.35)	(1.00)	47.64
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	(0.40)	-	70.19
1300	DPI - Financial and Business Services	39.00	(1.00)	-	38.00
1330	DPI - Student and School Support Services	103.73	(0.89)	-	102.84
1400	Office of Early Learning	83.75	(0.75)	-	83.00
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	-	-	166.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	(1.00)	-	72.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total **FTE**		**1,138.45**	**(6.39)**	**(1.00)**	**1,131.06**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Education					
Budget Code 13510		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	(3.35)	(1.00)	47.64
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	(0.40)	-	70.19
1300	DPI - Financial and Business Services	39.00	(1.00)	-	38.00
1330	DPI - Student and School Support Services	103.73	(0.89)	-	102.84
1400	Office of Early Learning	83.75	(0.75)	-	83.00
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	-	-	166.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	(1.00)	-	72.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		**1,138.45**	**(6.39)**	**(1.00)**	**1,131.06**

Public Education

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,739,220,986**		**$8,723,720,986**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Increase Reserve - Teachers **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$101,732,591	R	$372,639,349	R
2 Veteran Teacher Bonuses **Fund Code:** N/A Provides funding for a $385 bonus for teachers with 25 or more years of experience in each year of the biennium. The revised net appropriation for the veteran teacher bonuses is $5.0 million in each year of the biennium.	$5,000,000	NR	$5,000,000	NR
3 Teacher Bonuses **Fund Code:** 1800 Provides funds to make 3 Bonus Programs recurring. These bonus programs include the Third Grade Read to Achieve Teacher Bonuses, Advanced Placement/International Baccalaureate/Cambridge AICE Teacher Bonuses, and the Career and Technical Education Teacher Bonuses. The revised net appropriation for these three bonuses is $15.5 million in FY 2017-18 and $14.9 million in FY 2018-19.			$14,900,000	R
4 Math and Reading Performance Bonus Program **Fund Code:** 1800 Provides funding to support a math performance bonus program for teachers in grades 4 through 8 and a reading bonus program for teachers in grades 4 and 5. The programs will provide $2,150 bonuses to the top 25% of teachers Statewide and $2,150 bonuses to the top 25% of teachers within each Local Education Agency (LEA) based on Education Value-Added Assessment System (EVAAS) scores. The revised net appropriation for this program is $25.3 million in FY 2017-18 only.	$25,341,188	NR		

		FY 17-18		FY 18-19	
5	**Salary Supplements for Highly Qualified Teacher Graduates** **Fund Code:** 1800 Provides funds for highly qualified graduates of an approved educator preparation program to receive salary supplements based on the teacher "A" salary schedule. These graduates receive a salary supplement if they are teaching in a low performing school, are licensed in a special education or a Science, Technology, Engineering, and Mathematics (STEM) field, or are considered a highly qualified graduate. The revised net appropriation for this program is $700,000 in each year of the biennium.	$700,000	R	$700,000	R
6	**Compensation Increase Reserve - School Based Administrators** **Fund Code:** N/A Provides funding for salary increases provided to principals and assistant principals. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$35,364,775	R	$40,587,664	R
7	**Compensation Increase Reserve - LEA Employees** **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$61,537,448	R	$61,537,448	R
8	**Compensation Increase Reserve - DPI** **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$997,153	R	$997,153	R
9	**Compensation Increase Reserve - State Agency Teachers/School Based Administrators** **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$274,197	R	$672,584	R

		FY 17-18		FY 18-19	
10	**State Retirement Contributions - School District Personnel** **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$47,790,931	R	$126,048,580	R
11	**State Retirement Contributions - DPI** **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$359,562	R	$948,345	R
12	**State Health Plan - School District Personnel** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$31,939,125	R	$67,680,526	R
13	**State Health Plan - DPI** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$168,764	R	$357,620	R

	FY 17-18		FY 18-19	
B. Technical Adjustments				
14 Average Daily Membership (ADM) **Fund Code:** N/A Revises allotted FY 2017-18 ADM to reflect 9,120 more students than are included in the FY 2016-17 allotted ADM. This revision includes adjustments to multiple position, dollar, and categorical allotments. Funding associated with projected FY 2018-19 ADM growth is reserved in the "Reserves, Debt Service, and Adjustments" section of this report.	$31,897,244	R	$31,897,244	R
15 Average Certified Personnel Salaries **Fund Code:** N/A Revises funding for certified personnel salaries based on actual salary data from December 2016. The adjustment does not increase any salary paid to certified personnel, nor does it increase the number of guaranteed State-funded teachers, administrators, or instructional support personnel.	$3,165,790	R	$3,258,025	R
16 Children with Disabilities Headcount **Fund Code:** 1860 Adjusts funding for the Children with Disabilities preschool and school-age allotments to reflect actual student headcount. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2017 headcount and does not modify per-student funding.	($3,305,661)	R	($3,305,661)	R
17 Noninstructional Support **Fund Code:** 1800 Budgets additional Lottery receipts for the noninstructional support personnel allotment. Total requirements for this allotment after the ADM adjustment are $383,888,897 in FY 2017-18 and $385,914,555 in FY 2018-19. This allotment will now be fully receipt supported. The revised net appropriation for noninstructional support personnel is $0.	($11,622,037)	R	($13,647,595)	R
18 Transportation **Fund Code:** 1830 Adjusts the budget to reflect additional Lottery receipts for the transportation allotment. Total requirements for this allotment remain the same at $459,268,071 in each year of the biennium. The revised net appropriation for the transportation allotment is $416 million in FY 2017-18 and $457.9 million in FY 2018-19.	($1,386,090) ($41,891,102)	R NR	($1,386,090)	R

	FY 17-18		FY 18-19	
C. State Public School Fund				
19 Textbooks and Digital Materials **Fund Code:** 1800 Provides an additional $11,885,160 in nonrecurring funds for the textbooks and digital materials allotment. Increased funding for this item includes receipts from the cash balances transferred from two special funds, the Literary Fund ($259,833) and the Education Fund ($340,327). School districts may utilize funds from this allotment to purchase digital content made available by the Department of Public Instruction (DPI) through its Home Base system. The revised net appropriation for textbooks and digital materials is $66.8 million in FY 2017-18 and $55.5 million in FY 2018-19.	$11,285,000	NR		
20 Children with Disabilities **Fund Code:** 1860 Provides funds to support an increase in the funding cap for the children with disabilities allotment from 12.5% to 12.75%. A school district will receive funds for each child identified with disabilities, up to 12.75% of the school district's ADM. The revised net appropriation for school aged children with disabilities is $744 million in FY 2017-18 and $751 million in FY 2018-19.	$6,319,908	R	$6,319,908	R
21 Digital Learning Plan **Fund Code:** 1800 Provides additional funding for the digital learning plan (DLP). Funds will support DLP management, school and district leadership development, teacher professional development, and cybersecurity and risk management services. The revised net appropriation for the digital learning plan is $6.4 million in each year of the biennium.	$2,420,000	R	$2,420,000	R
22 Geographically Isolated Schools **Fund Code:** 1800 Increases funding for geographically isolated schools to include schools that newly qualify for funding. A school designated as geographically isolated receives one additional classroom teacher position per grade in the isolated school. A school is considered geographically isolated if consolidation is not feasible and it is either located in a school district in which the ADM is less than 1.5 per square mile or it is located in a school district in a county containing more than 150,000 acres of National Forest owned by the federal government and managed by the United States Forest Service. The revised net appropriation for geographically isolated schools is $829,209 in each year of the biennium.	$506,064	R	$506,064	R

	FY 17-18		FY 18-19	
23 Stabilization Funds for Wayne County Schools: Seymour Johnson Airforce Base **Fund Code:** 1800 Provides $2.0 million in stabilization funds to support the operation of public schools in Wayne County, the location of Seymour Johnson Air Force Base. The revised net appropriation for stabilization funds for Wayne County Public Schools is $2.0 million in FY 2017-18 only.	$2,000,000	NR		
24 Transportation Grant Program **Fund Code:** 1830 Provides funds to establish a Charter School Transportation Grant Pilot Program for one year. This program is supported by a $2.5 million transfer from the North Carolina Department of Transportation in FY 2017-18. The total requirements for the program are $2.5 million in FY 2017-18 only.				
25 Eastern NC School for the Deaf **Fund Code:** 1863 Provides nonrecurring funding to the Eastern NC School for the Deaf for one-time major vehicle and equipment purchases, an increase for maintenance and repairs including information technology updates, and an upgrade to the maintenance shop including a mechanic pit. The revised net appropriation to the Eastern NC School for the Deaf is $8.9 million in FY 2017-18 and $7.9 million in FY 2018-19.	$1,000,000	NR		
26 Central Office Allotment **Fund Code:** 1810 Reduces State funding for the central office administration allotment by 7.4% in FY 2017-18 and 11.6% in FY 2018-19. The revised net appropriation for the central office administration allotment is $87.9 million in FY 2017-18 and $83.9 million in FY 2018-19.	($7,000,000)	R	($11,000,000)	R
27 Analysis of Student Work **Fund Code:** 1800 Eliminates funding associated with the Analysis of Student Work (ASW) process. The process is used as the student growth measure for teachers of courses and subjects such as Arts Education, Healthful Living, World Languages, and International Baccalaureate and Advanced Placement courses. The revised net appropriation for testing, where funding for the ASW process is budgeted, is $8.8 million in each year of the biennium.	($325,000)	R	($325,000)	R

		FY 17-18		FY 18-19	
28	**Cooperative Innovative High Schools** **Fund Code:** 1821 Reduces funding for Cooperative Innovative High Schools (CIHS), including virtual CIHSs, due to a revised allocation methodology that provides funds to all CIHSs approved for operation in FY 2017-18. The revised net appropriation for these schools is $27.5 million in 2017-18 and $27.0 million in 2018-19.	($2,246,612) $563,662	R NR	($2,246,612)	R
29	**State Public School Fund** **Fund Code:** 1800 Adjusts the budget to reflect additional receipts from the Civil Penalty and Forfeiture Fund to the State Public School Fund (SPSF) and reduces the net General Fund appropriation by the same amount. Total requirements for the SPSF are not affected by this shift. The revised net appropriation for the SPSF in fund code 1800 is $6.8 billion in each year of the biennium.	($6,442,382)	NR		
30	**Low Wealth** **Fund Code:** 1800 Aligns budgeted funds to planned expenditures for the Low Wealth allotment on a one time basis. School districts eligible for funding will continue to receive a dollar allotment determined by the Low Wealth funding formula. The revised net appropriation for this allotment is $220.4 million in FY 2017-19 and $222.4 in FY 2018-19.	($2,000,000)	NR		
31	**Benefits Adjustment** **Fund Code:** 1800 Adjusts the Social Security benefit line-item budgeted in the State Public School Fund to more closely align budgeted funds to actual expenditures. The revised net appropriation for Social Security benefits in fund code 1800 is $312.1 million in each year of the biennium.	($5,000,000)	R	($5,000,000)	R
32	**Small Specialty High Schools** **Fund Code:** 1821 Aligns budgeted funds to actual expenditures for small specialty high schools. The revised net appropriation for these schools is $1.8 million in each year of the biennium and fully funds all participating high schools.	($2,199,336)	R	($2,199,336)	R

	FY 17-18		FY 18-19	
33 Small County Supplemental Funding	($3,618,482)	R	($3,969,607)	R
Fund Code: 1800				

Aligns budgeted funds to actual expenditures for the small county supplemental allotment. School districts eligible for funding will continue to receive a dollar allotment according to the schedule created in S.L. 2014-100. The revised net appropriation for this allotment is $45.6 million in FY 2017-18 and $45.3 million in FY 2018-19 and fully funds all participating school districts.

D. Department of Public Instruction

34 Business System Modernization				
Fund Code: 1300	$19,000,000	NR	$10,000,000	NR

Provides funding for the implementation of the School Business System Modernization Plan. S.L. 2016-94 directed the State Board of Education to develop a plan to modernize systems used by DPI. The plan includes an Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated State level licensure system, and reporting of financial information for increased transparency and analytics. The revised net appropriation for Business System Modernization is $19 million in FY 2017-18 and $10 million in FY 2018-19.

35 Education and Workforce Innovation Commission	$2,001,118	R	$2,001,118	R
Fund Code: 1000	0.65		0.65	

Provides funding to establish the budget for the transfer of the Education and Workforce Innovation Commission from the Office of Governor to DPI. The revised net appropriation for the Commission is $6.2 million in FY 2017-18 and $2.7 million in FY 2018-19.

36 Sixth and Seventh Grade Career and Technical Education Grant Program	$700,000	R	$700,000	R
Fund Code: 1000	$3,500,000	NR		

Provides funds for the Sixth and Seventh Grade Career and Technical Education (CTE) Grade Expansion Grant Program, which will be administered by the Education and Workforce Innovation Commission. This program awards competitive grants to school districts over a seven-year grant period to expand CTE programs to sixth and seventh grade students. The revised net appropriation for this program is $4.2 million in FY 2017-18 and $700,000 in FY 2018-19.

	FY 17-18		FY 18-19	
37 Early Childhood Education	$250,000	R	$250,000	R
Fund Code: 1400	2.00		2.00	
Provides funds, and 2 positions, to support the newly created B-3 Inter-Agency Council to focus on the developmental and educational needs of children from birth to age 8. The revised net appropriation for fund code 1400 is $7.5 million in each year of the biennium.				
38 North Carolina Center for the Advancement of Teaching	$300,000	R	$300,000	R
Fund Code: 1410				
Provides additional funds to DPI for the North Carolina Center for the Advancement of Teaching (NCCAT). The revised net appropriation for NCCAT is $3.7 million in each year of the biennium.				
39 Future Ready Students	$200,000	R	$200,000	R
Fund Code: 1600	2.00		2.00	
Provides funds to support 2 regional positions in the Division of Career and Technical Education. These positions will assist school districts in developing business advisory councils, work-based learning opportunities, and career awareness programs. The revised net appropriation for fund code 1600 is $12.4 million in FY 2017-18 and $12.2 million in FY 2018-19.				
40 Reading Improvement Commission				
Fund Code: 1600	$200,000	NR		
Provides funds for the Reading Improvement Commission. This Commission will review and make recommendations on best practices for public schools in grades 4 through 12 to ensure students complete high school with the literacy skills necessary for career and college readiness. The revised net appropriation for the Commission is $200,000 in FY 2017-18.				
41 Professional Educator Preparation	$200,000	R	$200,000	R
Fund Code: 1640	2.00		2.00	
Provides funds for 2 positions to support educator preparation approval and evaluation at DPI. The revised net appropriation for these positions is $200,000 in each year of the biennium.				

		FY 17-18		FY 18-19	
42	**Licensure Fee Reimbursement for New Teachers** **Fund Code:** 1640 Provides funds to DPI to reimburse the initial teacher licensure application fee for first time applicants. An applicant must be a graduate of an approved educator preparation program in North Carolina and must have successfully earned an initial teaching license in North Carolina. The revised net appropriation for this program is $245,000 in each year of the biennium.	$245,000	R	$245,000	R
43	**Positions for State Superintendent** **Fund Code:** 1000 Provides funding to the Office of the State Superintendent to support up to 10 positions that will be exempt from the State Human Resource Act and report directly to the State Superintendent. The revised net appropriation for the Office of the State Superintendent after this adjustment is $1.8 million in FY 2017-18 and $1.8 million in FY 2018-19.	$700,000	R	$700,000	R
44	**Legal Fees** **Fund Code:** 1000 Provides funds to the Office of State Superintendent for legal fees for active lawsuits. The revised net appropriation for legal fees for this purpose is $300,000 in FY 2017-18 only.	$300,000	NR		
45	**Audit of the Department of Public Instruction** **Fund Code:** 1000 Provides funds to the Office of State Superintendent to contract with an objective third party organization to conduct a functional and business process audit of DPI. This item also reduces funding to DPI's operating budget beginning in FY 2018-19 to reflect anticipated savings resulting from the audit recommendations.	$1,000,000	NR	($1,000,000)	R
46	**Management Flexibility Reduction** **Fund Code:** N/A Reduces DPI operating funds by 6.2% in FY 2017-18 and 13.9% in FY 2018-19. The revised net appropriation to DPI after this reduction is $49.4 million in FY 2017-18 and $45.4 million in FY 2018-19.	($3,239,205)	R	($7,297,771)	R

		FY 17-18		FY 18-19	
47	**Reserve Funds** **Fund Code:** 1000 Removes recurring funding from the base budget that was provided to implement Senate Bill 867, 2016 Session of the 2015 Regular Session. This legislation was never ratified by the General Assembly.	($140,000) -2.00	R	($140,000) -2.00	R
48	**State Board of Education** **Fund Code:** 1000 Reduces funding to the State Board of Education, including the elimination of the following filled position: 60009490 - Associate State School Superintendent (1.00) The revised net appropriation for the State Board of Education is $640,356 in each year of the biennium.	($188,030) -1.00	R	($188,030) -1.00	R
49	**Position Eliminations** **Fund Code:** 1000 Eliminates the following vacant position in DPI: 60093688 - Chief Performance Officer (1.00) This item also eliminates a filled Research Associate receipt-supported position (60009919) at DPI. The revised net appropriation for fund code 1000 is $4.6 million in each year of the biennium.	($177,081) -1.00	R	($177,081) -1.00	R
50	**Position Elimination** **Fund Code:** 1100 Eliminates the following part-time vacant position in DPI: 60094937 - Education Program Director (0.40) The revised net appropriation in fund code 1100 is $5.3 million in each year of the biennium.	($59,988) -0.40	R	($59,988) -0.40	R

		FY 17-18		FY 18-19	
51	**Position Elimination**	($111,042)	R	($111,042)	R
	Fund Code: 1300	-1.00		-1.00	
	Eliminates the following vacant position in DPI: 60009676 - Education Consultant III (1.00) The revised net appropriation for fund code 1300 on a recurring basis is $2.8 million in each year of the biennium.				
52	**Position Elimination**	($66,121)	R	($66,121)	R
	Fund Code: 1330	-0.89		-0.89	
	Eliminates the following vacant position in DPI: 60091186 - Accountant (0.89) The revised net appropriation for fund code 1330 is $4.3 million in each year of the biennium.				
53	**Position Eliminations**	($130,254)	R	($130,254)	R
	Fund Code: 1400	-2.75		-2.75	
	Eliminates the following 3 vacant positions in DPI: 60041714 - Education Diagnostician I (1.00) 60039569 - Education/Development Aide II (1.00) 60039526 - Education/Development Aide II (0.75) The revised net appropriation in fund code 1400 is $7.5 million in each year of the biennium.				
54	**Position Eliminations**	($145,206)	R	($145,206)	R
	Fund Code: 1600	-2.00		-2.00	
	Eliminates the following 2 filled position in DPI: 60094593 - Business Technology Analyst (1.00) 65024592- Digital Learning Plan Project Coordinator (1.00) The revised net appropriation for fund code 1600 is $12.4 million in FY 2017-18 and $12.2 million in FY 2018-19.				

	FY 17-18		FY 18-19	
55 Position Elimination	($108,796)	R	($108,796)	R
Fund Code: 1640	-1.00		-1.00	

Eliminates the following filled position in DPI:

60039125 - Director of External Meetings & Special Projects (1.00)

The revised net appropriation for fund code 1640 is $1.8 million in each year of the biennium.

56 Position Elimination	($98,998)	R	($98,998)	R
Fund Code: 1660	-1.00		-1.00	

Eliminates the following vacant position in DPI:

60039518 - Education Consultant II (1.00)

The revised net appropriation for fund code 1660 is $2.7 million in each year of the biennium.

E. Reserves and Transfers

57 Coding and Mobile Application Grant Program	$400,000	R	$800,000	R
Fund Code: 1900				

Provides funds to DPI to establish a Coding and Mobile Application Grant Program. Funds appropriated for the program shall be used to award competitive grants each fiscal year. Grant funds shall be used for the purchase of equipment, digital materials, and related capacity building activities. Grant recipients shall use no more than 5% of the grant award each fiscal year for administrative costs. The revised net appropriation for this program is $400,000 in FY 2017-18 and $800,000 in FY 2018-19.

58 Teacher Assistant Tuition Reimbursement Program	$315,000	R	$315,000	R
Fund Code: 1900				

Expands the teacher assistant tuition reimbursement pilot program to Alamance-Burlington, Beaufort, Bertie, Duplin, Edenton-Chowan, Edgecombe, Guilford, Halifax, Nash-Rocky Mount, Northampton, Randolph, Tyrrell, Vance, and Washington County Schools. The pilot program provides tuition reimbursement of up to $4,500 annually for 5 teacher assistants per school district who are pursuing a college degree that will result in teacher licensure. The revised net appropriation for this program is $427,500 in each year of the biennium.

	FY 17-18		FY 18-19	
59 Advanced Teaching Roles				
Fund Code: 1900	$7,180,000	NR		
Provides additional funds for a 3-year pilot program established in the FY 2016-17 budget. The pilot supports school district efforts to create the organizational structure and innovative compensation methods that would allow classroom teachers to take on advanced teaching roles. The revised net appropriation for the advanced teaching roles pilot program is $8.2 million in FY 2017-18 and $1.0 million in FY 2018-19.				
60 Innovation Zone Model Grants			$450,000	R
Fund Code: 1900				
Provides recurring beginning in FY 2018-19 only to DPI to award innovation zone model grants of up to $150,000 per year for 5 years to local boards of education who have been authorized by the State Board of Education to create an innovation zone pursuant to G.S. 115C-75.13. Local boards of education shall be required to provide a dollar-for-dollar match for the grant amount. The revised net appropriation for this program is $450,000 in FY 2018-19 only.				
61 NC Education Endowment Fund			$1,000,000	R
Fund Code: 1900	($4,550,000)	NR		
Reduces funding for the North Carolina Education Endowment Fund by $4.55 million on a one-time basis in FY 2017-18 and transfers $450,000 in remaining funds to the North Carolina State Education Assistance Authority for start-up funds to reinstate the NC Teaching Fellows Program. An additional $1 million in funding is provided for the Endowment Fund to support the Teaching Fellows program in FY 2018-19. The revised net appropriation to the Endowment Fund is $0 in FY 2017-18 and $6.0 million in FY 2018-19.				
62 Cash Balance				
Fund Code: 1900	($6,145,461)	NR		
Reduces the net appropriation to DPI on a nonrecurring basis to reflect a one-time transfer of the cash balance in the North Carolina Education Endowment Fund. The revised net appropriation to DPI's operating budget is reduced by $6.1 million in FY 2017-18; however, total funding available to DPI remains unchanged.				

	FY 17-18		FY 18-19
F. Grants			
63 Eastern North Carolina STEM			
Fund Code: 1901	$300,000	NR	
Provides funds to the State Board of Education to contract with an independent entity to administer a residential STEM enrichment program for underserved students. Participation in the program is limited to students enrolled in Northampton County Schools, Weldon City Schools, Roanoke Rapids City Schools and KIPP Pride High School in Gaston, NC. The revised net appropriation for Eastern NC STEM is $300,000 in FY 2017-18 only.			
64 Communities in Schools of Cape Fear			
Fund Code: 1901	$50,000	NR	
Provides funds to support the intervention programs and services provided by Communities in Schools of Cape Fear (CISCF) to address the needs of public school students at risk of grade level retention and dropout from school. The revised net appropriation for CISCF is $50,000 in FY 2017-18 only.			
65 Muddy Sneakers			
Fund Code: 1901	$500,000	NR	
Provides funds to Muddy Sneakers to support its experiential learning programs that aim to improve the science aptitude of 5th graders through supplemental, hands-on field instruction of the State science standards. The revised net appropriation for Muddy Sneakers is $500,000 in FY 2017-18 only.			
66 Triangle Literacy Council			
Fund Code: 1901	$740,000	NR	
Provides funds to the Triangle Literacy Council to support juvenile literacy centers that serve court-involved or otherwise at-risk youth. The revised net appropriation for the Triangle Literacy Council is $740,000 in FY 2017-18 only.			
67 Hoke Reading Literacy Council, Inc.			
Fund Code: 1901	$25,000	NR	
Provides funds to the Hoke Reading Literacy Council, Inc. The Council aims to provide basic literacy instruction including English as a Second Language and introductory computer classes. The revised net appropriation for the Hoke Reading Literacy Council, Inc. is $25,000 in FY 2017-18 only.			

	FY 17-18		FY 18-19	
68 Life Changing Experiences Pilot Program				
Fund Code: 1901	$360,000	NR	$360,000	NR
Provides funds to DPI to contract with the Children and Parent Resource Group, Inc. for the Life Changing Experiences Program, a three dimensional and interactive multimedia education program which focuses on activities that negatively impact teenagers, including alcohol and drugs, dangerous driving, violence, and bullying. This program targets students in grades 6 through 11 and will be piloted in Mitchell, Pitt, Wayne, and Winston Salem/Forsyth County Schools. The revised net appropriation for this program is $360,000 in each year of the biennium.				
69 Haywood Community Learning Center				
Fund Code: 1901	$250,000	NR		
Provides additional funds to the Haywood County School District to support the Haywood Community Learning Center to provide enrichment opportunities to students in FY 2017-18 only.				
70 Harnett County Early College				
Fund Code: 1901	$100,000	NR		
Provides funds to the Harnett County School district to support the planning and development of the Harnett County Early College. The revised net appropriation for the Harnett County Early College is $100,000 in FY 2017-18 only.				
71 Richmond Senior High School				
Fund Code: 1901	$200,000	NR		
Provides additional funds to the Richmond County School District to support Richmond Senior High School in FY 2017-18 only.				
Total Legislative Changes	**$289,316,731**	R	**$686,028,440**	R
	$17,865,905	NR	**$15,360,000**	NR
Total Position Changes	-6.39		-6.39	
Revised Budget	**$9,046,403,622**		**$9,425,109,426**	

DPI - Trust Special

Budget Code: 63501

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$7,440,151**		**$694,530**	
Recommended Budget				
Requirements	**$6,000,000**		**$6,000,000**	
Receipts	**$5,000,000**		**$5,000,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
North Carolina Education Endowment Fund Increases the recurring transfer from DPI's General Fund budget to the Endowment Fund by $1 million for the Teaching Fellows Program in FY 2018-19. The revised net appropriation for the Teaching Fellows Program in FY 2018-19 is $6 million.	$0 $0 0.00	R NR	$1,000,000 $0 0.00	R NR
North Carolina Education Endowment Fund Transfers the cash balance estimated to be $6,145,461 by the end of the fiscal year to DPI to offset the Department's operating budget in FY 2017-18.	$0 $6,145,461 0.00	R NR	$0 $0 0.00	R NR
North Carolina Education Endowment Fund Makes a technical adjustment to remove the $1 million reserve line-item on a recurring basis and decreases the $5 million reserve line-item on a nonrecurring basis in FY 2017-18 only.	($1,000,000) ($5,000,000) 0.00	R NR	($1,000,000) $0 0.00	R NR
State Literary Fund (6102) Transfers the cash balance to the SPSF to offset the textbooks and digital materials allotment in FY 2017-18.	$0 $259,833 0.00	R NR	$0 $0 0.00	R NR
Education Fund (6116) Transfers the cash balance to the SPSF to offset the textbooks and digital materials allotment in FY 2017-18.	$0 $340,327 0.00	R NR	$0 $0 0.00	R NR

	FY 2017-18		FY 2018-19	
Subtotal Legislative Changes	**($1,000,000)**	R	**$0**	R
	$1,745,621	NR	**$0**	NR
	0.00		0.00	

Receipts:

North Carolina Education Endowment Fund Decreases the $5 million transfer from DPI's General Fund budget to the Endowment Fund on a nonrecurring basis in FY 2017-18 and increases the transfer from DPI's General Fund budget to the Endowment Fund by $1 million for the Teaching Fellows Program on a recurring basis starting in FY 2018-19. The revised net appropriation for the Endowment Fund is $6 million in FY 2018-19.	$0	R	$1,000,000	R
	($5,000,000)	NR	$0	NR
State Literary Fund (6102) No change.	$0	R	$0	R
	$0	NR	$0	NR
Education Fund (6116) No change.	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$1,000,000**	R
	($5,000,000)	NR	**$0**	NR
Revised Total Requirements	**$6,745,621**		**$6,000,000**	
Revised Total Receipts	**$0**		**$6,000,000**	
Change in Fund Balance	**($6,745,621)**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$694,530**		**$694,530**	

Community Colleges
Budget Code 16800

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,465,717,504	$1,465,717,504
Receipts	$397,484,160	$397,484,160
Net Appropriation	$1,068,233,344	$1,068,233,344
Legislative Changes		
Requirements	$53,757,618	$72,508,722
Receipts	$175,961	($1,015,779)
Net Appropriation	$53,581,657	$73,524,501
Revised Budget		
Requirements	$1,519,475,122	$1,538,226,226
Receipts	$397,660,121	$396,468,381
Net Appropriation	$1,121,815,001	$1,141,757,845

General Fund FTE		
Base Budget	198.45	198.45
Legislative Changes	16.00	16.00
Revised Budget	214.45	214.45

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Community Colleges										
Budget Code 16800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	98,000	-	98,000	4,393,020	393,211	3,999,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	(82,623)	-	(82,623)	16,157,335	399,237	15,758,098
1300	Finance and Operations	3,293,213	467,758	2,825,455	350,000	-	350,000	3,643,213	467,758	3,175,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(260,000)	-	(260,000)	107,140,338	15,472,866	91,667,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	4,062,706	-	4,062,706	15,959,937	1,233,917	14,726,020
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	2,392,055	1,541,740	850,315	(32,902,890)	18,360,375	(51,263,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	32,305,056	-	32,305,056	32,305,056	-	32,305,056
N/A	State Retirement Contribution	-	-	-	7,567,679	-	7,567,679	7,567,679	-	7,567,679
N/A	State Health Plan Reserve	-	-	-	3,778,079	-	3,778,079	3,778,079	-	3,778,079
N/A	Enrollment Adjustment	-	-	-	3,566,666	(1,365,779)	4,922,445	3,566,666	(1,365,779)	4,922,445
Total		$1,465,717,564	$397,484,159	$1,068,233,344	$53,757,618	$175,961	$53,581,657	$1,519,475,122	$397,660,121	$1,121,815,001

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Community Colleges										
Budget Code 16300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	-	-	-	4,295,020	393,211	3,901,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	(82,623)	-	(82,623)	16,157,335	399,237	15,756,098
1300	Finance and Operations	3,293,213	467,758	2,825,455	350,000	-	350,000	3,643,213	467,758	3,175,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(260,000)	-	(260,000)	107,140,338	15,472,866	91,667,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	7,500,000	-	7,500,000	19,397,231	1,233,917	18,163,314
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	1,200,315	350,000	850,315	(34,094,630)	17,168,635	(51,263,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	32,305,056	-	32,305,056	32,305,056	-	32,305,056
N/A	State Retirement Contribution	-	-	-	19,933,379	-	19,933,379	19,933,379	-	19,933,379
N/A	State Health Plan Reserve	-	-	-	8,005,929	-	8,005,929	8,005,929	-	8,005,929
N/A	Enrollment Adjustment	-	-	-	3,556,666	(1,365,779)	4,922,445	3,556,666	(1,365,779)	4,922,445
Total		$1,465,717,584	$397,484,160	$1,868,233,344	$72,588,722	($1,815,779)	$73,524,501	$1,538,226,226	$396,468,381	$1,141,757,845

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Community Colleges					
Budget Code 16800		Base	Legislative Changes		Revised
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	(1.00)	-	79.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	12.00	5.00	17.00
Total FTE		**198.45**	**11.00**	**5.00**	**214.45**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Community Colleges					
Budget Code 16800		Base	Legislative Changes		Revised
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	(1.00)	-	79.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	12.00	5.00	17.00
Total FTE		**198.45**	**11.00**	**5.00**	**214.45**

Community Colleges

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,068,233,344**		**$1,068,233,344**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
72 Compensation Increase Reserve - Community Colleges **Fund Code:** N/A Provides funding for salary increases to Community College personnel supported by net appropriations. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$22,095,840	R	$22,095,840	R
73 Compensation Increase Reserve - Community Colleges - Salary Adjustments **Fund Code:** N/A Provides additional funding for salary increases to Community College personnel supported by net appropriations. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$10,000,000	R	$10,000,000	R
74 Compensation Increase Reserve - System Office **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$209,216	R	$209,216	R
75 State Retirement Contributions - Community Colleges **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$7,455,632	R	$19,664,230	R

	FY 17-18		FY 18-19	
76 State Retirement Contributions - System Office **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$102,047	R	$269,149	R
77 State Health Plan - System Office **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$35,438	R	$75,094	R
78 State Health Plan - Community Colleges **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$3,742,641	R	$7,930,835	R
B. Technical and Formula Adjustments				
79 Enrollment Growth Adjustment **Fund Code:** Multiple Adjusts funds for the biennium based on the increase in community college enrollment. The Community College System total enrollment increased by 803 Full Time Equivalent (FTE) students (0.4%) from the budgeted amount in the FY 2016-17 certified budget.	$4,922,445	R	$4,922,445	R

	FY 17-18		FY 18-19	
80 Bionetwork Grants	($260,000)	R	($260,000)	R
Fund Code: 1622				
Aligns budgeted funds to projected expenditures for Bionetwork Grants. The revised net appropriation for Bionetwork Grants is $4.0 million in each year of the biennium.				
C. Other Adjustments				
81 Position Elimination	($82,623)	R	($82,623)	R
Fund Code: 1200	-1.00		-1.00	
Eliminates the following vacant position in the Community College System Office:				
60088037 - Information Technology Project Program Manager				
The revised net appropriation for the Technology Solutions and Distance Learning fund code is $15.8 million in each year of the biennium.				
82 Board of Postsecondary Credentials				
Fund Code: 1300	$350,000	NR	$350,000	NR
Provides funding to support the Board of Postsecondary Credentials. This newly-established board will be composed of various education stakeholders and will review and make recommendations regarding the provision of workforce training and related credentials in the State. The revised net appropriation for the board is $350,000 in each year of the biennium.				
83 Workforce Training Costs Study				
Fund Code: 1100	$98,000	NR		
Provides funds for a study to assess instructional and related costs for workforce training courses. The revised net appropriation for the Workforce Training Costs Study is $98,000 in FY 2017-18 only.				
84 NC Works Career Coaches	$1,100,000	R	$1,800,000	R
Fund Code: 1624				
Provides additional funds for the NC Works Career Coaches program, which places career coaches employed by local community colleges with partnering high schools. The revised net appropriation for NC Works Career Coaches is $2.1 million in FY 2017-18 and $2.8 million in FY 2018-19.				

	FY 17-18		FY 18-19	
85 Start-Up Fund for High-Cost Workforce Programs				
Fund Code: 1624			$2,500,000	NR
Provides funds to assist colleges with start-up costs for certain workforce training programs. The revised net appropriation for the start-up fund is $2.5 million in FY 2018-19 only.				
86 Short-Term Workforce Training				
Fund Code: 1624	$2,000,000	NR		
Provides funds to support short-term workforce continuing education programs that prepare students for industry credentials. The revised net appropriation for Short-Term Workforce Training is $2.0 million in FY 2017-18 only.				
87 Apprenticeship NC	$850,315	R	$850,315	R
Fund Code: 1900	12.00		12.00	
Provides funding to establish the budget for the transfer of the Apprenticeship NC program from the Department of Commerce to the NC Community College System. The transfer includes $350,000 in federal Workforce Innovation and Opportunity Act receipts and $1.2 million in additional nonrecurring federal grant receipts. The revised net appropriation for Apprenticeship NC is $850,315 in each year of the biennium.				
88 Construction Industry Workforce Training				
Fund Code: 1624	$200,000	NR		
Provides funds to support a collaboration between the NC Community College System and construction industry trade associations to address workforce training needs in the construction industry. Funds will be used for the development of a communications and outreach plan to increase interest in job opportunities in the industry. The revised net appropriation for this item is $200,000 in FY 2017-18 only.				
89 Eastern Triad Workforce Development				
Fund Code: 1624			$3,200,000	NR
Provides funds to Community Foundation of Greater Greensboro, Inc., for the Triad Workforce Solutions Collaborative to support development and implementation of a pilot apprenticeship program in targeted industries throughout the Eastern Triad region. Funds will be used for training materials, apprenticeship employment costs, and curriculum development. The revised net appropriation for this initiative is $3.2 million in FY 2018-19 only.				

	FY 17-18		FY 18-19	
90 NC Center for Viticulture and Enology				
Fund Code: 1624	$250,000	NR		
Provides funds for the Shelton-Badgett NC Center for Viticulture and Enology at Surry Community College. Funds will be used for consultation, training, and research and development activities related to the wine industry.				
91 Anspach Advanced Manufacturing School				
Fund Code: 1624	$512,706	NR		
Provides funds for the Anspach Advanced Manufacturing School at the Mayland Community College Yancey County campus. Funds will support equipment and nonrecurring operational needs at the school in FY 2017-18 only.				
Total Legislative Changes	**$50,170,951**	R	**$67,474,501**	R
	$3,410,706	NR	**$6,050,000**	NR
Total Position Changes	11.00		11.00	
Revised Budget	**$1,121,815,001**		**$1,141,757,845**	

UNC System
Multiple Budget Codes

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$4,654,716,690	$4,704,722,949
Receipts	$1,853,120,342	$1,853,120,342
Net Appropriation	$2,801,596,348	$2,851,602,607
Legislative Changes		
Requirements	$92,629,001	$122,172,425
Receipts	$450,000	$6,000,000
Net Appropriation	$92,179,001	$116,172,425
Revised Budget		
Requirements	$4,747,345,691	$4,826,895,374
Receipts	$1,853,570,342	$1,859,120,342
Net Appropriation	$2,893,775,349	$2,967,775,032

General Fund FTE		
Base Budget	35,141.07	35,141.07
Legislative Changes	0.00	0.00
Revised Budget	35,141.07	35,141.07

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	40,443,966	-	40,443,966	11,415,958	-	11,415,958	51,859,924	-	51,859,924
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	1,950,000	450,000	1,500,000	158,450,476	48,481,975	109,968,501
16015	Aid to Private Colleges	154,719,754	-	154,719,754	530,000	-	530,000	155,249,754	-	155,249,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	265,000	-	265,000	604,500,515	351,926,396	252,574,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	9,000,000	-	9,000,000	311,961,243	116,296,211	195,665,032
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	-	-	-	48,783,693	-	48,783,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	2,500,000	-	2,500,000	788,185,015	378,036,965	410,148,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	700,000	-	700,000	55,181,275	16,086,044	39,095,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,162,857	-	4,162,857	85,449,438	11,075,640	74,373,798
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	2,500,000	-	2,500,000	161,341,628	68,638,146	92,703,482
16075	Western Carolina University	138,632,012	48,902,551	89,729,461	-	-	-	138,632,012	48,902,551	89,729,461
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,267,711	27,556,162	53,711,549	-	-	-	81,267,711	27,556,162	53,711,549
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,810,000	-	2,810,000	38,730,913	6,766,201	31,964,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,116,598	1,158,586	20,958,012	-	-	-	22,116,598	1,158,586	20,958,012
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	40,779,229	-	40,779,229	40,779,229	-	40,779,229
N/A	State Retirement Contribution	-	-	-	9,142,976	-	9,142,976	9,142,976	-	9,142,976
N/A	State Health Plan Reserve	-	-	-	6,872,981	-	6,872,981	6,872,981	-	6,872,981
Total		$4,654,716,690	$1,853,120,342	$2,801,596,348	$92,629,001	$450,000	$92,179,001	$4,747,345,691	$1,853,570,342	$2,893,775,349

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	80,443,966	-	80,443,966	10,973,115	-	10,973,115	91,417,081	-	91,417,081
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	7,500,000	6,000,000	1,500,000	164,000,476	54,031,975	109,968,501
16015	Aid to Private Colleges	164,719,754	-	164,719,754	3,080,000	-	3,080,000	167,799,754	-	167,799,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	(500,000)	-	(500,000)	603,735,515	351,926,396	251,809,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	8,640,941	-	8,640,941	311,602,184	116,296,211	195,305,973
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	-	-	-	48,783,693	-	48,783,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	-	-	-	785,685,015	378,036,965	407,648,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	800,000	-	800,000	55,281,275	16,086,044	39,195,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,803,804	-	4,803,804	86,090,385	11,075,640	75,014,745
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	2,500,000	-	2,500,000	161,341,628	68,638,146	92,703,482
16075	Western Carolina University	138,633,192	48,902,551	89,730,641	-	-	-	138,633,192	48,902,551	89,730,641
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,271,590	27,556,162	53,715,428	-	-	-	81,271,590	27,556,162	53,715,428
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,000,000	-	2,000,000	37,920,913	6,766,201	31,154,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,117,798	1,158,586	20,959,212	-	-	-	22,117,798	1,158,586	20,959,212
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	41,080,703	-	41,080,703	41,080,703	-	41,080,703
N/A	State Retirement Contribution	-	-	-	26,729,688	-	26,729,688	26,729,688	-	26,729,688
N/A	State Health Plan Reserve	-	-	-	14,564,174	-	14,564,174	14,564,174	-	14,564,174
Total		$4,704,722,949	$1,853,120,342	$2,851,602,607	$122,172,425	$6,000,000	$116,172,425	$4,826,895,374	$1,859,120,342	$2,967,775,032

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

UNC System					
		Base	Legislative Changes		Revised
Bdgt Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	278.00	-	-	278.00
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	-	-	-	-
16020	UNC-Chapel Hill	4,221.56	-	-	4,221.56
16021	UNC-Chapel Hill - Health Affairs	1,948.73	-	-	1,948.73
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	5,980.37	-	-	5,980.37
16031	NC State University - Agricultural Research	733.05	-	-	733.05
16032	NC State University - Cooperative Extension Service	673.99	-	-	673.99
16040	UNC-Greensboro	2,132.16	-	-	2,132.16
16050	UNC-Charlotte	3,185.89	-	-	3,185.89
16055	UNC-Asheville	604.14	-	-	604.14
16060	UNC-Wilmington	1,940.64	-	-	1,940.64
16065	East Carolina University - Academic	3,230.95	-	-	3,230.95
16066	East Carolina University - Health Affairs	555.79	-	-	555.79
16070	NC Agricultural and Technical State University	1,584.14	-	-	1,584.14
16075	Western Carolina University	1,265.81	-	-	1,265.81
16080	Appalachian State University	2,184.52	-	-	2,184.52
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	882.93	-	-	882.93
16086	Elizabeth City State University	330.16	-	-	330.16
16088	Fayetteville State University	743.26	-	-	743.26
16090	NC Central University	1,183.16	-	-	1,183.16
16092	NC School of the Arts	443.29	-	-	443.29
16094	NC School of Science and Mathematics	224.35	-	-	224.35
Total FTE		**35,141.07**	**-**	**-**	**35,141.07**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

UNC System					
		Base	Legislative Changes		Revised
Bdgt Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	278.00	-	-	278.00
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	-	-	-	-
16020	UNC-Chapel Hill	4,221.56	-	-	4,221.56
16021	UNC-Chapel Hill - Health Affairs	1,948.73	-	-	1,948.73
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	5,980.37	-	-	5,980.37
16031	NC State University - Agricultural Research	733.05	-	-	733.05
16032	NC State University - Cooperative Extension Service	673.99	-	-	673.99
16040	UNC-Greensboro	2,132.16	-	-	2,132.16
16050	UNC-Charlotte	3,185.89	-	-	3,185.89
16055	UNC-Asheville	604.14	-	-	604.14
16060	UNC-Wilmington	1,940.64	-	-	1,940.64
16065	East Carolina University - Academic	3,230.95	-	-	3,230.95
16066	East Carolina University - Health Affairs	555.79	-	-	555.79
16070	NC Agricultural and Technical State University	1,584.14	-	-	1,584.14
16075	Western Carolina University	1,265.81	-	-	1,265.81
16080	Appalachian State University	2,184.52	-	-	2,184.52
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	882.93	-	-	882.93
16086	Elizabeth City State University	330.16	-	-	330.16
16088	Fayetteville State University	743.26	-	-	743.26
16090	NC Central University	1,183.16	-	-	1,183.16
16092	NC School of the Arts	443.29	-	-	443.29
16094	NC School of Science and Mathematics	224.35	-	-	224.35
Total FTE		35,141.07	-	-	35,141.07

UNC System

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$2,801,596,348**		**$2,851,602,607**	

Legislative Changes

Base Budget Adjustment

92 Adjustment to Recommended Base Budget for Opportunity Scholarships

Budget Code: 16015

Increases the recommended base budget figures for the University of North Carolina (UNC) System by $20.0 million in FY 2017-18 and $30.0 million in FY 2018-19 to account for statutory increases to the Opportunity Scholarship Grant Fund Reserve in accordance with G.S. 115C-562.8(b). The Reserve is used to fund scholarships for the subsequent fiscal year. The revised base budget amount for the Opportunity Scholarship Grant Fund Reserve is $44.8 million in FY 2017-18 and $54.8 million in FY 2018-19. The revised recommended base budget for the UNC System is $2.8 billion in FY 2017-18 and $2.9 billion in FY 2018-19 as shown in the figures above.

A. Reserve for Salaries and Benefits

93 Compensation Increase Reserve — $40,597,891 R — $40,597,891 R

Budget Code: N/A

Provides funding for an across-the-board salary increase of $1,000 for positions subject to the State Human Resources Act. The Board of Governors may award salary increases to positions exempt from the State Human Resources Act pursuant to policies adopted by the Board. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.

94 Compensation Increase Reserve - State Agency Teachers/School Based Administrators — $181,338 R — $482,812 R

Budget Code: N/A

Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.

	FY 17-18		FY 18-19	
95 State Retirement Contributions - TSERS Members **Budget Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$9,142,976	R	$24,114,600	R
96 State Retirement Contributions - ORP Members **Budget Code:** N/A Increases the State's contribution for members of the Optional Retirement Program (ORP) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for ORP statewide is $154.9 million in FY 2017-18 and $157.5 million in FY 2018-19.			$2,615,088	R
97 State Health Plan **Budget Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$6,872,981	R	$14,564,174	R
B. Other Adjustments				
98 Management Flexibility Reduction **Budget Code:** 16011 Mandates a system-wide management flexibility reduction for the UNC operating budget. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions. A related provision details the manner in which the management flexibility reduction is to be allocated. The revised net appropriation for the UNC system is $2.9 billion in FY 2017-18 and $3.0 billion in FY 2018-19.			($7,000,000)	NR

		FY 17-18		FY 18-19	
99	**Data Analytics**			$1,000,000	R
	Budget Code: 16011	$1,000,000	NR	$8,000,000	NR
	Provides funds for a variety of data collection, modernization and integration projects. This will include, but is not limited to: post-graduate outcomes, uniform and integrated data collection across all campuses, and Enterprise Resource Planning (ERP) modernization that will enable better financial management of UNC through cost per unit analysis, predictive modeling, and more timely access to actionable information. The revised net appropriation for data analytics is $1.0 million in FY 2017-18 and $9.0 million in FY 2018-19.				
100	**UNC Teacher and Principal Preparation Program Lab Schools**	$930,000	R	$930,000	R
	Budget Code: 16011	$1,000,000	NR		
	Provides funding for administrative and technical assistance related to the UNC Teacher and Principal Preparation Laboratory School Program. These funds are for both start-up assistance as well as recurring administrative support. The revised net appropriation for UNC Laboratory Schools is $1.9 million in FY 2017-18 and $930,000 in FY 2018-19.				
101	**New Teacher Support Program**	$1,000,000	R	$1,000,000	R
	Budget Code: 16011				
	Provides additional funding to the North Carolina New Teacher Support Program, a program to support new teachers across the State through training and one-on-one coaching. The revised net appropriation for this program is $2.2 million in each year of the biennium.				
102	**Future Teachers of North Carolina**	$278,500	R	$278,500	R
	Budget Code: 16011				
	Provides funding to establish the Future Teachers of North Carolina (FTNC) program for the purpose of developing curricula and providing professional development for high school teachers who will teach courses that encourage high-achieving high school students to consider teaching as a profession. The revised net appropriation for the FTNC program is $278,500 in each year of the biennium.				

		FY 17-18		FY 18-19	
103	**Research Opportunity Initiative** **Budget Code:** 16011 Increases funding for a competitive grant program that supports innovative research programs in 6 priority areas: advanced manufacturing; data sciences; defense, military, and security; energy; marine and coastal sciences; and pharmacoengineering. The revised net appropriation for the Research Opportunity Initiative is $4.0 million in FY 2017-18 and $3.0 million in FY 2018-19.	$1,000,000	NR		
104	**Building Operating Reserves** **Budget Code:** 16011 Provides operating funds for buildings coming online in the 2017-19 biennium. Funds are provided for: the Beaver College of Health Sciences at Appalachian State University; the G.R. Little Library at Elizabeth City State University; the Mountain Area Health Center through UNC-Chapel Hill: the Student Health Services Building at UNC-Pembroke; and the Science and General Office Building at Winston Salem State University.	$107,458	R	$5,910,362 $154,253	R NR
105	**Faculty Recruitment and Retention** **Budget Code:** 16011 Increases funding for faculty recruitment and retention efforts at UNC institutions. The revised net appropriation for faculty recruitment and retention is approximately $14.0 million in FY 2017-18 and $13.0 million in FY 2018-19.	$1,000,000	NR		
106	**Principal Preparation Grants Program** **Budget Code:** 16015 Provides additional funds for administration of the Principal Preparation Grants program. The program provides competitive grants for school leadership development. The revised net appropriation for this program is $4.5 million in each year of the biennium.	$80,000	R	$80,000	R
107	**UNC Law School** **Budget Code:** 16020 Reduces funding to UNC-Chapel Hill's School of Law by $500,000, a 4% reduction. The revised net appropriation for the UNC-Chapel Hill law school is $12.6 million in each year of the biennium.	($500,000)	R	($500,000)	R

		FY 17-18		FY 18-19	
108	**Cryo-Electron Microscopy Equipment** **Budget Code:** 16020 Provides funds to UNC-CH for the acquisition and operation of cryo-electron microscopy equipment. The revised net appropriation for UNC-CH is $252.0 million in FY 2017-18 and $251.3 million in FY 2018-19.	$525,000	NR		
109	**Excellence Fund for the Reserve Officers Training Corps** **Budget Code:** 16020 Establishes the Excellence Fund for Experiential Learning and Leadership Development for the Officers Training Corps. This fund, located in the College of Arts and Sciences, shall support leadership development and experiential learning for UNC ROTC programs.	$240,000	NR		
110	**UNC School of Medicine** **Budget Code:** 16021 Provides funding to increase the number of available medical student slots at the UNC School of Medicine. The revised net appropriation for UNC Chapel Hill Health Affairs is $187.7 million in each year of the biennium.	$1,000,000	R	$1,000,000	R
111	**Western School of Medicine - Asheville** **Budget Code:** 16021 Provides additional funds for the UNC School of Medicine's Asheville Campus, a joint program between the UNC School of Medicine, other UNC system universities, and the Mountain Area Health Education Center. Funding will support administration, faculty, and related programs for this multi-disciplinary effort. In FY 2016-17, $3.0 million in recurring funding was provided for this purpose. The revised net appropriation is $11.0 million for FY 2017-18 and $10.6 million for FY 2018-19.	$3,650,000 $4,350,000	R NR	$7,640,941	R
112	**Food Processing Innovation Center** **Budget Code:** 16011 Provides funds for the Food Processing Innovation Center, to be housed at the NC Research Campus. Nonrecurring funds are provided to equip the Center. Recurring funding will be used for lease payments for the space to be renovated by the NC Research Campus and the City of Kannapolis, and for personnel costs to be augmented by additional staffing supported by the North Carolina State University (NCSU) College of Agriculture and Life Sciences and the NC Department of Agriculture. The revised net appropriation for this center is $5.1 million in FY 2017-18 and $700,000 in FY 2018-19.	$700,000 $4,400,000	R NR	$700,000	R

	FY 17-18		FY 18-19	
113 NCSU Innovation in Manufacturing Biopharmaceuticals **Budget Code:** 16030 Provides funds for North Carolina State University's participation in a collaborative effort to accelerate the development of innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NCSU and serve as matching funds for a federal grant from the National Institute of Standards and Technology. The revised net appropriation for this initiative is $2.0 million in FY 2017-18 only.	$2,000,000	NR		
114 NCSU Biomanufacturing Training and Educational Center **Budget Code:** 16030 Provides additional funds to the NCSU Biomanufacturing Training and Education Center (BTEC) to support training, education, and research. The revised net appropriation for NCSU BTEC is approximately $5.7 million in FY 2017-18.	$500,000	NR		
115 NCSU Cooperative Extension **Budget Code:** 16032 Provides additional funds for the NCSU Cooperative Extension for faculty and employee retention and recruitment. The revised net appropriation for the Cooperative Extension is $39.2 million in each year of the biennium.	$700,000	R	$800,000	R
116 ECU Brody School of Medicine Stabilization Funds **Budget Code:** 16066 Provides funds to stabilize the Brody School of Medicine at East Carolina University. The revised net appropriation for East Carolina University Health Affairs is $74.4 million in FY 2017-18 and $75.0 million in FY 2018-19.	$4,000,000	R	$4,000,000	R
117 Graduate Medical Education Expansion **Budget Code:** 16066 Provides funds for the planning and initial implementation of new residency programs at Vidant Duplin Hospital, Halifax Regional Medical Center, Carolina East, and Vidant Ahoskie Hospital. The new residency positions are intended to help expand medical services and increase the number of health-care providers in rural and under-served areas. The revised net appropriation for East Carolina University Health Affairs for all items is $74.4 million in FY 2017-18 and $75.0 million in FY 2018-19.	$162,857	R	$803,804	R

		FY 17-18		FY 18-19	
118	**NC A&T Doctoral Programs** **Budget Code:** 16070 Provides funds to support established doctoral programs at North Carolina Agricultural and Technical State University (NC A&T). These funds will support new faculty and graduate student services for the doctoral programs, including computer science, various engineering fields, energy and environmental systems, education, and rehabilitation counseling. The revised net appropriation for NC A&T is $92.7 million in each year of the biennium.	$2,500,000	R	$2,500,000	R
119	**Elizabeth City State University Stabilization Funds** **Budget Code:** 16086 Provides funds to ECSU to stabilize enrollment. Funds will be used to hire temporary faculty to anchor core programs, provide start-up funds for an aviation science program, and support student success initiatives. The revised net appropriation for ECSU is $32.0 million in FY 2017-18 and $31.1 million in FY 2018-19.	$2,810,000	NR	$2,000,000	NR
C. Financial Aid					
120	**Teaching Fellows** **Budget Code:** 16012 Provides funds to establish a competitive forgivable loan program for students interested in entering teaching in science, technology, engineering and mathematics (STEM) or special education licensure areas. Students may receive up to $8,250 per year for tuition, fees, and the cost of books. These loans may be forgiven upon completion of a term of service at a North Carolina elementary or high school. Funds are also provided to the North Carolina State Educational Assistance Authority to administer the program. This program is supported by a transfer from the NC Education Endowment Fund of $450,000 in FY 2017-18 and $6.0 million in FY 2018-19. The total requirements for Teaching Fellows are $6.0 million in FY 2018-19.				
121	**Cheatham-White Scholarships** **Budget Code:** 16012 Provides funds for the Cheatham-White Scholarship program, established in the 2016 budget. These scholarships, at North Carolina Central University (NCCU) and North Carolina Agricultural and Technical State University (NC A&T), will fund up to 20 scholarships at each university beginning in the Fall 2018 semester. NCCU and NC A&T will be required to match the General Fund appropriation. The revised net appropriation for the Cheatham-White Scholarships is $1.8 million in FY 2018-19.			$1,500,000	R

	FY 17-18		FY 18-19	
122 Personal Education Savings Accounts **Budget Code:** 16015 Provides funds to establish the North Carolina Personal Education Savings Account Program. The program will create scholarship grants for eligible children with disabilities which may be used for qualifying educational expenses including nonpublic school tuition. Funds provided during the first year of the biennium will be used to establish the program, and funds provided in the second year of the biennium will be used for awards, with up to $250,000 available for administration. The revised net appropriation for personal education savings accounts is $450,000 in FY 2017-18 and $3.0 million in FY 2018-19.	$450,000	R	$3,000,000	R
123 Tuition Grant for North Carolina School of Science and Math Students **Budget Code:** 16012 Provides funds for a one-year tuition grant program for students graduating from the North Carolina School of Science and Math (NCSSM) at the conclusion of the academic year 2017-18. Students who enroll full-time in a UNC constituent institution in the fall of 2018 will receive a full tuition grant for one year.	$1,500,000	NR		
Total Legislative Changes	**$71,854,001**	**R**	**$113,018,172**	**R**
	$20,325,000	**NR**	**$3,154,253**	**NR**
Total Position Changes				
Revised Budget	**$2,893,775,349**		**$2,967,775,032**	

Health and Human Services Section G

Central Management
Budget Code 14410

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$179,580,970	$179,580,970
Receipts	$82,249,138	$82,249,138
Net Appropriation	$97,331,832	$97,331,832
Legislative Changes		
Requirements	$161,755,115	$130,125,197
Receipts	$141,931,738	$104,687,624
Net Appropriation	$19,823,377	$25,437,573
Revised Budget		
Requirements	$341,336,085	$309,706,167
Receipts	$224,180,876	$186,936,762
Net Appropriation	$117,155,209	$122,769,405

General Fund FTE		
Base Budget	835.75	835.75
Legislative Changes	59.00	81.00
Revised Budget	894.75	916.75

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Central Management										
Budget Code 14410		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1119	Service Support-Administration	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	15,238,497	10,949,225	4,289,272	85,959,030	57,771,409	28,187,621
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187
1125	Service Support - Medicaid Mgnt Info System			-	-	-	-	-	-	-
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552
1127	Office of Program Eval, Reporting &Accountability	539,301	85,007	454,294	-	-		539,301	85,007	454,294
1129	Rural Health Services Administration	918,482	192,209	726,273	-			918,482	192,209	726,273
1161	Rural Hospital - Assistance			-	-	-	-	-	-	-
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219
1163	Primary Care Safety Net Infrastructure			-	-	-	-	-	-	-
1164	Rural Health Centers			-	-	-	-	-	-	-
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,925,000		7,925,000	21,301,790	2,035,211	19,266,579
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000		200,000	6,292,669	4,142,971	2,149,698
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	142,600,128	136,300,000	6,300,128	164,807,734	140,152,500	24,655,234
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-
Division-wide Items										
N/A	TANF			-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-
N/A	SSBG				322,025	322,025	-	322,025	322,025	-
N/A	LIHEAP				(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-
N/A	CCDF				(392,554)	(392,554)	-	(392,554)	(392,554)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	699,270	-	699,270	699,270	-	699,270
N/A	State Retirement Contributions	-	-	-	291,263	-	291,263	291,263	-	291,263
N/A	State Health Plan Reserve				118,444	-	118,444	118,444	-	118,444
Total		$179,580,970	$82,249,138	$97,331,832	$161,755,115	$141,931,738	$19,823,377	$341,336,085	$224,180,876	$117,155,209

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Central Management										
Budget Code 14410		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1119	Service Support-Administration	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	25,450,004	15,511,057	9,938,947	96,170,537	62,333,241	33,837,296
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187
1125	Service Support - Medicaid Mgnt Info System			-	-	-	-	-	-	-
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552
1127	Office of Program Eval, Reporting &Accountability	539,301	85,007	454,294	-	-		539,301	85,007	454,294
1129	Rural Health Services Administration	918,482	192,209	726,273	-	-		918,482	192,209	726,273
1161	Rural Hospital - Assistance			-	-	-	-	-	-	-
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219
1163	Primary Care Safety Net Infrastructure			-	-	-	-	-	-	-
1164	Rural Health Centers			-	-	-	-	-	-	-
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,500,000	-	7,500,000	20,876,790	2,035,211	18,841,579
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000	-	200,000	6,292,669	4,142,971	2,149,698
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	100,574,216	94,494,054	6,080,162	122,781,822	98,346,554	24,435,268
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-
Division-wide Items										
N/A	TANF			-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-
N/A	SSBG				322,025	322,025	-	322,025	322,025	-
N/A	LIHEAP				(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-
N/A	CCDF				(392,554)	(392,554)	-	(392,554)	(392,554)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	699,270	-	699,270	699,270	-	699,270
N/A	State Retirement Contributions	-	-	-	768,206	-	768,206	768,206	-	768,206
N/A	State Health Plan Reserve				250,988	-	250,988	250,988	-	250,988
Total		$179,580,970	$82,249,138	$97,331,832	$130,125,197	$104,687,624	$25,437,573	$309,706,167	$186,936,762	$122,769,405

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Central Management					
Budget Code 14410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	48.00	-	344.00
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting &Accountability	3.00		-	3.00
1129	Rural Health Services Administration	9.00		-	9.00
1162	Rural Health Capacity Building	4.00	-	-	4.00
1169	Rural Health Infrastructure	19.00	4.00	-	23.00
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		**835.75**	**58.00**	**1.00**	**894.75**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Central Management					
Budget Code 14410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	70.00	-	366.00
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting &Accountability	3.00	-	-	3.00
1129	Rural Health Services Administration	9.00	-	-	9.00
1162	Rural Health Capacity Building	4.00	-	-	4.00
1169	Rural Health Infrastructure	19.00	4.00		23.00
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		**835.75**	**80.00**	**1.00**	**916.75**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$97,331,832**		**$97,331,832**	
Legislative Changes				
(1.0) Division of Central Management and Support				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$699,270	R	$699,270	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$291,263	R	$768,206	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$118,444	R	$250,988	R

	FY 17-18		FY 18-19	
4 Purchased Services **Fund Code:** 1910 Reduces funding Department wide for purchased administrative services. Reductions shall not be taken from contracts/agreements that provide direct services or the U.S. Department of Justice settlement agreement. The revised net appropriation for Fund 1910 from all actions in this report is $24.6 million in FY 2017-18 and $24.4 million in FY 2018-19.	($3,200,000)	R	($3,200,000)	R
5 NC Medication Assistance Program **Fund Code:** 1374 Provides funds for additional prescription assistance services for indigent and uninsured persons. The revised net appropriation for Fund 1374 is $2.1 million in each year of the biennium.	$200,000	NR	$200,000	NR
6 Community Health Grants **Fund Code:** 1169 Increases funding for grants to community health centers, rural health centers, federally qualified health centers, free clinics, and other health services providers in rural and medically underserved communities. Of the amount provided, up to $200,000 may be used to establish 4.0 Community Health Grants Specialist positions. The revised net appropriation for community health grants is $15.0 million in each year of the biennium.	$7,500,000 4.00	R	$7,500,000 4.00	R
7 DHHS Competitive Grant - Big Brothers Big Sisters **Fund Code:** 1910 Provides $350,000 from the federal Social Services Block Grant (SSBG) to the DHHS Competitive Grant. The additional funding is designated for Big Brothers Big Sisters in each year of the biennium. The revised total SSBG allocation for DHHS Competitive Grants from all actions in this report is $4,524,525 in both years of the biennium.				
8 DHHS Competitive Grant - TROSA **Fund Code:** 1910 Provides $1.6 million from the federal Substance Abuse Prevention and Treatment Block Grant to the DHHS Competitive Grant. The funds are designated for TROSA, a long-term residential substance abuse treatment program. The total competitive grant funding for TROSA is $3.2 million in each year of the biennium.				

		FY 17-18		FY 18-19	
9	**Graduate Medical Education - Cape Fear Valley Medical Center**	($7,700,000)	R	($7,700,000)	R
	Fund Code: 1910	$3,000,000	NR		
	Eliminates funding provided to establish a residency program at Cape Fear Valley Medical Center. The funds were originally appropriated in anticipation of lost Medicare revenue that would result from the Medical Center's planned reclassification as a rural hospital by the federal Centers for Medicare and Medicaid Services (CMS). However, recent changes in CMS policy will allow Cape Fear Valley Medical Center to regain its urban hospital classification effective October 1, 2017. One-time funding, $3 million nonrecurring, is provided to offset anticipated revenue losses for the period July 1, 2017 to September 30, 2017. The revised net appropriation for Graduate Medical Education - Cape Fear Valley Medical Center is $3,000,000 in FY 2017-18 only.				
10	**Hands of Hope Medical Clinic**				
	Fund Code: 1169	$50,000	NR		
	Provides $50,000 for the Hands of Hope Medical Clinic. The revised net appropriation for the Hands of Hope Medical Clinic is $50,000 in FY 2017-18 only.				
11	**Community Free Clinic**				
	Fund Code: 1169	$125,000	NR		
	Provides funds to the Community Free Clinic to serve low income and uninsured residents of Cabarrus County. The revised net appropriation for the Community Free Clinic is $125,000 in FY 2017-18 only.				
12	**James Austin Health Center**				
	Fund Code: 1169	$250,000	NR		
	Provides funding for the James Austin Health Center in Rockingham County. The revised net appropriation for the James Austin Health Center is $250,000 in FY 2017-18 only.				

	FY 17-18		FY 18-19	
13 NC FAST - Child Welfare and Other Development **Fund Code:** 1910 Provides funding for continued system development including implementing the Child Services project, a child welfare case management system, and a Medicaid Self-Service and Enterprise Program Integrity project to address federal requirements and implement new program integrity functionality. Funding will also support the Identity Proofing project to provide electronic identity proofing when applying for certain benefits from NC FAST. Total funding, for NC FAST development projects, inclusive of fund balances, receipts and net General Fund appropriations is $137.4 million for FY 2017-18 and $98.6 million for FY 2018-19. The revised net appropriation for NC FAST Child Welfare and other development projects is $8.9 million in FY 2017-18 and $11.1 million in FY 2018-19.	$8,900,000 4.00	NR	$11,109,000 4.00	NR
14 NC FAST - Operations and Maintenance **Fund Code:** 1122 Provides funding for the ongoing operation and maintenance of NC FAST including funding for several projects that are moving from the development phase to full implementation including Child Care Subsidy and energy programs, Child Services, and Medicaid Self Services and Enterprise Program Integrity. Funding is also provided for additional help desk and technical support. The revised net appropriation from all actions in this report for Fund 1122, DIRM - Information System Services, is $28.2 million in FY 2017-18 and $33.8 million in FY 2018-19.	$1,900,000 32.00	R	$7,700,000 54.00	R
15 Social Security Number Removal **Fund Code:** 1910 Provides funding to modify department information technology systems to improve security and protect against identify theft. The revised net appropriation for the Social Security number removal project is $250,000 in FY 2017-18 only.	$250,000	NR		

	FY 17-18		FY 18-19	
16 DHHS IT Application Expansion	$422,206	R	$422,206	R
Fund Code: 1122	$302,666	NR	$327,341	NR
	6.00		6.00	

Provides funding for 6 positions and contract resources to support several FoxPro applications, the Child Support Services program, the HIV Care Continuum Data-to-Care database, multiple databases and Medicaid Information Technology Architecture State Self Assessment as required by federal regulations. The revised net appropriation from all actions in this report for Fund 1122, DIRM - Information System Services, is $28.2 million in FY 2017-18 and $33.8 million in FY 2018-19.

The newly established positions are as follows:

3 Business & Technology App Specialists	$100,000
1 Business & Technology App Specialist	$94,000
1 Business & Technology App Analyst	$85,000
1 Business System Analyst	$85,000

17 Receipt Supported IT Projects

Fund Code: 1910. 1122

Budgets $3.6 million in federal receipts in FY 2017-18 and $4.8 million in federal receipts in FY 2018-19 to replace the legacy case management system for employment, and independent living-related services shared by the Divisions of Vocational Rehabilitation Services and the Services for the Blind. Also budgets $100,922 in FY 2017-18 and $159,713 in FY 2018-19 from county funding for the North Carolina County Reimbursement Ledger Suite (NC CoReLS) which will assist county departments of social services and Child Support offices to record and electronically submit their forms for federal and state reimbursement. These funds will also support 1 FTE for the NC CoReLS project. The revised net appropriation for the receipt supported IT projects is $0 in both years of the biennium.

		FY 17-18		FY 18-19	
18	**Controlled Substances Reporting System (CSRS)** **Fund Code:** 1122 Provides funding for contractual hours to develop and implement software via existing Government Data Analytics Center public-private partnerships for the performance of advance analytics within the CSRS. The contract services will enhance and automate reports, and enhance the provision of data to entities or persons authorized to receive information. The contract services will also aggregate relevant data sources, and enhance the Department's ability to generate and deploy advanced analytics in order to improve prescribing practices, and to identify unusual prescribing patterns. The revised net appropriation from all actions in this report for Fund 1122, DIRM - Information System Services, is $28.2 million in FY 2017-18 and $33.8 million in FY 2018-19.	$1,200,000	R	$1,200,000	R
19	**CSRS Operations and Maintenance** **Fund Code:** 1122, 1910 Provides funding to modernize, develop and maintain the CSRS database in order to improve the security, functionality and interface capabilities of the system. A total of 6 positions are established, 4 in the Division of Central Management and Support and 2 in the Division of Mental Health, Developmental Disabilities and Substance Abuse Services.	$639,400 6.00	R	$639,400 6.00	R
20	**Health Service Regulation Enterprise Solution** **Fund Code:** 1910 Provides funding for an enterprise solution to replace 7 applications that are no longer supported and to automate the Division of Health Service Regulations licensure and license renewal process. Online license renewal applications will eliminate the majority of manual processes by both the Division of Health Service Regulation the healthcare providers. Additionally timelier licensure information can be provided to NC Tracks. The revised net appropriation for the Health Service Regulation Enterprise solution project is $275,128 in FY 2017-18 and $3.9 million in FY 2018-19.	$275,128	NR	$627,134 $3,294,028	R NR
21	**Health Information Exchange** **Fund Code:** 1910 Provides funding for the Health Information Exchange (HIE) to upgrade the data exchange technical environment in order to modernize features and functions of the HIE Network and provide ongoing maintenance and operations of the new technical environment. The revised net appropriation for HIE in the DHHS budget is $4 million in FY 2017-18 and $1 million in FY 2018-19.	$1,000,000 $3,000,000	R NR	$1,000,000	R

	FY 17-18		FY 18-19	
22 Alzheimer's Registry **Fund Code:** 1910 Provides funding to support the development of an Alzheimer's Registry through the Duke Brain Research Center. The net revised appropriation for the Alzheimer's Registry is $600,000 in each year of the biennium.	$600,000	R	$600,000	R
23 Temporary Assistance for Needy Families (TANF) Block Grant **Fund Code:** N/A Reduces TANF block grant federal receipts in the amount of $1,865,799 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $3 million in FY 2017-18 and $3.7 million in FY 2018-19.				
24 Social Services Block Grant (SSBG) **Fund Code:** N/A Budgets SSBG federal receipts in the amount of $322,025 in each year of the biennium. The revised SSBG federal receipts for the Division are $4.7 million in each year of the biennium.				
25 Low Income Energy Assistance Program (LIEAP) **Fund Code:** N/A Reduces LIEAP federal receipts in the amount of $3,381,159 in each year of the biennium. The revised LIEAP federal receipts for the Division are $2.5 million in FY 2017-18 and $5.2 million in FY 2018-19.				
26 Child Care Development Fund (CCDF) Block Grant **Fund Code:** N/A Reduces CCDF block grant federal receipts in the amount of $392,554 in both years of the biennium. The revised CCDF block grant federal receipts for the Division are $3.7 million in FY 2017-18 and $3.9 million in FY 2018-19.				
Total Legislative Changes	**$3,470,583**	R	**$10,507,204**	R
	$16,352,794	NR	**$14,930,369**	NR
Total Position Changes	52.00		74.00	
Revised Budget	**$117,155,209**		**$122,769,405**	

	FY 2017-18	FY 2018-19

Conference Report on the Base, Capital, and Expansion Budget

DHHS-CENTRAL MANAGEMENT-IT PROJECTS

Budget Code: 24410

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$29,197,034**	**$21,462,704**
Recommended Budget		
Requirements	**$8,122,027**	**($9,782,686)**
Receipts	**$387,697**	**$387,697**
Positions	**111.00**	**111.00**

Legislative Changes

Requirements:

MMIS/Analytics Reprocurement Provides funding to determine enhancements needed for the NC Tracks system to align with federal Medicaid Information Technology Architecture standards and to prepare for the procurement of a new Medicaid Management System (MMIS) and a new Reporting and Analytics contract. This is a requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding.	$0 R $1,427,000 NR 0.00	$0 R $2,439,670 NR 0.00
Subtotal Legislative Changes	**$0** R **$1,427,000** NR 0.00	**$0** R **$2,439,670** NR 0.00

Receipts:

MMIS/Analytics Reprocurement Budgets federal receipts and prior year earned revenue to determine enhancements needed for the NC Tracks system to align with federal Medicaid Information Technology Architecture standards and to prepare for the procurement of a new Medicaid Management System (MMIS) and a new Reporting and Analytics contract. This is a	$0 R $1,427,000 NR	$0 R $2,439,670 NR

	FY 2017-18	FY 2018-19
requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding.		
Subtotal Legislative Changes	**$0** R **$1,427,000** NR	**$0** R **$2,439,670** NR
Revised Total Requirements	**$9,549,027**	**($7,343,016)**
Revised Total Receipts	**$1,814,697**	**$2,827,367**
Change in Fund Balance	**($7,734,330)**	**$10,170,383**
Total Positions	**111.00**	**111.00**
Unappropriated Balance Remaining	**$21,462,704**	**$31,633,087**

Division of Aging and Adult Services
Budget Code 14411

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$105,801,579	$105,530,108
Receipts	$61,716,284	$61,444,813
Net Appropriation	$44,085,295	$44,085,295
Legislative Changes		
Requirements	$2,692,794	$1,765,866
Receipts	$702,056	$702,056
Net Appropriation	$1,990,738	$1,063,810
Revised Budget		
Requirements	$108,494,373	$107,295,974
Receipts	$62,418,340	$62,146,869
Net Appropriation	$46,076,033	$45,149,105

General Fund FTE		
Base Budget	76.00	76.00
Legislative Changes	0.00	0.00
Revised Budget	76.00	76.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Aging and Adult Services										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	886,460	820,050	66,410	-	-	-	886,460	820,050	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,168	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,574,209	4,053,560	520,649	605,101	605,101	-	5,179,310	4,658,661	520,649
1560	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Indirect Cost - Reserve	44,929	44,929	-	960,000	-	960,000	1,004,929	44,929	960,000
Undesignated Items										
N/A	Compensation Increase Reserve			-	38,906	-	38,906	38,906	-	38,906
N/A	State Retirement Contribution	-	-	-	15,693	-	15,693	15,693	-	15,693
N/A	State Health Plan				6,590	-	6,590	6,590	-	6,590
Total		$105,801,579	$61,716,284	$44,085,295	$2,692,794	$702,056	$1,990,738	$108,494,373	$62,418,340	$46,076,033

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Aging and Adult Services										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	724,989	658,579	66,410	-	-	-	724,989	658,579	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,169	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,464,209	3,943,560	520,649	605,101	605,101	-	5,069,310	4,548,661	520,649
1550	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Indirect Cost - Reserve	44,929	44,929	-	-	-	-	44,929	44,929	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	38,906	-	38,906	38,906	-	38,906
N/A	State Retirement Contribution	-	-	-	41,391	-	41,391	41,391	-	41,391
N/A	State Health Plan				13,964	-	13,964	13,964	-	13,964
Total		$105,530,108	$61,444,813	$44,085,295	$1,765,866	$702,056	$1,063,810	$107,295,974	$62,146,869	$45,149,105

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Aging and Adult Services					
Budget Code 14411		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	4.00
1453	At-Risk Case Management	1.00	-	-	1.00
1454	Key Program	11.00	-	-	11.00
1480	Senior Community Services Employment Services	1.00	-	-	1.00
1510	Adult Protective Services and Guardianship	14.00	-	-	14.00
1550	Long Term Care - Ombudsman Services	5.00	-	-	5.00
1570	State/County Special Assistance Administration	8.00	-		8.00
Total FTE		76.00	-	-	76.00

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Aging and Adult Services					
Budget Code 14411		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	4.00
1453	At-Risk Case Management	1.00	-	-	1.00
1454	Key Program	11.00	-	-	11.00
1480	Senior Community Services Employment Services	1.00	-	-	1.00
1510	Adult Protective Services and Guardianship	14.00	-	-	14.00
1550	Long Term Care - Ombudsman Services	5.00	-	-	5.00
1570	State/County Special Assistance Administration	8.00	-		8.00
Total FTE		**76.00**	**-**	**-**	**76.00**

Health and Human Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$44,085,295**		**$44,085,295**	
Legislative Changes				
(2.0) Division of Aging and Adult Services				
27 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$38,906	R	$38,906	R
28 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$15,693	R	$41,391	R
29 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$6,590	R	$13,964	R
30 Home and Community Care Block Grant **Fund Code:** 1370, 1451 Provides additional funding for the Home and Community Care Block Grant. The revised net appropriation is $30.4 million in each year of the biennium.	$969,549	NR	$969,549	NR

		FY 17-18		FY 18-19
31	**Guardianship Contract** **Fund Code:** 1510 Provides federal Social Services Block Grant funding of $605,101 to serve additional individuals in the state level guardianship contract and provide for a 15% increase to the rate paid to providers of corporate guardianship services. Total requirements for the guardianship contract are $3.7 million. The revised net appropriation for Fund 1510, remains $520,649 in each year of the biennium.			
32	**Memory Center** **Fund Code:** 1910 Provides funding for the Charlotte Neuroscience Foundation - Memory Center in Charlotte. The revised net appropriation for the Charlotte Neuroscience Foundation - Memory Center is $100,000 in FY 2017-18 only.	$100,000	NR	
33	**Hospice of Davidson County** **Fund Code:** 1910 Provides funding for Hospice of Davidson County. The revised net appropriation for the Hospice of Davidson County is $125,000 in FY 2017-18 only.	$125,000	NR	
34	**Senior Resources of Guilford** **Fund Code:** 1910 Provides funding for Senior Resources of Guilford. The net revised appropriation for Senior Resources of Guilford is $250,000 in FY 2017-18 only.	$250,000	NR	
35	**East Spencer Housing Authority** **Fund Code:** 1910 Provides funding for the East Spencer Housing Authority. The net revised appropriation for the East Spencer Housing Authority is $100,000.	$100,000	NR	
36	**Life Enrichment Center** **Fund Code:** 1910 Provides funding for the Life Enrichment Center in Shelby, an Adult Day Center. The net revised appropriation for the Life Enrichment Center is $250,000.	$250,000	NR	

	FY 17-18		FY 18-19	
37 The Shepherd's House				
Fund Code: 1910	$100,000	NR		
Provides funding to The Shepard's House which provides emergency shelter, a 24-hour crisis line, confidential crisis counseling, information and referrals to community resources among other services. The net revised appropriation for The Shepard's House is $100,000 in FY 2017-18.				
38 Bolton Senior Center				
Fund Code: 1910	$35,000	NR		
Provides funding for the Bolton Senior Center in Columbus County. The revised net appropriation for the Bolton Senior Center is $35,000 for FY 2017-18 only.				
Total Legislative Changes	**$61,189**	R	**$94,261**	R
	$1,929,549	NR	**$969,549**	NR
Total Position Changes				
Revised Budget	**$46,076,033**		**$45,149,105**	

Division of Child Development and Early Education
Budget Code 14420

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$690,322,380	$690,322,380
Receipts	$424,878,570	$424,878,570
Net Appropriation	$265,443,810	$265,443,810
Legislative Changes		
Requirements	$33,811,186	$50,400,187
Receipts	$30,826,495	$37,511,682
Net Appropriation	$2,984,691	$12,888,505
Revised Budget		
Requirements	$724,133,566	$740,722,567
Receipts	$455,705,065	$462,390,252
Net Appropriation	$268,428,501	$278,332,315

General Fund FTE		
Base Budget	316.00	316.00
Legislative Changes	0.00	0.00
Revised Budget	316.00	316.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Child Development and Early Education										
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
14A0	Smart Start - Health Related Activities	5,527,584		5,527,584	-	-	-	5,527,584	-	5,527,584
1110	Service Support	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	3,500,000	-	3,500,000	55,871,075	-	55,871,075
1271	Smart Start - Family Support Activities	18,434,178		18,434,178	125,000	-	125,000	18,559,178	-	18,559,178
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-
1330	Pre-Kindergarten Program	145,503,504	78,952,110	66,551,394	9,000,000	6,000,000	3,000,000	154,503,504	84,952,110	69,551,394
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	13,523,522	17,220,197	(3,696,675)	363,175,958	310,584,792	52,591,166
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
1391	Indirect Reserve	264,397	264,397	-				264,397	264,397	-
Division-wide Items				-						
N/A	TANF			-	(2,800,000)	(2,800,000)	-	(2,800,000)	(2,800,000)	-
N/A	CCDF				10,015,848	10,015,848	-	10,015,848	10,015,848	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	37,943	-	37,943	37,943	-	37,943
N/A	State Retirement Contribution	-	-	-	11,996	-	11,996	11,996	-	11,996
N/A	State Health Plan Reserve				6,427	-	6,427	6,427	-	6,427
Total		$690,322,380	$424,878,570	$265,443,810	$33,811,186	$30,826,495	$2,984,691	$724,133,566	$455,705,865	$268,428,501

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Child Development and Early Education										
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
14A0	Smart Start - Health Related Activities	5,527,584		5,527,584	-	-	-	5,527,584	-	5,527,584
1110	Service Support	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	7,000,000	-	7,000,000	59,371,075	-	59,371,075
1271	Smart Start - Family Support Activities	18,434,178		18,434,178	-	-	-	18,434,178	-	18,434,178
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-
1330	Pre-Kindergarten Program	145,503,504	78,952,110	66,551,394	18,300,000	12,200,000	6,100,000	163,803,504	91,152,110	72,651,394
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	17,523,522	17,818,219	(294,697)	367,175,958	311,182,814	55,993,144
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
1991	Indirect Reserve	264,397	264,397	-				264,397	264,397	-
Division-wide Items				-						
N/A	TANF			-	(2,600,000)	(2,600,000)	-	(2,600,000)	(2,600,000)	-
N/A	CCDF				9,903,013	9,903,013	-	9,903,013	9,903,013	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	37,943	-	37,943	37,943	-	37,943
N/A	State Retirement Contribution	-	-	-	31,640	-	31,640	31,640	-	31,640
N/A	State Health Plan Reserve				13,619	-	13,619	13,619	-	13,619
Total		$690,322,380	$424,878,570	$265,443,810	$50,496,187	$37,511,682	$12,888,585	$740,722,567	$462,390,252	$278,332,315

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
1330	Pre-Kindergarten Program	8.00	-	-	8.00
1380	Subsidized Child Care	27.00	-	7.00	34.00
Total FTE		**316.00**	**-**	**12.00**	**328.00**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
1330	Pre-Kindergarten Program	8.00	-	-	8.00
1380	Subsidized Child Care	27.00	-	7.00	34.00
Total FTE		**316.00**	**-**	**12.00**	**328.00**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$265,443,810**		**$265,443,810**	
Legislative Changes				
(3.0) Division of Child Development and Early Education				
39 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$37,943	R	$37,943	R
40 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$11,996	R	$31,640	R
41 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$6,427	R	$13,619	R

	FY 17-18		FY 18-19	
42 NC Pre-K Waitlist Reduction	$3,000,000	R	$6,100,000	R
Fund Code: 1330				

Reduces the NC Pre-K waitlist providing a total of $9 million in FY 2017-18 and $18.3 million in FY 2018-19, with $6 million in FY 2017-18 and $12.2 million in FY 2018-19 coming from the Temporary Assistance for Needy Families Block Grant (TANF). Increased funding will serve an estimated additional 1,725 children in FY 2017-18 and 3,525 children in FY 2018-19. Total requirements for NC Pre-K are $154.5 million in FY 2017-18 and $163.8 million in FY 2018-19. The revised net appropriation for NC Pre-K is $69.6 million in FY 2017-18 and $72.7 million in FY 2018-19.

43 Child Care Subsidy Market Rate Increase

Fund Code: 1380

Provides additional TANF block grant funds and adjusts Child Care Development Fund (CCDF) Block Grant funds for an increase of $13 million in FY 2017-18 and $17 million in FY 2018-19 in block grant funding. The market rate for school-aged children in 3-,4- and 5- star centers and homes in tier 1 and tier 2 counties is increased to the recommended market rate effective October 1, 2017. Funding of $3 million is provided in FY 2017-18 and $4 million in FY 2018-19 for the school-aged market rate increases. The market rate for infants to 2 year olds in 3-, 4- and 5- star centers and homes in tier 3 counties is increased effective October 1, 2017, to the recommended market rate. Funding of $10 million in FY 2017-18 and $13 million is provided for this market rate increase. The county tier designations are the designations from the 2015 County Tier designation. The recommended rates are from the 2015 Market Rate Study. Total requirements are $363.2 million in FY 2017-18 and $367.2 million in FY 2018-19 for the Child Care Subsidy program. The revised net appropriation for Fund 1380, Subsidized Child Care, from all actions in this report is $52.6 million in FY 2017-18 and $56 million in FY 2018-19.

44 TANF Contingency Funds for Child Care Subsidy				
Fund Code: 1380	($3,304,255)	NR		

Replaces State appropriation with TANF Contingency funding on a nonrecurring basis. TANF Contingency funding of $3,304,255 is provided in FY 2017-18. The revised net appropriation for Fund 1380 from all actions in this report is $52.6 million in FY 2017-18 and $56 million in FY 2018-19.

	FY 17-18		FY 18-19	
45 TANF Funds for Child Care Subsidy **Fund Code:** 1380 Replaces State appropriation with TANF funding on a nonrecurring basis. TANF funding of $392,420 is provided in FY 2017-18 and $294,697 is provided in FY 2018-19. The revised net appropriation for Fund 1380 from all actions in this report is $52.6 million in FY 2017-18 and $56 million in FY 2018-19.	($392,420)	NR	($294,697)	NR
46 Child Care Quality Improvement **Fund Code:** 1151, 1161, 1380 Provides CCDF Block Grant funding of $913,972 to establish 12 FTE. The positions established are 1 position to oversee the division's infant-toddler projects; 4 positions for the Subsidized Child Care program; 2 lead workers and 1 staff auditor for program compliance and fraud prevention, and 1 policy/planning consultant to assist with implementing the new CCDF requirements. The remaining 7 positions are established in the Early Education branch to support the early childhood workforce in the areas of licensing, professional development, and educational assessment. The revised net appropriation remains unchanged at $0 for Fund 1151, Child Care Regulation, at $38,697 for Fund 1161, Child Care Capacity Building, and $52.6 million in FY 2017-18 and $56 million in FYS 2018-19 for Fund 1380, Subsidized Child Care.				
47 Smart Start Reading Initiative **Fund Code:** 1162 Provides funding to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books to registered children on a monthly basis. Once fully implemented in FY 2018-19, access to the program will be statewide. Total Smart Start funding is increased to $150.5 million in FY 2017-18 and $154 million in FY 2018-19. The revised net appropriation for the Smart Start reading initiative, expanding access to Dolly Parton's Imagination Library, is $3.5 million in FY 2017-18 and $7 million in FY 2018-19.	$3,500,000	R	$7,000,000	R
48 Smart Start Partnership for Children **Fund Code:** 1271 Provides funding for the Cabarrus Partnership for Children. The revised net appropriation from all actions in this report for Fund 1271 is $18.6 million in FY 2017-18 and $18.4 million in FY 2018-19.	$125,000	NR		

		FY 17-18		FY 18-19	
49	**Temporary Assistance for Needy Families (TANF) Block Grant** **Fund Code:** N/A Reduces TANF block grant federal receipts in the amount of $2,800,000 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $131.7 million in FY 2017-18 and $142.4 million in FY 2018-19.				
50	**Child Care Development Fund (CCDF) Block Grant** **Fund Code:** N/A Budgets additional CCDF block grant federal receipts in the amount of $10,015,848 in FY 2017-18 and $9,903,013 in FY 2018-19. The revised CCDF block grant federal receipts for the Division are $207.7 million in FY 2017-18 and $207.1 million in FY 2018-19.				
Total Legislative Changes		**$6,556,366**	**R**	**$13,183,202**	**R**
		($3,571,675)	**NR**	**($294,697)**	**NR**
Total Position Changes					
Revised Budget		**$268,428,501**		**$278,332,315**	

Division of Social Services
Budget Code 14440

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,852,637,400	$1,852,637,400
Receipts	$1,666,042,347	$1,666,042,347
Net Appropriation	$186,595,053	$186,595,053
Legislative Changes		
Requirements	$30,943,349	$37,517,370
Receipts	$16,565,277	$18,907,579
Net Appropriation	$14,378,072	$18,609,791
Revised Budget		
Requirements	$1,883,580,749	$1,890,154,770
Receipts	$1,682,607,624	$1,684,949,926
Net Appropriation	$200,973,125	$205,204,844

General Fund FTE		
Base Budget	427.00	427.00
Legislative Changes	0.00	0.00
Revised Budget	427.00	427.00

Summary of General Fund Appropriations
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Division of Social Services											
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506	
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191	
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504	
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-	
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	8,339,544	207,000	8,132,544	38,199,025	28,082,348	10,116,677	
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730	
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206	
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000	
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-	
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326	
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-	
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863	
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-	
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001	
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934	
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	-	-	-	204,788,578	183,953,630	20,834,948	
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731	
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641	
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805	
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-	
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-	
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250	
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	200,000	-	200,000	134,947,239	90,298,945	44,648,294	
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	7,001,513	5,320,610	1,680,903	248,729,414	202,455,056	46,274,358	
1570	OOH Economic Support - State & County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007	
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-	
1900	Reserves and Transfers			-	1,073,519	2,755,915	(1,682,396)	1,073,519	2,755,915	(1,682,396)	
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-	
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-	
				-							
Division-wide Items				-							
N/A	TANF Block Grants			-	(1,145,250)	(1,145,250)	-	(1,145,250)	(1,145,250)	-	
N/A	SSBG Block Grant			-	5,587,401	5,587,401	-	5,587,401	5,587,401	-	
N/A	LIHEAP Block Grant			-	(1,989,501)	(1,989,501)	-	(1,989,501)	(1,989,501)	-	
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-	
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-	
N/A	TANF Cont Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	183,242	-	183,242	183,242	-	183,242	
N/A	State Retirement Contribution	-	-	-	69,269	-	69,269	69,269	-	69,269	
N/A	State Health Plan Reserve				31,038	-	31,098	31,038	-	31,038	
Total		$1,852,637,400	$1,666,042,347	$186,595,053	$30,943,349	$16,565,277	$14,378,072	$1,883,580,749	$1,682,607,624	$200,973,125	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Social Services											
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506	
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191	
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504	
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-	
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	7,339,544	207,000	7,132,544	37,199,025	28,082,348	9,116,677	
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730	
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206	
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000	
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-	
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326	
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-	
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863	
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-	
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001	
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934	
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	400,000	69,479	330,521	205,188,578	184,023,109	21,165,469	
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731	
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641	
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805	
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-	
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-	
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250	
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	500,000	-	500,000	135,247,239	90,298,945	44,948,294	
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	14,147,146	10,169,381	3,977,765	255,875,047	207,303,827	48,571,220	
1570	OOH Economic Support - State & County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007	
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-	
1900	Reserves and Transfers			-	3,229,695	2,755,915	473,780	3,229,695	2,755,915	473,780	
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-	
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-	
				-							
Division-wide Items				-							
N/A	TANF Block Grants			-	(1,145,250)	(1,145,250)	-	(1,145,250)	(1,145,250)	-	
N/A	SSBG Block Grant			-	5,619,535	5,619,535	-	5,619,535	5,619,535	-	
N/A	LIHEAP Block Grant			-	(4,597,583)	(4,597,583)	-	(4,597,583)	(4,597,583)	-	
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-	
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-	
N/A	TANF Cont. Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	183,242	-	183,242	183,242	-	183,242	
N/A	State Retirement Contribution	-	-	-	182,696	-	182,696	182,696	-	182,696	
N/A	State Health Plan Reserve				65,771	-	65,771	65,771	-	65,771	
Total		$1,852,637,400	$1,666,042,347	$186,595,053	$37,517,370	$18,907,579	$18,609,791	$1,890,154,770	$1,684,949,926	$205,204,844	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Social Services		FY 2017-18			
Budget Code 14440		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1160	Child Welfare Training	24.00	-	-	24.00
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1381	Refugee Cash and Social Services	5.00	-	-	5.00
1384	Employment Benefits	10.00	-	-	10.00
1430	Dx Child Home Support - Child Protective Services	37.00	-		37.00
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		427.00	-	-	427.00

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Social Services					
Budget Code 14440		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1160	Child Welfare Training	24.00	-	-	24.00
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1381	Refugee Cash and Social Services	5.00	-	-	5.00
1384	Employment Benefits	10.00	-	-	10.00
1430	Dx Child Home Support - Child Protective Services	37.00	-		37.00
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		**427.00**	-	-	**427.00**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$186,595,053**		**$186,595,053**	
Legislative Changes				
(4.0) Division of Social Services				
51 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$183,242	R	$183,242	R
52 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$69,269	R	$182,696	R
53 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$31,038	R	$65,771	R

	FY 17-18		FY 18-19	
54 Child Welfare Program Improvement Plan	$8,730,446	R	$9,146,696	R
Fund Code: 1160, 1331, 1430, 1531, 1532			$330,521	NR
Provides additional resources to implement the Program Improvement Plan as a result of the recent Child and Family Services Review (CFSR). The plan will establish professional development opportunities and ongoing training on specific child welfare issues. In-home services are expanded. Post permanency support services are expanded to ensure families are supported once permanency is achieved. Funding is also provided to support medical homes for foster care children, and to support the development of a foster care and adoption parent association.				
Nonrecurring funding is provided in FY 2018-19 to develop a Placement Prevention practice model for Child Protection Services In-home services. Nonrecurring funding in FY 2018-19 is also provided for a county Child Welfare workforce study, including a market rate analysis for state and county child welfare staff.				
The revised net appropriation for the Child Welfare Program Improvement Plan is $8.9 million in FY 2017-18 and $9.6 million				
55 Family/Child Protection & Accountability Act Reserve				
Fund Code: 1900	$161,439	NR	$3,229,695	NR
Provides funding for the Family/Child Protection & Accountability Act, and is contingent upon the enactment of House Bill 630 or a substantially similar bill. The revised net appropriation for the Family/Child Protection & Accountability Act Reserve is $161,439 in FY 2017-18 and $3.2 million in FY 2018-19.				
56 Temporary Assistance for Facilities that Serve Special Assistance Recipient				
Fund Code: 1570	$5,000,000	NR	$5,000,000	NR
Provides funding on a temporary basis for facilities that serve recipients of State County Special Assistance. Total funding is $10 million with a 50% match provided by the appropriate county. The revised net appropriation for temporary assistance for facilities that serve Special Assistance recipients is $5 million in each year of the biennium.				
57 Foster Care Caseload Growth	$270,903	R	$2,451,515	R
Fund Code: 1532				
Increases funding for foster care to support growth in the foster care caseload. The revised net appropriation from all actions in this report for fund 1532, Foster Care is $46.3 million in FY 2017-18 and $48.5 million in FY 2018-19.				

		FY 17-18		FY 18-19	
58	**Child Advocacy Centers** **Fund Code:** 1331 Provides funding for Child Advocacy Centers. Federal receipts of $207,000 in each year of the biennium are provided from the Social Services Block Grant. Total requirements for Child Advocacy Centers is $2 million in FY 2017-18 and $1 million in FY 2018-19. The revised net appropriation for Child Advocacy Centers is $1.4 million in FY 2017-18 and $400,000 in FY 2018-	$1,000,000	NR		
59	**Child Medical Evaluation Program (CMEP)** **Fund Code:** 1430 Increases funding for the Child Medical Evaluation Program (CMEP) from the Social Services Block Grant by $338,000 each year of the biennium to increase the rate paid for medical consultations to the regional average of $575. The program pays for medical evaluations for children who have been suspected of being physically or sexually abused. Funding in the Division of Social Services is for children who are not eligible for Medicaid. Funding is also provided in the Division of Medical Assistance for children who are Medicaid eligible. Total funding for CMEP in the Division of Social Services budget, Fund 1430, Child Protective Services, is $1.2 million. The revised net appropriation for Fund 1430, Child Protective Services is $20.8 million in FY 2017-18 and $21.2 million in FY 2018-19.				
60	**Youth Villages** **Fund Code:** 1532 Provides funding to Youth Villages to provide services to improve outcomes for youth ages 17-21 years of age who transition from foster care through the implementation of outcome-based Transitional Living Services. The revised net appropriation for Youth Villages is $2.5 million in each year of the biennium.	$500,000	R	$500,000	R
61	**Eckerd Kids and Caring for Children's Angels Watch Program** **Fund Code:** 1331 Provides funding to continue support of the Angels Watch program, a foster care program for children who are ages 0 to ten who are not in the custody of the Department of Social Services and whose families are temporarily unable to care for them because of a crisis. Children are placed in a licensed Angel Care foster home for up to 90 days while the family attempts to resolve the issue that keeps them from safely caring for their children. Parents are provided mentoring and links to community resources by program managers and foster parents. The net appropriation for Angels Watch is $500,000 in each year of the biennium.	$500,000	NR	$500,000	NR

	FY 17-18		FY 18-19	
62 Supportive Employment Opportunities **Fund Code:** 1384 Provides funds to Marketing Association for Rehabilitation Centers (MARC), Inc., to fund staffing and positions to focus on business development leadership and technical support for advanced manufacturing. New job opportunities for people who are chronically unemployed will be created. The revised net appropriation for a job creation grant to MARC Inc. is $300,000.	$300,000	NR	$300,000	NR
63 Permanency Innovation Fund **Fund Code:** 1532 Provides additional funding of $964,878 to the Permanency Innovation Fund to increase the number of youth who are served through the Child Specific Recruitment program which works to find a permanent home for foster care youth. Receipts of $214,878 are budgeted for this purpose. The revised total requirements for the Permanency Innovation fund is $3.7 million and the revised net appropriation is $2,887,526 in each year of the biennium.	$750,000	NR	$750,000	NR
64 Medicaid Non-Emergency Medical Transportation **Fund Code:** 1376 Realigns funding provided to county departments of social services for Medicaid non-emergency medical transportation to the Division of Medical Assistance. Funding for Medicaid non-emergency medical transportation is eliminated in the Division of Social Services budget. The revised net appropriation in Fund 1376, Medicaid Eligibility is $356,326 in each year of the biennium.	($1,274,430)	R	($1,274,430)	R
65 Social Services Block Grant Funds for Counties **Fund Code:** 1900 Replaces State General Fund appropriation for Social Services Block Grant (SSBG) services with Social Services Block Grant funds. State funds had been provided to counties when the SSBG block grant was reduced several years ago. This action eliminates General Fund appropriation and provides SSBG funding instead. The revised net appropriation for State SSBG services is $0 in both years of the biennium.	($2,755,915)	R	($2,755,915)	R

		FY 17-18		FY 18-19
66	**Boys and Girls Clubs** **Fund Code:** 1900 Provides funding to support the following Boys and Girls Clubs: Boys and Girls Club of Wilmington - $50,000 Boys and Girls Clubs of Central Carolina (Sanford) - $37,080 The revised net appropriation for the Boys and Girls Clubs is $2.8 million in each year of the biennium.	$87,080	NR	
67	**Waves 4 K.I.D.S.** **Fund Code:** 1900 Provides funding for Waves 4 K.I.D.S. in Brunswick County. The revised net appropriation for Waves for K.I.D.S. is $50,000 in FY 2017-18 only.	$50,000	NR	
68	**Big Brothers Big Sisters** **Fund Code:** 1900 Provides funding for Big Brothers Big Sisters of Central Carolinas to support the Big Day at the Lake program. The revised net appropriation for Big Brothers Big Sisters of Central Carolinas Big Day at the Lake program is $200,000 in FY 2017-18 only.	$200,000	NR	
69	**Restoring Hope Center** **Fund Code:** 1900 Provides funding for the Restoring Hope Center in Laurinburg. The revised net appropriation for the Restoring Hope Center is $50,000 in FY 2017-18 only.	$50,000	NR	
70	**Northern Moore Family Resource Center** **Fund Code:** 1900 Provides funding for the Northern Moore Family Resource Center in Moore county. The net revised appropriation for the Northern Moore Family Resource Center is $75,000 in FY 2017-18 only.	$75,000	NR	
71	**Children's Home of Cleveland County** **Fund Code:** 1900 Provides funding for Children's Home of Cleveland County. The net revised appropriation for Children's Home of Cleveland County is $250,000.	$250,000	NR	

	FY 17-18	FY 18-19
72 Crossnore Children's Home **Fund Code:** 1900 Provides funding for Crossnore Children's Home in Winston-Salem. The revised net appropriation for the Crossnore Children's Home is $200,000 for FY 2017-18 only.	$200,000 NR	
73 Temporary Assistance for Needy Families (TANF) Block Grant **Fund Code:** N/A Reduces TANF block grant federal receipts in the amount of $1,145,250 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $163.7 million in each year of the biennium.		
74 TANF Contingency **Fund Code:** N/A Reduces TANF Contingency block grant federal receipts in the amount of $1,003,580 in each year of the biennium. This action eliminates TANF Contingency block grant federal receipts for the Division in each year of the biennium.		
75 Social Services Block Grant (SSBG) **Fund Code:** N/A Budgets additional SSBG federal receipts in the amount of $5,587,401 in FY 2017-18 and $5,619,535 in FY 2018-19. The revised SSBG federal receipts for the Division are $35 million in each year of the biennium.		
76 Low Income Energy Assistance Program (LIEAP) Block Grant **Fund Code:** N/A Reduces LIEAP block grant federal receipts in the amount of $1,989,501 in FY 2017-18 and $4,597,583 in FY 2018-19. The revised LIEAP block grant federal receipts for the Division are $96.6 million in FY 2017-18 and $94 million in FY 2018-19.		
77 Child Care Development Fund (CCDF) Block Grant **Fund Code:** N/A Reduces CCDF block grant federal receipts in the amount of $206,450 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are $16.9 million in each year of the biennium.		

	FY 17-18		FY 18-19	
78 Community Services Block Grant (CSBG) **Fund Code:** N/A Budgets CSBG federal receipts in the amount of $3,065,632 in each year of the biennium. The revised CSBG federal receipts for the Division are $26.9 million in each year of the biennium.				
Total Legislative Changes	**$5,754,553**	**R**	**$8,499,575**	**R**
	$8,623,519	**NR**	**$10,110,216**	**NR**
Total Position Changes				
Revised Budget	**$200,973,125**		**$205,204,844**	

Public Health
Budget Code 14430

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$869,485,765	$869,493,651
Receipts	$722,778,748	$722,780,196
Net Appropriation	$146,707,017	$146,713,455
Legislative Changes		
Requirements	$13,083,471	$8,807,587
Receipts	$2,395,965	$535,824
Net Appropriation	$10,687,506	$8,271,763
Revised Budget		
Requirements	$882,569,236	$878,301,238
Receipts	$725,174,713	$723,316,020
Net Appropriation	$157,394,523	$154,985,218

General Fund FTE		
Base Budget	1,906.26	1,906.26
Legislative Changes	14.00	14.00
Revised Budget	1,920.26	1,920.26

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Public Health										
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	556,865	556,865	-	8,935,078	5,530,012	3,405,066
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	600,000	(3,000,000)	3,600,000	29,280,563	21,103,611	8,176,952
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	100,000	-	100,000	6,958,800	5,846,005	1,112,795
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089
126C	Access Outreach - Chronic Disease	4,606,853	3,755,199	850,654	100,000	-	100,000	4,705,853	3,755,199	950,654
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	3,167,000	167,000	3,000,000	32,327,286	20,176,922	12,150,364
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505
1370	Refugee Health Assessment	388,134	388,134	-	-	-	-	388,134	388,134	-
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	1,850,000	-	1,850,000	53,593,009	39,865,568	13,727,441
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	3,862,321	3,862,321	-	300,757,454	300,399,601	357,853
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891
1441	Early Intervention	68,087,441	46,414,313	21,673,128	690,594	-	690,594	68,778,035	46,414,313	22,363,722
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-
				-				-	-	-
Division-wide Items				-						
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-
N/A	Substance Abuse Block Grant			-	199,980	199,980	-	199,980	199,980	-
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	702,443	-	702,443	702,443	-	702,443
N/A	State Retirement Contribution	-	-	-	275,488	-	275,488	275,488	-	275,488
N/A	State Health Plan Reserve				118,981	-	118,981	118,981	-	118,981
Total		$869,485,765	$722,778,748	$146,707,017	$13,083,471	$2,395,965	$10,687,506	$882,569,236	$725,174,713	$157,394,523

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Public Health											
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408	
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368	
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223	
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	558,045	558,045	-	8,937,258	5,532,192	3,405,066	
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255	
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713	
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872	
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840	
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	600,000	(1,000,000)	1,600,000	29,280,563	23,103,611	6,176,952	
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317	
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	-	-	-	6,858,800	5,846,005	1,012,795	
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722	
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089	
126C	Access Outreach - Chronic Disease	4,605,853	3,755,199	850,654	-	-	-	4,605,853	3,755,199	850,654	
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	3,167,000	167,000	3,000,000	32,327,286	20,176,922	12,150,364	
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532	
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553	
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152	
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-	
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450	
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692	
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505	
1370	Refugee Health Assessment	399,134	399,134	-	-	-	-	399,134	399,134	-	
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	1,300,000	-	1,300,000	53,043,009	39,865,568	13,177,441	
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	-	-	-	296,895,133	296,537,280	357,853	
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716	
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891	
1441	Early Intervention	68,095,327	46,415,761	21,679,566	690,594	-	690,594	68,785,921	46,415,761	22,370,160	
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329	
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137	
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-	
				-				-	-	-	
Division-wide Items				-							
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-	
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-	
N/A	Substance Abuse Block Grant			-	199,960	199,960	-	199,960	199,960	-	
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-	
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	702,443	-	702,443	702,443	-	702,443	
N/A	State Retirement Contribution	-	-	-	726,599	-	726,599	726,599	-	726,599	
N/A	State Health Plan Reserve				252127	-	252,127	252,127	-	252,127	
Total		$869,493,651	$722,780,196	$146,713,455	8,807,587	535,824	8,271,763	878,301,238	723,316,020	154,985,218	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Health					
Budget Code 14430		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00		6.00	60.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	37.87	-	-	37.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
Total FTE		1,906.26	8.00	6.00	1,920.26

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Health					
Budget Code 14430		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00		6.00	60.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	37.87	-	-	37.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
Total FTE		1,906.26	8.00	6.00	1,920.26

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$146,707,017**		**$146,713,455**	
Legislative Changes				
(5.0) Division of Public Health				
79 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$702,443	R	$702,443	R
80 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$275,488	R	$726,599	R
81 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$118,981	R	$252,127	R

		FY 17-18		FY 18-19	
82	**Children's Developmental Service Agencies (CDSAs)** **Fund Code:** 1441 Provides funds to address staffing deficiencies in the 2 CDSAs remaining subject to a federal corrective action plan: New Bern and Blue Ridge. The revised net appropriation for Early Intervention is $22.4 million in each year of the biennium. The following positions are established: New Bern CDSA # Title Cost 2.0 Occupational Therapist $173,217 2.0 Physical Therapist $191,233 2.0 Speech/Language Pathologist $161,850 1.0 Psychologist $ 77,860 Blue Ridge CDSA 1.0 Occupational Therapist $86,608	$690,594 8.00	R	$690,594 8.00	R
83	**Nurse Family Partnership Program** **Fund Code:** 1271 Provides funds to expand Nurse Family Partnership Program home visiting services. The revised net appropriation for the Nurse Family Partnership Program is $3.7 million in each year of the biennium.	$2,000,000	R	$2,000,000	R
84	**Smoking Cessation Programs** **Fund Code:** 1271 Provides funds for QuitlineNC and the You Quit Two Quit smoking cessation programs. The revised net appropriation for Children and Adult Health Prevention from all actions in this report is $12.1 million in each year of the biennium.	$500,000	R	$500,000	R
85	**Youth Tobacco Prevention** **Fund Code:** 1271 Provides funds to develop strategies to prevent the use of new and emerging tobacco products, including electronic cigarettes, by youth and people of childbearing age. The revised net appropriation for Fund 1271 from all actions in this report is $12.1 million in each year of the biennium.	$500,000	NR	$500,000	NR

		FY 17-18		FY 18-19	
86	**State Laboratory of Public Health**	$1,000,000	R	$1,000,000	R
	Fund Code: 1174	$2,000,000	NR		
	Provides funds to address the State Laboratory's structural budget deficit. The revised net appropriation for the State Laboratory of Public Health from all actions in this report is $8.2 million in FY 2017-18 and $6.2 million in FY 2018-19.				
87	**Communicable Disease Testing**	$300,000	R	$300,000	R
	Fund Code: 1174	$300,000	NR	$300,000	NR
	Provides funds for Hepatitis C and other priority communicable disease testing. Funds may also be used to provide individuals who test positive for communicable diseases access to appropriate health care provider treatment options. The revised net appropriation for the State Laboratory of Public Health from all actions in this report is $8.2 million in FY 2017-18 and $6.2 million in FY 2018-19.				
88	**Advisory Council on Rare Diseases**				
	Fund Code: 126C	$100,000	NR		
	Provides funds for the Advisory Council on Rare Diseases established by S.L. 2015-199. The Division of Public Health shall transfer the funds to the UNC-Chapel Hill School of Medicine to be used to support start-up costs of the Advisory Council. The revised net appropriation for the Advisory Council on Rare Diseases is $100,000 in FY 2017-18 only.				
89	**Carolina Pregnancy Care Fellowship**				
	Fund Code: 13A1	$1,300,000	NR	$1,300,000	NR
	Provides funds to the Carolina Pregnancy Care Fellowship (CPCF). CPCF shall use $800,000 to purchase durable medical equipment for clinics that apply to the Fellowship for such equipment. Up to thirty thousand dollars ($30,000) in each year may be used by CPCF for administrative purposes. Up to $170,000 may be used each year to provide grants to clinics for training on the use of durable medical equipment. The remaining $300,000 is provided for the Human Coalition to develop and implement a two-year Continuum of Care pilot program at its Raleigh Clinic. The pilot program shall provide care coordination and medical support to women experiencing crisis pregnancies. The revised net appropriation for the Carolina Pregnancy Care Fellowship is $1.3 million in each year of the biennium.				

	FY 17-18		FY 18-19
90 Coastal Pregnancy Center			
Fund Code: 13A1	$100,000	NR	
Provides funds for the Coastal Pregnancy Center located in Beaufort County. The revised net appropriation for the Coastal Pregnancy Center is $100,000 in FY 2017-18 only.			
91 H.E.L.P. Center, Inc.			
Fund Code: 13A1	$450,000	NR	
Provides funds for H.E.L.P. Center, Inc. for services for pregnant women who are under insured or do not qualify for prenatal health care. The revised net appropriation for H.E.L.P. Center, Inc. is $450,000 in FY 2017-18 only.			
92 Greene County Wellness Center			
Fund Code: 1261	$100,000	NR	
Provides funds for the Greene County Wellness Center. The revised net appropriation for the Greene County Wellness Center is $100,000 in FY 2017-18 only.			
93 UNC Craniofacial Center			
Fund Code: 1332	$250,000	NR	
Provides $250,000 for the UNC Craniofacial Center. The funds shall be used to supplement the existing contract to provide services for children birth to 21 with craniofacial abnormalities. The revised net appropriation for the UNC Craniofacial Center is $250,000 in FY 2017-18 only. Combined with the existing contract, the total FY 2017-18 funding for the UNC Craniofacial Center is $537,071.			
94 Federal Elevated Blood Lead Standard			
Fund Code: 1153			
Budgets Medicaid receipts to conform the State's elevated blood lead standard with the federal standard. The receipts will fund 6 full-time positions to handle the increased workload. The receipts total $556,865 in FY 2017-18 and $559,045 in FY 2018-19.			
95 NC WIC Electronic Benefits Transfer			
Fund Code: 13A2			
Budgets federal Women, Infants, and Children (WIC) Program receipts in the amount of $3,862,321 to transition WIC from a paper food instrument to an electronic benefits transfer (EBT) process for purchasing WIC foods.			

	FY 17-18		FY 18-19	

96 Temporary Assistance for Needy Families (TANF) Block Grant
Fund Code: N/A

Reduces TANF block grant federal receipts in the amount of $572 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $3.0 million in each year of the biennium.

97 Child Care Development Fund (CCDF) Block Grant
Fund Code: N/A

Reduces CCDF block grant federal receipts in the amount of $475 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are $62,205 in each year of the biennium.

98 Substance Abuse Prevention and Treatment (SAPT) Block Grant
Fund Code: N/A

Budgets SAPT block grant federal receipts in the amount of $199,980 in each year of the biennium. The revised SAPT block grant federal receipts for the Division are $965,949 in each year of the biennium.

99 Maternal and Child Health (MCH) Block Grant
Fund Code: N/A

Reduces MCH block grant federal receipts in the amount of $522,330 in each year of the biennium. The revised MCH block grant federal receipts for the Division are $18.1 million in each year of the biennium.

100 Preventive Health Services Block Grant
Fund Code: N/A

Budgets Preventive Health Services block grant federal receipts in the amount of $1,133,176 in each year of the biennium. The revised Preventive Health Services block grant federal receipts for the Division are $6.1 million in each year of the biennium.

Total Legislative Changes	**$5,587,506**	**R**	**$6,171,763**	**R**
	$5,100,000	**NR**	**$2,100,000**	**NR**
Total Position Changes	8.00		8.00	
Revised Budget	**$157,394,523**		**$154,985,218**	

Mental Health/Developmental Disabilities/Substance Abuse Services
Budget Code 14460

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,487,463,766	$1,486,234,730
Receipts	$755,811,078	$754,582,042
Net Appropriation	$731,652,688	$731,652,688
Legislative Changes		
Requirements	($32,709,415)	($15,106,558)
Receipts	$2,674,954	$11,515,541
Net Appropriation	($35,384,369)	($26,622,099)
Revised Budget		
Requirements	$1,454,754,351	$1,471,128,172
Receipts	$758,486,032	$766,097,583
Net Appropriation	$696,268,319	$705,030,589

General Fund FTE		
Base Budget	11,201.30	11,201.30
Legislative Changes	15.00	15.00
Revised Budget	11,216.30	11,216.30

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services											
Budget Code 14460		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	24,468,132	7,989,504	16,478,628	400,000	-	400,000	24,868,132	7,989,504	16,878,628	
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145	
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-	
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723	
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000	
1422	Community Services - Single Stream Funding	379,737,094	262,728	379,474,366	(86,942,289)	-	(86,942,289)	292,794,805	262,728	292,532,067	
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-	
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103	
1444	Community Mental Health Services - Child	10,426,412	8,248,003	2,178,409	50,000	-	50,000	10,476,412	8,248,003	2,228,409	
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034	
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	500,000	-	500,000	1,106,202	246,984	859,218	
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-	
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	100,000	-	100,000	13,018,103	12,195,332	822,771	
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	400,000	-	400,000	2,315,022	1,480,724	834,298	
1463	Community Substance Abuse Services - Adult	36,449,714	34,253,819	2,195,895	100,000	-	100,000	36,549,714	34,253,819	2,295,895	
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644	
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-	
1546	Wright School - Child	3,090,124	510	3,089,614	-	-	-	3,090,124	510	3,089,614	
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	2,500,000	-	2,500,000	140,089,582	67,775,799	72,313,783	
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878	
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873	
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524	
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997	
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019	
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,869,787	31,778,532	4,121,255	-	-	-	35,869,787	31,778,532	4,121,255	
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256	
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865	
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586	
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-	
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-	
1910	Reserves and Transfers	14,996,814		14,996,814	41,740,844	4,260,240	37,480,604	56,737,658	4,260,240	52,477,418	
				-							
Division-wide Items				-							
N/A	Social Services Block Grant			-	150,999	150,999	-	150,999	150,999	-	
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-	
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-	
N/A	Compensation Increase Reserve			-	5,139,705	-	5,139,705	5,139,705	-	5,139,705	
N/A	State Retirement Contribution	-	-	-	1,529,801	-	1,529,801	1,529,801	-	1,529,801	
N/A	State Health Plan Reserve				857,810	-	857,810	857,810	-	857,810	
Total		$1,487,463,766	$755,811,078	$731,652,688	($32,709,415)	$2,674,954	($35,384,369)	$1,454,754,351	$758,486,032	$696,268,319	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services										
Budget Code 14460		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	24,488,132	7,989,504	16,478,628	550,000	-	550,000	25,016,132	7,989,504	17,028,628
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000
1422	Community Services - Single Stream Funding	379,737,084	262,728	379,474,356	(90,608,677)	-	(90,608,677)	289,128,407	262,728	288,865,679
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103
1444	Community Mental Health Services - Child	9,852,876	7,674,467	2,178,409	-	-	-	9,852,876	7,674,467	2,178,409
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	-	-	-	606,202	246,984	359,218
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	-	-	-	12,918,103	12,195,332	722,771
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	-	-	-	1,915,022	1,480,724	434,298
1463	Community Substance Abuse Services - Adult	35,794,214	33,598,319	2,195,895	100,000	-	100,000	35,894,214	33,598,319	2,295,895
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-
1546	Wright School - Child	3,090,124	510	3,089,614	-	-	-	3,090,124	510	3,089,614
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	2,500,000	-	2,500,000	140,089,582	67,775,799	72,313,783
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,899,787	31,778,532	4,121,255	-	-	-	35,899,787	31,778,532	4,121,255
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-
1910	Reserves and Transfers	14,996,814		14,996,814	60,386,352	13,132,961	47,253,391	75,383,166	13,132,961	62,250,205
				-						
Division-wide Items				-						
N/A	Social Services Block Grant			-	118,865	118,865	-	118,865	118,865	-
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-
N/A	Compensation Increase Reserve			-	5,230,595	-	5,230,595	5,230,595	-	5,230,595
N/A	State Retirement Contribution	-	-	-	4,034,851	-	4,034,851	4,034,851	-	4,034,851
N/A	State Health Plan Reserve				1,817,741	-	1,817,741	1,817,741	-	1,817,741
Total		**$1,486,234,730**	**$754,582,042**	**$731,652,688**	**($15,106,558)**	**$11,515,541**	**($26,622,099)**	**$1,471,128,172**	**$766,097,583**	**$705,030,589**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1543	Whitaker School	71.00	-	-	71.00
1546	Wright School - Child	38.70	-	-	38.70
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.88	-	-	195.88
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	15.00	-	15.00
Total FTE		11,201.30	15.00	-	11,216.30

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1543	Whitaker School	71.00	-	-	71.00
1546	Wright School - Child	38.70	-	-	38.70
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.99	-	-	195.99
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	15.00	-	15.00
Total FTE		11,201.30	15.00	-	11,216.30

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$731,652,688**		**$731,652,688**	
Legislative Changes				
(6.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services				
101 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$5,065,372	R	$5,065,372	R
102 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$74,333	R	$165,223	R
103 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$1,529,801	R	$4,034,851	R

		FY 17-18		FY 18-19	
104	**State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$857,810	R	$1,817,741	R
105	**Behavioral Health Funding Changes** **Fund Code:** 1422, 1464, 1910 Provides funding for the Three-way beds, US DOJ Settlement, Disability Rights Settlement, Expanding 400 Developmental Disability Innovation Waiver slots, Group Homes, Case Management and Community Substance Abuse Services by redirecting funds from single stream services. The following table reflects the changes for each of these initiatives in FY 2017-18: Single Stream Reduction-1422 $(31,487,366) $(55,454,923) Three-Way Crisis Beds-1464 $ 2,500,000 Disability Rights -1910 $ 6,220,214 $ 26,914 US DOJ Settlement -1910 $ 8,889,875 Expand DD Innovations Waiver Slots-1910 $4,133,376 Case Management-1910 $ 2,000,000 Group Home Funding-1910 $ 5,000,000 Substance Abuse Services-1910 $ 5,000,000 Appropriations $(9,743,901) $(43,428,009) The following table reflects the changes for each of these initiatives in FY 2018-19: Single Stream Reduction-1422 $(36,002,854) ($ 54,605,823) Three-Way Crisis Beds-1464 $ 2,500,000 Disability Rights -1910 $ 6,283,492 US DOJ Settlement-1910 $ 17,036,022 Expand DD Innovations Waiver Slots-1910 $ 8,266,752 Group Home Funding-1910 $ 5,000,000 Substance Abuse Services-1910 $ 5,000,000 Appropriations $(1,916,588) $(44,605,823) The revised net appropriation for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services after all changes is $696,268,319 in FY 2017-18 and $705,030,589 in FY 2018-19.	($9,743,901) ($43,428,009) 15.00	R NR	($1,916,588) ($44,605,823) 15.00	R NR

		FY 17-18		FY 18-19	
106	**State Operated Facilities** **Fund Code:** 1910 Adjusts receipts to reflect increasing utilization of State supported psychiatric hospitals by indigent clients. Funds are provided for inflationary increases for essential operations of State operated hospitals and patient care support, including utilities, food and drugs. The revised net appropriation for this Fund is $52,377,418 in FY 2017-18 and $62,250,205 in FY 2018-19.	$5,610,225	R	$5,667,125	R
107	**Broughton Hospital** **Fund Code:** 1561 Provides nonrecurring funds for costs incurred by the Department of Health and Human Services should it engage private counsel in accordance with G.S. 147-17 and G.S. 114-2.3 of up to $2.22 million in litigation services to the Department in anticipated or pending litigation against private third parties arising from delays in the construction of the new Broughton Hospital over the biennium. Additionally provides nonrecurring funds for administrative costs and costs related to design changes, continued use of the existing hospital for staff, costs associated with changing technology and construction delays and additional one-time funding to equip the new hospital. The revised net appropriation for this Fund is $72,313,783 in each year of the biennium.	$2,500,000	NR	$2,500,000	NR
108	**Traumatic Brain Injury Pilot** **Fund Code:** 1110 Provides nonrecurring funding intended to increase compliance with internationally approved evidence-based treatment guidelines. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services shall contract with an external party to assist providers in implementing an interactive quality assessment and quality assurance clinical decision support tool. The revised net appropriation for Fund 1110 is $16,878,628 in FY 2017-18 and $17,028,628 in FY 2018-19.	$150,000	NR	$300,000	NR
109	**Central Assessment and Navigation Pilot Program** **Fund Code:** 1110 Provides funding for a paramedicine pilot program at New Hanover Hospital on a nonrecurring basis effective July 1, 2017. The revised net appropriation for Fund 1110 is $16,878,628 in FY 2017-18 and $17,028,628 in FY 2018-19.	$250,000	NR	$250,000	NR

		FY 17-18		FY 18-19	
110	**Drug Overdose Medication** **Fund Code:** 1463 Provides funds to purchase opioid antagonists as defined in G.S. 90-12.7. The revised requirements and net appropriation for Fund 1463 is $36,549,714 and $2,295,895, respectively in both years of the biennium.	$100,000	R	$100,000	R
111	**Community Education for Substance Abuse Needs** **Fund Code:** 1910 Provides funding for Charlotte-Mecklenburg Hospital Authority, d/b/a Carolinas HealthCare System, to partner with the Charlotte Rescue Mission to conduct community education for substance abuse needs. The revised net appropriation for this initiative is $150,000 in FY 2017-18.	$150,000	NR		
112	**Addiction Treatment Services** **Fund Code:** 1910 Provides funding for Bridge to Recovery, Inc. for expanding the services of addiction treatment. The revised net appropriation for addiction treatment services at Bridge to Recovery, Inc. is $100,000 in FY 2017-18.	$100,000	NR		
113	**Opioid Overdose Rapid Response Team** **Fund Code:** 1910 Provides funding for Guilford County for the development of a collaborative effort for rapid response teams to address opioid overdoses. The revised net appropriation for the opioid overdose rapid response team is $250,000 in FY 2017-18.	$250,000	NR		
114	**ReNu Life** **Fund Code:** 1910 Provides funding to ReNu Life Traumatic Brain Injury Services for building updates and construction. The revised net appropriation for ReNu Life for building updates and construction is $500,000 in FY 2017-18 only.	$500,000	NR		
115	**GiGi Playhouse** **Fund Code:** 1462 Provides funding for GiGi's Playhouse in Raleigh. The net revised appropriation for Fund 1462 is $834,298 in FY 2017-18 and $434,298 in FY 2018-19.	$400,000	NR		

	FY 17-18		FY 18-19
116 Sanctuary House **Fund Code:** 1461	$100,000	NR	
Provides funding for Sanctuary House in Greensboro, a nonprofit organization which provides services for the rehabilitation of adults living with mental illness. The net revised appropriation for Fund 1461 is $822,771 in FY 2017-18 and $722,771 in FY 2018-19.			
117 Alexander Youth Network **Fund Code:** 1444	$50,000	NR	
Provides funding for Alexander Youth Network, which provides professional treatment services to children with serious emotional and behavioral problems. The revised net appropriation for Fund 1444 is $2,228,409 in FY 2017-18 and $2,178,409 in FY 2018-19.			
118 The Enrichment Center **Fund Code:** 1910	$100,000	NR	
Provides funding to the The Enrichment Center in Winston Salem. The revised net appropriation for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services is $696,268,319 in FY 2017-18 and $705,030,589 in FY 2018-19.			
119 Mental Health Block Grant **Fund Code:** N/A			
Budgets Mental Health block grant federal receipts in the amount of $63,715 in each year of the biennium. The revised Mental Health Block Grant federal receipts for the Division are $17.0 million in each year of the biennium.			
120 Substance Abuse Prevention and Treatment (SAPT) Block Grant **Fund Code:** N/A			
Reduces SAPT block grant federal receipts in the amount of $1,800,000 in each year of the biennium. The revised SAPT federal receipts for the Division are $43.3 million in each year of the biennium.			
121 Social Services Block Grant (SSBG) **Fund Code:** N/A			
Budgets SSBG federal receipts in the amount of $150,999 in FY 2017-18 and $118,865 in FY 2018-19. The revised SSBG federal receipts for the Division are $4.2 million in each year of the biennium.			

	FY 17-18		FY 18-19	
Total Legislative Changes	**$3,493,640**	R	**$14,933,724**	R
	($38,878,009)	NR	**($41,555,823)**	NR
Total Position Changes	15.00		15.00	
Revised Budget	**$696,268,319**		**$705,030,589**	

DHHS - DMH/DD/SAS - Special

Budget Code: 24460

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$20,360,147**		**$20,357,999**	
Recommended Budget				
Requirements	**$11,002,148**		**$11,002,148**	
Receipts	**$11,000,000**		**$10,000,000**	
Positions	**1.00**		**1.00**	
Legislative Changes				
Requirements:				
Child Facility-Based Crisis Centers Provides funds to the Department of Health and Human Services, Budget Code 24460, for start up costs (renovation or construction) to establish new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating application, and a process for allocating grants.	$0 $2,000,000 0.00	R NR	$0 $0 0.00	R NR
Inpatient Behavioral Health Beds Transfers funds to the Department of Health and Human Service, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to $4 million will be used for inpatient beds at the Caldwell/UNC Health Care, $4 million at Mission Health, $4 million at Cape Fear Valley Medical Center, $3 million at Good Hope Hospital and $2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.	$0 $17,000,000 0.00	R NR	$0 $0 0.00	R NR
Subtotal Legislative Changes	**$0** **$19,000,000** 0.00	R NR	**$0** **$0** 0.00	R NR

	FY 2017-18		FY 2018-19	
Receipts:				
Child Facility-Based Crisis Centers Provides funds to the Department of Health and Human Services, Budget Code 24460, for start up costs (renovation or construction) to establish new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating application, and a process for allocating grants.	$0 $2,000,000	R NR	$0 $0	R NR
Inpatient Behavioral Health Beds Transfers funds to the Department of Health and Human Service, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to $4 million will be used for inpatient beds at the Caldwell/UNC Health Care, $4 million at Mission Health, $4 million at Cape Fear Valley Medical Center, $3 million at Good Hope Hospital and $2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.	$0 $17,000,000	R NR	$0 $0	R NR
Subtotal Legislative Changes	**$0** **$19,000,000**	R NR	**$0** **$0**	R NR
Revised Total Requirements	**$30,002,148**		**$11,002,148**	
Revised Total Receipts	**$30,000,000**		**$10,000,000**	
Change in Fund Balance	**($2,148)**		**($1,002,148)**	
Total Positions	**1.00**		**1.00**	
Unappropriated Balance Remaining	**$20,357,999**		**$19,355,851**	

Vocational Rehabilitation
Budget Code 14480

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$144,601,997	$144,652,560
Receipts	$106,199,843	$106,232,993
Net Appropriation	$38,402,154	$38,419,567
Legislative Changes		
Requirements	$431,634	$635,924
Receipts	$0	$0
Net Appropriation	$431,634	$635,924
Revised Budget		
Requirements	$145,033,631	$145,288,484
Receipts	$106,199,843	$106,232,993
Net Appropriation	$38,833,788	$39,055,491

General Fund FTE		
Base Budget	985.25	985.25
Legislative Changes	0.00	0.00
Revised Budget	985.25	985.25

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR & IL Client Advoc & Assist	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehab	16,875,372	3,544,805	13,330,567	-	-	-	16,875,372	3,544,805	13,330,567
1470	Assistive Technology Equipment Loan	1,764,765	803,207	961,558	-	-	-	1,764,765	803,207	961,558
1480	Vocational Rehabilitation - Employment Services	115,555,129	93,766,180	21,788,949	-	-	-	115,555,129	93,766,180	21,788,949
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Division-wide Items:				-						
N/A	Compensation Increase Reserve			-	291,256	-	291,256	291,256	-	291,256
N/A	State Retirement Contribution				91,044	-	91,044	91,044	-	91,044
N/A	State Health Plan Reserve				49,334	-	49,334	49,334	-	49,334
Total		$144,601,997	$106,199,843	$38,402,154	$431,634	$0	$431,634	$145,033,631	$106,199,843	$38,833,788

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR & IL Client Advoc & Assist	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehab	16,883,030	3,544,805	13,338,225	-	-	-	16,883,030	3,544,805	13,338,225
1470	Assistive Technology Equipment Loan	1,765,548	803,207	962,341	-	-	-	1,765,548	803,207	962,341
1480	Vocational Rehabilitation - Employment Services	115,597,251	93,799,330	21,797,921	-	-	-	115,597,251	93,799,330	21,797,921
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	291,256	-	291,256	291,256	-	291,256
N/A	State Retirement Contribution				240,128	-	240,128	240,128	-	240,128
N/A	State Health Plan Reserve				104,540	-	104,540	104,540	-	104,540
Total		$144,652,560	$106,232,993	$38,419,567	$635,924	$0	$635,924	$145,288,484	$106,232,993	$39,055,491

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy & Assistance	4.00	-	-	4.00
1452	Adults Home Support Ind Living Rehabilitation	67.00			67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
Total FTE		985.25	-	-	985.25

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy & Assistance	4.00	-	-	4.00
1452	Adults Home Support - Ind Living - Rehabilitation	67.00	-	-	67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
Total FTE		985.25	-	-	985.25

Health and Human Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$38,402,154**		**$38,419,567**	
Legislative Changes				
(7.0) Division of Vocational Rehabilitation				
122 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$291,256	R	$291,256	R
123 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$91,044	R	$240,128	R
124 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$49,334	R	$104,540	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$431,634**	R	**$635,924**	R
Total Position Changes				
Revised Budget	**$38,833,788**		**$39,055,491**	

Division of Health Service Regulation
Budget Code 14470

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$68,617,712	$68,617,712
Receipts	$51,171,185	$51,171,185
Net Appropriation	$17,446,527	$17,446,527
Legislative Changes		
Requirements	$1,644,443	$2,520,936
Receipts	$317,163	$570,745
Net Appropriation	$1,327,280	$1,950,191
Revised Budget		
Requirements	$70,262,155	$71,138,648
Receipts	$51,488,348	$51,741,930
Net Appropriation	$18,773,807	$19,396,718

General Fund FTE		
Base Budget	569.50	569.50
Legislative Changes	7.00	14.00
Revised Budget	576.50	583.50

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Service Regulation										
Budget Code 14470		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	271,709	108,983	162,726	4,575,358	4,171,420	403,938
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	379,941	160,107	219,834	17,519,572	12,312,276	5,207,296
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	168,000	48,073	119,927	4,871,698	3,707,101	1,164,597
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,885,360	664,772	3,220,588	350,000	-	350,000	4,235,360	664,772	3,570,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	301,635	-	301,635	301,635	-	301,635
N/A	State Retirement Contribution	-	-	-	122,066	-	122,066	122,066	-	122,066
N/A	State Health Plan Reserve				51,092	-	51,092	51,092	-	51,092
Total		$68,617,712	$51,171,185	$17,446,527	$1,644,443	$317,163	$1,327,280	$70,262,155	$51,488,348	$18,773,807

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Service Regulation										
Budget Code 14470		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	609,612	245,550	364,062	4,913,261	4,307,987	605,274
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	649,473	273,688	375,785	17,789,104	12,425,857	5,363,247
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	180,000	51,507	128,493	4,883,698	3,710,535	1,173,163
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,886,360	664,772	3,220,588	350,000	-	350,000	4,236,360	664,772	3,570,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	301,635	-	301,635	301,635	-	301,635
N/A	State Retirement Contribution	-	-	-	321,950	-	321,950	321,950	-	321,950
N/A	State Health Plan Reserve				108,266	-	108,266	108,266	-	108,266
Total		$88,617,712	$51,171,185	$17,446,527	$2,526,936	$570,745	$1,956,191	$71,138,648	$51,741,930	$19,396,718

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	3.00	-	50.00
1152	Certification	199.00	4.00	-	203.00
1153	Construction	55.00	-	-	55.00
1154	Health Care Personnel Registry	50.00	-	-	50.00
1155	Jails and Detention Centers Inspections	2.00	-	-	2.00
1156	Certification	76.00	-	-	76.00
1157	Radiation Protection	48.50	-	-	48.50
1161	Preparedness - Statewide Health Planning	23.00	-	-	23.00
1162	Preparedness - Hospital Preparedness	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
Total FTE		**569.50**	**7.00**	**-**	**576.50**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	7.00	-	54.00
1152	Certification	199.00	7.00	-	206.00
1153	Construction	55.00	-	-	55.00
1154	Health Care Personnel Registry	50.00	-	-	50.00
1155	Jails and Detention Centers Inspections	2.00	-	-	2.00
1156	Certification	76.00	-	-	76.00
1157	Radiation Protection	48.50	-	-	48.50
1161	Preparedness - Statewide Health Planning	23.00	-	-	23.00
1162	Preparedness - Hospital Preparedness	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
Total FTE		**569.50**	**14.00**	-	**583.50**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$17,446,527**		**$17,446,527**	
Legislative Changes				
(8.0) Division of Health Service Regulation				
125 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$301,635	R	$301,635	R
126 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$122,066	R	$321,950	R
127 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$51,092	R	$108,266	R

	FY 17-18		FY 18-19	
128 Adult and Acute Care Inspections	$372,380	R	$729,667	R
Fund Code: 1151,1152	$10,180	NR	$10,180	NR
	7.00		14.00	

Provides funding to increase staff in the Acute and Home Care Section and the Adult Care Section to improve timeliness of inspections of various facilities, including hospitals, hospices, home care agencies, Ambulatory Surgical Centers, End Stage Renal Disease facilities and adult and family care homes. The additional positions will assist in meeting the Center for Medicare and Medicaid Services requirements for inspecting certain facilities. The revised net appropriation for Fund 1151, Acute and Home Care Licensure and Certification, is $403,938 in FY 2017-18 and $605,274 in FY 2018-19 and for Fund 1152, Nursing Home and Adult Care Licensure and Certification is $5.2 million in FY 2017-18 and $5.4 million in FY 2018-19.

The following positions are established:

FY 2017-18

Fund 1151
1 Nurse Consultant J $70,000
1 Nurse Consultant C $60,000
1 Processing Assistant IV $33,619

Fund 1152
1 Facility Survey Consultant I $56,000
1 Nurse Consultant J $64,000
1 Nurse Consultant C $60,000
1 Facility Branch Manager $72,000

FY 2018-19

Fund 1151
4 Nurse Consultant C $60,000

Fund 1152
1 Facility Survey Consultant I $56,000
2 Nurse Consultant C $60,000

129 Community Paramedicine Pilot Project				
Fund Code: 1163	$350,000	NR	$350,000	NR

Provides funding to continue the pilot to expand the role of paramedics to allow them to divert persons to community-based initiatives designed to avoid non-emergency use of hospital emergency departments. The revised net appropriation for the Community Paramedicine Pilot Project is $350,000 in each year of the biennium.

		FY 17-18		FY 18-19	
130	**Automated Background Check Management System** **Fund Code:** 1110 Provides funding for the ongoing support of the Automated Background Check Management System used by long term care providers to fund background checks on non-licensed staff providing hand-on care to patients/residents as required by general statute. The system was developed from a federal grant. The revised net appropriation for the Automated Background Check Management System is $119,927 in FY 2017-18 and $128,493 in FY 2018-19.	$119,927	R	$128,493	R
Total Legislative Changes		**$967,100**	R	**$1,590,011**	R
		$360,180	NR	**$360,180**	NR
Total Position Changes		7.00		14.00	
Revised Budget		**$18,773,807**		**$19,396,718**	

Division of Medical Assistance
Budget Code 14445

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$14,253,706,179	$14,253,706,349
Receipts	$10,568,910,124	$10,568,910,209
Net Appropriation	$3,684,796,055	$3,684,796,140
Legislative Changes		
Requirements	$51,413,599	$383,526,202
Receipts	$45,454,483	$266,641,130
Net Appropriation	$5,959,116	$116,885,072
Revised Budget		
Requirements	$14,305,119,778	$14,637,232,551
Receipts	$10,614,364,607	$10,835,551,339
Net Appropriation	$3,690,755,171	$3,801,681,212

General Fund FTE		
Base Budget	416.51	416.51
Legislative Changes	0.00	0.00
Revised Budget	416.51	416.51

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Medical Assistance										
Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,789,996	24,202,829	17,587,167	-	-	-	41,789,996	24,202,829	17,587,167
1102	Contracts and Agreements	146,950,173	109,403,441	37,546,732	6,208,404	4,656,303	1,552,101	153,158,577	114,059,744	39,098,833
1103	Health Information Technology	55,235,572	54,704,435	531,137	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,113,348,905	343,621,385	357,958,767	(14,337,382)	12,616,219,593	8,517,208,070	4,099,011,523
1311	Community Care North Carolina	208,672,077	141,360,178	67,311,899	(191,187)	3,322,252	(3,513,439)	208,480,890	144,682,430	63,798,460
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(60,298,642)	(73,204,780)	12,906,138	287,763,198	263,855,046	23,908,152
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	15,419,818	(2,064,044)	(84,139,960)	(55,713,880)	(28,426,080)
1331	Rebates	(1,188,015,970)	(797,092,021)	(390,923,949)	(46,470,819)	(43,064,052)	(3,406,767)	(1,234,486,789)	(840,156,073)	(394,330,716)
1337	Consolidated Supplemental Hospital Payments	2,485,910,017	2,611,155,831	(145,245,814)	(159,087,280)	(188,579,174)	29,491,894	2,306,822,737	2,422,576,657	(115,753,920)
1910	Reserves and Transfers	-	-	-	(46,054,652)	(31,054,652)	(15,000,000)	(46,054,652)	(31,054,652)	(15,000,000)
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	210,490	-	210,490	210,490	-	210,490
N/A	State Retirement Contribution			-	84,472	-	84,472	84,472	-	84,472
N/A	State Health Plan Reserve				35,653	-	35,653	35,653	-	35,653
Total		$14,253,706,179	$10,568,910,124	$3,684,796,055	$51,413,599	$45,454,483	$5,959,116	$14,305,119,778	$10,614,364,607	$3,690,755,171

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Medical Assistance										
Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,790,166	24,202,914	17,587,252	-	-	-	41,790,166	24,202,914	17,587,252
1102	Contracts and Agreements	146,950,173	109,403,441	37,546,732	8,945,366	6,709,025	2,236,341	155,895,539	116,112,466	39,783,073
1103	Health Information Technology	55,235,572	54,704,435	531,137	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,113,348,905	769,635,070	650,434,751	119,230,319	13,042,233,278	8,809,684,054	4,232,579,224
1311	Community Care North Carolina	208,672,077	141,360,178	67,311,899	5,524,073	7,673,653	(2,149,580)	214,196,150	149,033,831	65,162,319
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(48,738,476)	(60,757,710)	12,019,234	299,323,364	276,302,116	23,021,248
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	14,971,238	(1,615,464)	(84,139,960)	(56,162,460)	(27,977,500)
1331	Rebates	(1,188,015,970)	(797,092,021)	(390,923,949)	(122,106,776)	(93,168,032)	(28,938,746)	(1,310,122,746)	(890,260,053)	(419,862,695)
1337	Consolidated Supplemental Hospital Payments	2,465,910,017	2,611,155,831	(145,245,814)	(197,297,073)	(227,891,205)	30,594,132	2,268,622,944	2,383,274,626	(114,651,682)
1910	Reserves and Transfers	-	-	-	(46,310,590)	(31,310,590)	(15,000,000)	(46,310,590)	(31,310,590)	(15,000,000)
Undesignated Items										
N/A	Compensation Increase Reserve			-	210,490	-	210,490	210,490	-	210,490
N/A	State Retirement Contribution			-	222,795	-	222,795	222,795	-	222,795
N/A	State Health Plan Reserve				75,551	-	75,551	75,551	-	75,551
Total		$14,253,706,349	$10,568,910,209	$3,684,796,140	$383,526,202	$266,641,130	$116,885,072	$14,637,232,551	$10,835,551,339	$3,801,681,212

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1103	Health Information Technology	12.00	-	-	12.00
Total FTE		416.51	-	-	416.51

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1103	Health Information Technology	12.00	-	-	12.00
Total FTE		416.51	-	-	416.51

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$3,684,796,055**		**$3,684,796,140**	
Legislative Changes				
(9.0) Division of Medical Assistance				
131 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$210,490	R	$210,490	R
132 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$84,472	R	$222,795	R
133 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$35,653	R	$75,551	R

		FY 17-18		FY 18-19	
134	**Medicaid Rebase**	$66,736,218	R	$177,366,678	R
	Fund Code: 1310, 1311, 1320, 1330, 1331, 1337	($62,974,884)	NR	($64,774,677)	NR
	Provides funding for changes in utilization, enrollment, enrollment mix and prices in the Medicaid base budget. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.				
135	**LME/MCO Intergovernmental Transfer**	($17,736,485)	R	($18,028,217)	R
	Fund Code: 1310				
	Adjusts the budget to reflect LME/MCO intergovernmental transfers on a recurring basis in each year of the biennium to fund a portion of the State's Medicaid spending for behavioral health services. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.				
136	**NC TRACKS Changes and Enhancements**				
	Fund Code: 1102	$1,552,101	NR	$2,236,341	NR
	Provides funding for programming the NC TRACKS claims payment system to support critical, rate changes, prior approval contracts, improved claims processing and related changes. The revised net appropriation for the Division of Medical Assistance Fund 1102 is $39,098,833 in FY 2017-18 and $39,783,073 in FY 2018-19.				
137	**Personal Care Service Rate**	$1,279,339	R	$2,738,419	R
	Fund Code: 1310				
	Increases personal care services fee for service and CAP-C rate to an effective hourly rate of $15.60 from an effective rate of $15.52 per hour for services occurring after December 31, 2017. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.				

		FY 17-18		FY 18-19	
138	**Child Medical Evaluation Program** **Fund Code:** 1310 Increases funding for the Child Medical Evaluation Program (CMEP) in the Division of Medical Assistance to increase the rate paid for medical consultations for children who are Medicaid eligible to the regional average of $575. The program pays for medical evaluations for children who may have been subjected to physical and sexual abuse. Funding is also provided in the Division of Social Services budget. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.	$385,000	R	$385,000	R
139	**Graduate Medical Education** **Fund Code:** 1310 Reinstates funding to maintain the graduate medical education add on to the inpatient hospital DRG payment effective July 1, 2017. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.	$30,000,000	NR	$30,000,000	NR
140	**Management Flexibility Reduction** **Fund Code:** 1310 Directs the Department to identify savings or reduced spending within their authority defined in G.S.108A-54(e). The Department shall report by January 1, 2018 on actions or changes in spending that will result in lower overall appropriations needed for FY 2017-19. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.	($15,000,000)	NR	($15,000,000)	NR
141	**Retro Authorization for Personal Care Services** **Fund Code:** 1310 Provides funding to extend retro authorization for PCS services from 10 days to 30 days. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,690,755,171 in FY 2017-18 and $3,801,681,212 in FY 2018-19.	$1,387,212	R	$1,452,692	R
Total Legislative Changes		**$52,381,899**	R	**$164,423,408**	R
		($46,422,783)	NR	**($47,538,336)**	NR
Total Position Changes					
Revised Budget		**$3,690,755,171**		**$3,801,681,212**	

NC Health Choice
Budget Code 14446

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$184,098,555	$184,098,555
Receipts	$140,651,619	$140,651,619
Net Appropriation	$43,446,936	$43,446,936
Legislative Changes		
Requirements	$10,890,195	$22,433,122
Receipts	$53,877,883	$65,483,649
Net Appropriation	($42,987,688)	($43,050,527)
Revised Budget		
Requirements	$194,988,750	$206,531,677
Receipts	$194,529,502	$206,135,268
Net Appropriation	$459,248	$396,409

General Fund FTE		
Base Budget	2.00	2.00
Legislative Changes	0.00	0.00
Revised Budget	2.00	2.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

NC Health Choice										
Budget Code 14446		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration	172,504	171,264	1,240	-	-	-	172,504	171,264	1,240
1102	Contracts and Agreements	1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844
1310	Health Choice Payments	177,621,855	135,837,457	41,784,398	11,338,547	52,673,683	(41,335,136)	188,960,402	188,511,140	449,262
1311	Community Care North Carolina	8,034,131	6,159,812	1,874,319	(681,351)	1,188,299	(1,869,650)	7,352,780	7,348,111	4,669
1320	Settlements	(2,790,285)	(2,790,285)	-	-	-	-	(2,790,285)	(2,790,285)	-
1330	Payment Adjustments	(417,348)	(298,060)	(119,288)	119,138	8,455	110,683	(298,210)	(289,605)	(8,605)
1331	Rebates	(402,302)	(296,725)	(105,577)	112,893	7,446	105,447	(289,409)	(289,279)	(130)
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	620	-	620	620	-	620
N/A	State Retirement Contribution	-	-	-	243	-	243	243	-	243
N/A	State Health Plan Reserve				105	-	105	105	-	105
Total		$184,098,555	$148,651,619	$43,446,936	$10,896,195	$53,877,883	($42,987,688)	$194,888,750	$194,529,502	$459,248

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

NC Health Choice										
Budget Code 14446		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration	172,504	171,264	1,240	-	-	-	172,504	171,264	1,240
1102	Contracts and Agreements	1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844
1310	Health Choice Payments	177,621,855	135,837,457	41,784,398	22,430,079	63,833,522	(41,403,443)	200,051,934	199,670,979	380,955
1311	Community Care North Carolina	8,034,131	6,159,812	1,874,319	(230,472)	1,642,542	(1,873,014)	7,803,659	7,802,354	1,305
1320	Settlements	(2,790,285)	(2,790,285)	-				(2,790,285)	(2,790,285)	-
1330	Payment Adjustments	(417,348)	(298,060)	(119,288)	119,138	269	118,869	(298,210)	(297,791)	(419)
1331	Rebates	(402,302)	(296,725)	(105,577)	112,893	7,316	105,577	(289,409)	(289,409)	-
			-	-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	620	-	620	620	-	620
N/A	State Retirement Contribution	-	-	-	641	-	641	641	-	641
N/A	State Health Plan Reserve				223	-	223	223	-	223
Total		$184,098,555	$140,651,619	$43,446,936	22,433,122	65,483,649	(43,050,527)	$206,531,677	$206,135,268	$396,409

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

NC Health Choice					
Budget Code 14446		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
Total FTE		2.00	-	-	2.00

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

NC Health Choice					
Budget Code 14446		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
Total FTE		2.00	-	-	2.00

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$43,446,936**		**$43,446,936**	
Legislative Changes				
(10.0) NC Health Choice				
142 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$620	R	$620	R
143 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$243	R	$641	R
144 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$105	R	$223	R

	FY 17-18		FY 18-19	
145 NC Health Choice Match Rate and Rebase	$1,496,379	R	$3,856,135	R
Fund Code: 1310, 1311, 1330, 1331	($44,485,035)	NR	($46,908,146)	NR
Reduces net General Fund support for NC Health Choice due to an enhanced federal match rate included in the federal Affordable Care Act that is effective through September 30, 2019. Funds are provided for changes in enrollment and utilization. The revised net appropriation for NC Health Choice services is $459,248 in FY 2017-18 and $396,409 in FY 2018-19.				
Total Legislative Changes	**$1,497,347**	**R**	**$3,857,619**	**R**
	($44,485,035)	**NR**	**($46,908,146)**	**NR**
Total Position Changes				
Revised Budget	**$459,248**		**$396,409**	

Services for the Blind/Deaf/Hard of Hearing
Budget Code 14450

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$44,560,621	$44,560,621
Receipts	$36,227,168	$36,227,168
Net Appropriation	$8,333,453	$8,333,453
Legislative Changes		
Requirements	$113,314	$173,628
Receipts	$0	$0
Net Appropriation	$113,314	$173,628
Revised Budget		
Requirements	$44,673,935	$44,734,249
Receipts	$36,227,168	$36,227,168
Net Appropriation	$8,446,767	$8,507,081

General Fund FTE		
Base Budget	332.09	332.09
Legislative Changes	0.00	0.00
Revised Budget	332.09	332.09

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	493,464	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Comm - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215		2,567,215	-	-	-	2,567,215	-	2,567,215
1451	Indep Living Services - Chore & Adjustment Serv	5,762,160	4,393,831	1,368,329	-	-	-	5,762,160	4,393,831	1,368,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	677,005	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,227,440	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	-	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
				-						
				-						
Division-wide Items				-						
N/A	Social Services Block Grant				-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	77,122	-	77,122	77,122	-	77,122
N/A	State Retirement Contribution	-	-	-	24,015	-	24,015	24,015	-	24,015
N/A	State Health Plan Reserve				12,177	-	12,177	12,177	-	12,177
Total		$44,560,621	$36,227,168	$8,333,453	$113,314	$0	$113,314	$44,673,935	$36,227,168	$8,446,767

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	493,464	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Comm - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215	-	2,567,215	-	-	-	2,567,215	-	2,567,215
1451	Indep Living Services - Chore & Adjustment Serv	5,782,160	4,393,831	1,388,329	-	-	-	5,782,160	4,393,831	1,388,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	677,005	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,227,440	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	-	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
				-						
				-						
Division-wide Items				-						
N/A	Social Services Block Grant				-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve				84,485	-	84,485	84,485	-	84,485
N/A	State Retirement Contribution	-	-	-	63,339	-	63,339	63,339	-	63,339
N/A	State Health Plan Reserve				25,804	-	25,804	25,804	-	25,804
Total		**$44,560,621**	**$36,227,168**	**$8,333,453**	**$173,628**	**$0**	**$173,628**	**$44,734,249**	**$36,227,168**	**$8,507,081**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	21.00	-	-	21.00
1261	Access & Outreach Deaf Comm - Local Agency	38.00	-	-	38.00
1410	Deaf and Hard of Hearing - Client Services	30.00	-	-	30.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Indep Living Services-Chore & Adjmt Services	69.58	-	-	69.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	141.51	-	-	141.51
1482	Small Business Employment Services	11.00	-	-	11.00
Total FTE		**332.09**	-	-	**332.09**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	21.00	-	-	21.00
1261	Access & Outreach Deaf Comm - Local Agency	38.00	-	-	38.00
1410	Deaf and Hard of Hearing - Client Services	30.00	-	-	30.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Indep Living Services-Chore & Adjmt Services	69.58	-	-	69.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	141.51	-	-	141.51
1482	Small Business Employment Services	11.00	-	-	11.00
Total FTE		**332.09**	**-**	**-**	**332.09**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,333,453**		**$8,333,453**	
Legislative Changes				
(11.0) Division of Services for the Blind and Services for the Deaf and Hard of Hearing				
146 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$71,893	R	$71,893	R
147 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$5,229	R	$12,592	R
148 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$24,015	R	$63,339	R

		FY 17-18		FY 18-19	
149	**State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$12,177	R	$25,804	R
Total Legislative Changes		**$113,314**	R	**$173,628**	R
Total Position Changes					
Revised Budget		**$8,446,767**		**$8,507,081**	

Division of Health Benefits
Budget Code 14447

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$9,671,582	$9,671,582
Receipts	$0	$0
Net Appropriation	$9,671,582	$9,671,582
Legislative Changes		
Requirements	$63,469	$107,508
Receipts	$0	$0
Net Appropriation	$63,469	$107,508
Revised Budget		
Requirements	$9,735,051	$9,779,090
Receipts	$0	$0
Net Appropriation	$9,735,051	$9,779,090

General Fund FTE		
Base Budget	28.00	28.00
Legislative Changes	0.00	0.00
Revised Budget	28.00	28.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Benefits										
Budget Code 14447		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	34,714	-	34,714	34,714	-	34,714
N/A	State Retirement Contribution	-	-	-	22,875	-	22,875	22,875	-	22,875
N/A	State Health Plan Reserve				5,880	-	5,880	5,880	-	5,880
Total		**$9,671,582**	**$0**	**$9,671,582**	**$63,469**	**$0**	**$63,469**	**$9,735,051**	**$0**	**$9,735,051**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Benefits										
Budget Code 14447		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
Undesignated Items										
N/A	Compensation Increase Reserve				34,714	-	34,714	34,714	-	34,714
N/A	State Retirement Contribution	-	-	-	60,334	-	60,334	60,334	-	60,334
N/A	State Health Plan Reserve				12,460	-	12,460	12,460	-	12,460
Total		$9,671,582	$0	$9,671,582	$107,508	$0	$107,508	$9,779,090	$0	$9,779,090

Summary of General Fund Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Benefits					
Budget Code 14447		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administration	28.00	-	-	28.00
Total FTE		28.00	-	-	28.00

Summary of General Fund Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Benefits					
Budget Code 14447		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administration	28.00	-	-	28.00
Total FTE		28.00	-	-	28.00

Health and Human Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$9,671,582**		**$9,671,582**	
Legislative Changes				
Health Benefits				
150 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$34,714	R	$34,714	R
151 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$22,875	R	$60,334	R
152 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$5,880	R	$12,460	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$63,469**	R	**$107,508**	R
Total Position Changes				
Revised Budget	**$9,735,051**		**$9,779,090**	

Agriculture and Natural and Economic Resources Section H

1929

Department of Agriculture and Consumer Services
Budget Code 13700

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$174,507,551	$174,509,551
Receipts	$55,537,775	$55,537,775
Net Appropriation	$118,969,776	$118,971,776
Legislative Changes		
Requirements	$14,700,128	$3,881,909
Receipts	$0	$0
Net Appropriation	$14,700,128	$3,881,909
Revised Budget		
Requirements	$189,207,679	$178,391,460
Receipts	$55,537,775	$55,537,775
Net Appropriation	$133,669,904	$122,853,685

General Fund FTE		
Base Budget	1,811.62	1,811.62
Legislative Changes	0.00	0.00
Revised Budget	1,811.62	1,811.62

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Agriculture and Consumer Services		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13700										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	1,621,922	-	1,621,922	12,107,936	2,127,659	9,980,277
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	-	-	-	284,450	46,789	237,661
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structurall Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	400,000	-	400,000	15,002,836	2,743,116	12,259,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,835,654	10,744,639	36,091,015	5,865,000	-	5,865,000	52,700,654	10,744,639	41,956,015
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	250,000	-	250,000	13,958,901	2,035,091	11,923,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	4,108,000	-	4,108,000	8,792,504	-	8,792,504
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,656,466	-	1,656,466	1,656,466	-	1,656,466
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	496,413	-	496,413	496,413	-	496,413
N/A	State Health Plan Reserve	-	-	-	280,440	-	280,440	280,440	-	280,440
Total		$174,507,551	$55,537,775	$118,969,776	$14,700,128	$0	$14,700,128	$189,207,679	$55,537,775	$133,669,904

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Agriculture and Consumer Services Budget Code 13700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	300,000	-	300,000	10,786,014	2,127,659	8,658,355
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	-	-	-	284,450	46,789	237,661
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structural Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	-	-	-	14,602,836	2,743,116	11,859,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,837,654	10,744,639	36,093,015	-	-	-	46,837,654	10,744,639	36,093,015
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	-	-	-	13,708,901	2,035,091	11,673,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	-	-	-	4,684,504	-	4,684,504
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,656,466	-	1,656,466	1,656,466	-	1,656,466
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	1,309,290	-	1,309,290	1,309,290	-	1,309,290
N/A	State Health Plan Reserve	-	-	-	594,266	-	594,266	594,266	-	594,266
Total		$174,509,551	$55,537,775	$118,971,776	$3,881,909	$0	$3,881,909	$178,391,460	$55,537,775	$122,853,685

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Agriculture and Consumer Services					
Budget Code 13700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	1.00	-	96.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	-	-	3.00
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	-	-	7.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00		-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	(1.00)	-	60.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	-	-	573.37
1530	NC Forest Service - Dare Bomb Range	13.00	-	-	13.00
1535	NC Forest Service - Young Offenders Program	17.00	-	-	17.00
1610	NC Forest Service - Federal Grants	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	1.00	-	1.00
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		**1,811.62**	**-**	**-**	**1,811.62**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Agriculture and Consumer Services					
Budget Code 13700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	1.00	-	96.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	-	-	3.00
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	-	-	7.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00		-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	(1.00)	-	60.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	-	-	573.37
1530	NC Forest Service - Dare Bomb Range	13.00	-	-	13.00
1535	NC Forest Service - Young Offenders Program	17.00	-	-	17.00
1610	NC Forest Service - Federal Grants	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	1.00	-	1.00
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		1,811.62	-	-	1,811.62

Agriculture and Consumer Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$118,969,776**		**$118,971,776**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,656,466	R	$1,656,466	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$496,413	R	$1,309,290	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$280,440	R	$594,266	R

	FY 17-18		FY 18-19	
Food and Drug				
4 Vacant Position **Fund Code:** 1080 Eliminates the salary and benefits of 1 vacant position within the Food and Drug Division that has been vacant for more than 12 months. 60011913 - Chemist II (1.0 FTE) The revised net appropriation to the Division from all changes is $8.7 million in each year of the biennium.	($65,169) -1.00	R	($65,169) -1.00	R
5 Additional Operating Costs **Fund Code:** 1100 Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is $8.7 million in each year of the biennium.	$75,000	R	$75,000	R
Forest Service				
6 Firefighting Equipment **Fund Code:** 1510 Provides nonrecurring funds for the purchase of an airplane for firefighting and readiness response. The revised net appropriation to the Forest Service for firefighting and readiness response is $2.3 million in FY 2017-18 only.	$2,300,000	NR		
7 Hemlock Restoration **Fund Code:** 1510 Provides funding for hemlock restoration initiatives within the Forest Service Forest Health Branch. The revised net appropriation to the Forest Service for hemlock restoration is $200,000 in FY 2017-18 only.	$200,000	NR		
8 Linville River Nursery **Fund Code:** 1510 Provides nonrecurring funds for the Linville River Nursery. The Forest Service is directed to continue operating the Linville River Nursery throughout the fiscal year. The revised net appropriation for the Linville River Nursery is $200,000 in FY 2017-18 only.	$200,000	NR		

	FY 17-18		FY 18-19	
9 Mountain Island Educational State Forest				
Fund Code: 1510	$3,165,000	NR		
Provides additional funding for the Mountain Island Educational State Forest. The Forest Service is directed to transfer these funds to a new nonreverting special fund within budget code 23700. A corresponding item showing the transfer of these funds can be found in the special fund pages. The revised net appropriation for the Forest Service from all changes is $43.1 million in FY 2017-18 and $37.3 million in FY 2018-19.				
Markets				
10 International Marketing	$250,000	R	$300,000	R
Fund Code: 1020	$523,461	NR		
	1.00		1.00	
Increases funding for the International Marketing Program to enhance marketing opportunities for agricultural products of the State and for an additional FTE for the program. This additional FTE is for an International Marketing Specialist II position with total salary and benefits of $71,939 out of funds appropriated. The revised net appropriation to the Markets Division from all changes is $10.0 million in FY 2017-18 and $8.7 million in FY 2018-19.				
11 Food Marketing				
Fund Code: 1020	$250,000	NR		
Provides funding for food marketing related to the Food Science Processing and Innovation Center in the Core Laboratory of the North Carolina Research Campus. These marketing funds will be used to connect farmers with prospective customers, promote inbound and outbound international trade missions, strengthen existing promotional campaigns around selected commodities, and other related marketing uses. The revised net appropriation to the Markets Division from all changes is $10.0 million in FY 2017-18 and $8.7 million in FY 2018-19.				
12 Domestic Marketing				
Fund Code: 1020	$523,461	NR		
Increases funding for the Domestic Marketing Program to enhance marketing opportunities for agricultural products of the State. The revised net appropriation to the Markets Division from all changes is $10.0 million in FY 2017-18 and $8.7 million in FY 2018-19.				

	FY 17-18		FY 18-19
13 Southeastern North Carolina Agricultural Events Center			
Fund Code: 1020	$75,000	NR	
Provides nonrecurring funding for the Southeastern North Carolina Agricultural Events Center in Lumberton for improvements related to seating and the sound system. The revised net appropriation to the Markets Division from all changes is $10.0 million in FY 2017-18 and $8.7 million in FY 2018-19.			
Research Stations			
14 Seasonal Labor For Research Stations			
Fund Code: 1190	$400,000	NR	
Provides additional funding for seasonal labor costs at agricultural research stations. These funds will support the expanded number and scope of research projects across the State. The revised net appropriation to the Research Stations Division is $12.3 million in FY 2017-18 and $11.9 million in FY 2018-19.			
Reserves and Transfers			
15 Tobacco Trust Fund			
Fund Code: 1990	$900,000	NR	
Provides additional funding to the Tobacco Trust Fund (TTF), which provides grants to tobacco-related farms and businesses. A corresponding item showing the transfer of these funds can be found in the TTF special fund pages. The revised net appropriation to the TTF based on this adjustment is $2.9 million in FY 2017-18 and $2.0 million in FY 2018-19.			
16 Agricultural Development and Farmland Preservation Trust Fund			
Fund Code: 1990	$2,000,000 1.00	NR	1.00
Provides additional nonrecurring funding to the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), which supports the purchase of agricultural conservation easements and funds public and private enterprise programs that will promote profitable and sustainable family farms. A corresponding item showing the transfer of these funds can be found in the ADFPTF special fund pages. An additional FTE is provided to ADFPTF. ADFPTF is directed to use existing recurring funding for this new position. Of the funds appropriated to ADFPTF, $25,000 will be used for the new Beehive Grant Program. A corresponding special provision describes the operations of the Beehive Grant Program. The revised net appropriation to ADFPTF is $4.6 million in FY 2017-18 and $2.6 million in FY 2018-19.			

		FY 17-18		FY 18-19
17	**Association of Agricultural Fairs** **Fund Code:** 1990 Provides a grant to the Association of Agricultural Fairs. The revised net appropriation to the Association is $300,000 in FY 2017-18 only.	$300,000	NR	
18	**Healthy Food Small Retailers** **Fund Code:** 1990 Provides funds to increase the availability of fresh agricultural products in food deserts located in the State. The revised net appropriation for this program is $250,000 in FY 2017-18 only.	$250,000	NR	
19	**Supplemental Funding** **Fund Code:** 1990 Provides funds to offset costs potentially incurred through intervention in federal litigation over the Environmental Protection Agency's Waters of the United States rule. These funds may also be used for any other purpose deemed necessary by the Department. A corresponding special provision provides furthers guidance. The revised net appropriation for the potential litigation expenses related to the Waters of the United State rule is $250,000 in FY 2017-18 only.	$250,000	NR	
20	**Grants-in-Aid** **Fund Code:** 1990 Provides funding for grants-in-aid as follows. Tyrrell County 4-H Club ($125,000) Lenoir County to address flood damage in the Lenoir County Livestock Arena ($83,000) Cleveland County Fair Association for repair and renovation of buildings on the grounds of the Cleveland County Fairgrounds ($200,000) The revised net appropriation for grants-in-aid for these two purposes is $408,000 in FY 2017-18 only.	$408,000	NR	
Soil and Water				
21	**Agricultural Water Resources Assistance Program (AgWRAP)** **Fund Code:** 1611 Provides funding to supplement existing cost-share funding for AgWRAP, a program that implements best management practices to conserve and protect water resources, increases water-use efficiency, and increases water storage and availability for agricultural purposes. The revised net appropriation to the AgWRAP program is $1.2 million in FY 2017-18 and $1.0 million in FY 2018-19.	$250,000	NR	

	FY 17-18		FY 18-19	
Veterinary Services				
22 Vacant Position **Fund Code:** 1130	($62,944)	R	($62,944)	R
Eliminates the salary and benefits of 1 vacant position within the Division that has been vacant for more than 12 months. 60012109 - Animal Health Technician I (1.0 FTE) The revised net appropriation to the Division from all changes is $10.5 million in each year of the biennium.	-1.00		-1.00	
23 Additional Operating Costs **Fund Code:** 1130	$75,000	R	$75,000	R
Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is $10.5 million in each year of the biennium.				
Total Legislative Changes	**$2,705,206** **$11,994,922**	R NR	**$3,881,909**	R
Total Position Changes	0.00		0.00	
Revised Budget	**$133,669,904**		**$122,853,685**	

DACS - Special Revenue

Budget Code: 23700

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$11,103,636**		**$11,919,405**	
Recommended Budget				
Requirements	**$7,263,165**		**$7,263,165**	
Receipts	**$8,078,934**		**$8,078,934**	
Positions	**38.73**		**38.73**	
Legislative Changes				
Requirements:				
Agricultural Development and Farmland Preservation Trust Fund (2108)	$0	R	$0	R
Adjusts the budget to reflect the transfer of an additional $2.0 million from the General Fund in FY 2017-18. Of the funds appropriated to the Agricultural Development and Farmland Preservation Trust Fund, $25,000 will be used for the new Beehive Grant Program. A corresponding special provision describes the operations of the Beehive Grant Program.	$2,000,000 0.00	NR	$0 0.00	NR
Forest Service - Mountain Island Educational State Forest	$0	R	$0	R
Establishes a budget for a new special fund to be operated by the North Carolina Forest Service for the use of the Mountain Island Educational State Forest.	$3,165,000 0.00	NR	$0 0.00	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$5,165,000 0.00	NR	**$0** 0.00	NR
Receipts:				
Agricultural Development and Farmland Preservation Trust Fund (2108)	$0	R	$0	R
Adjusts the budget to reflect the transfer of an additional $2.0 million from the General Fund in FY 2017-18.	$2,000,000	NR	$0	NR

	FY 2017-18		FY 2018-19	
Forest Service - Mountain Island Educational State Forest	$0	R	$0	R
Establishes a budget for a new special fund to be operated by the North Carolina Forest Service for the use of Mountain Island Educational State Forest to reflect the transfer of $3.2 million from the General Fund in FY 2017-18.	$3,165,000	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$5,165,000	NR	**$0**	NR
Revised Total Requirements	**$12,428,165**		**$7,263,165**	
Revised Total Receipts	**$13,243,934**		**$8,078,934**	
Change in Fund Balance	**$815,769**		**$815,769**	
Total Positions	**38.73**		**38.73**	
Unappropriated Balance Remaining	**$11,919,405**		**$12,735,174**	

DACS - Tobacco Trust Fund

Budget Code: 23703

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$8,141,248**		**$3,904,583**	
Recommended Budget				
Requirements	**$4,341,957**		**$4,341,957**	
Receipts	**$2,225,292**		**$2,225,292**	
Positions	**3.00**		**3.00**	
Legislative Changes				
Requirements:				
Fund Balance Technical Adjustment (2801) Adjusts the fund balance to align to the actual fund balance. This is a technical adjustment.	$0 $4,239,049 0.00	R NR	$0 $0 0.00	R NR
Base Budget Technical Adjustment (2801) Adjusts the budget for Tobacco Trust Fund to align with actual requirements. This is a technical adjustment.	($2,334,825) $0 0.00	R NR	($2,334,825) $0 0.00	R NR
Tobacco Trust Fund (2801) Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18.	$0 $900,000 0.00	R NR	$0 $0 0.00	R NR
Subtotal Legislative Changes	**($2,334,825)** **$5,139,049** 0.00	R NR	**($2,334,825)** **$0** 0.00	R NR
Receipts:				
Base Budget Technical Adjustment (2801) Adjusts the budget for Tobacco Trust Fund to align with actual receipts. This is a technical adjustment.	($215,776) $0	R NR	($215,776) $0	R NR

	FY 2017-18		FY 2018-19	
Tobacco Trust Fund (2801)	$0	R	$0	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18.	$900,000	NR	$0	NR
Subtotal Legislative Changes	**($215,776)**	R	**($215,776)**	R
	$900,000	NR	**$0**	NR
Revised Total Requirements	**$7,146,181**		**$2,007,132**	
Revised Total Receipts	**$2,909,516**		**$2,009,516**	
Change in Fund Balance	**($4,236,665)**		**$2,384**	
Total Positions	**3.00**		**3.00**	
Unappropriated Balance Remaining	**$3,904,583**		**$3,906,967**	

Department of Labor
Budget Code 13800

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$32,764,338	$32,771,935
Receipts	$16,242,410	$16,242,410
Net Appropriation	$16,521,928	$16,529,525
Legislative Changes		
Requirements	$1,093,051	$1,290,426
Receipts	$0	$0
Net Appropriation	$1,093,051	$1,290,426
Revised Budget		
Requirements	$33,857,389	$34,062,361
Receipts	$16,242,410	$16,242,410
Net Appropriation	$17,614,979	$17,819,951

General Fund FTE		
Base Budget	381.29	381.29
Legislative Changes	0.00	0.00
Revised Budget	381.29	381.29

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Labor										
Budget Code 13800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,706,143	-	7,706,143	500,000	-	500,000	8,206,143	-	8,206,143
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	258,647	-	258,647	258,647	-	258,647
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	90,594	-	90,594	90,594	-	90,594
N/A	State Health Plan Reserve	-	-	-	43,810	-	43,810	43,810	-	43,810
Total	FY 2017-18	$32,764,338	$16,242,410	$16,521,928	$1,093,051	$0	$1,093,051	$33,857,389	$16,242,410	$17,614,979

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Labor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,713,740	-	7,713,740	500,000	-	500,000	8,213,740	-	8,213,740
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	258,647	-	258,647	258,647	-	258,647
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	238,943	-	238,943	238,943	-	238,943
N/A	State Health Plan Reserve	-	-	-	92,836	-	92,836	92,836	-	92,836
Total	FY 2017-18	$32,771,935	$16,242,410	$16,529,525	$1,290,426	$0	$1,290,426	$34,062,361	$16,242,410	$17,819,951

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Labor					
Budget Code 13800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Act	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
					-
Total FTE		381.29	-	-	381.29

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Labor					
Budget Code 13800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Act	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
					-
Total FTE		381.29	-	-	381.29

Labor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$16,521,928**		**$16,529,525**	
Legislative Changes				
Reserve for Salaries and Benefits				
24 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$258,647	R	$258,647	R
25 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$90,594	R	$238,943	R
26 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$43,810	R	$92,836	R

	FY 17-18		FY 18-19	
Administrative Services				
27 Information Technology **Fund Code:** 1120 Provides additional funds to support the increased cost of server maintenance and other fees charged by the Department of Information Technology. The revised net appropriation for the Administrative Services division is $1.8 million in each year of the biennium.	$200,000	R	$200,000	R
Occupational Safety and Health (OSH)				
28 OSH Compensation **Fund Code:** 1352 Provides additional funds to increase OSH staff salaries to a level that more accurately reflects the market rate. The revised net appropriation for the OSH division following this change is $12.3 million in each year of the biennium.	$500,000	R	$500,000	R
Total Legislative Changes	**$1,093,051**	R	**$1,290,426**	R
Total Position Changes				
Revised Budget	**$17,614,979**		**$17,819,951**	

Department of Environmental Quality
Budget Code 14300

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$228,135,484	$228,135,484
Receipts	$150,280,572	$150,280,572
Net Appropriation	$77,854,912	$77,854,912
Legislative Changes		
Requirements	$757,055	($400,558)
Receipts	$441,640	$441,640
Net Appropriation	$315,415	($842,198)
Revised Budget		
Requirements	$228,892,539	$227,734,926
Receipts	$150,722,212	$150,722,212
Net Appropriation	$78,170,327	$77,012,714

General Fund FTE		
Base Budget	1,110.86	1,110.86
Legislative Changes	(12.75)	(12.75)
Revised Budget	1,098.11	1,098.11

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Environmental Quality											
Budget Code 14300		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,089	2,597,509	2,693,580	(325,000)	175,000	(500,000)	4,966,089	2,772,509	2,193,580
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(158,511)	-	(158,511)	9,951,925	3,143,271	6,808,654
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	1,392,632	87,544	1,305,088	12,583,125	3,619,060	8,964,065
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	345,000	-	345,000	102,836,628	82,215,250	20,621,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	-	-	-	3,148,056	237,461	2,910,595
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	-	-	-	863,939	863,939	-
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	(11,762)	-	(11,762)	5,334,950	4,261,955	1,072,995
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	-	-	-	359,750	-	359,750
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	94,183	-	94,183	5,495,073	1,560,581	3,934,492
1749	DENR-Energy Office	1,693,173	-	1,693,173	(944,539)	-	(944,539)	748,634	-	748,634
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	(26,298)	-	(26,298)	11,551,754	8,260,100	3,291,654
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(678,114)	-	(678,114)	3,808,423	-	3,808,423
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	639,171	-	639,171	639,171	-	639,171
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	222,429	-	222,429	222,429	-	222,429
N/A	State Health Plan Reserve	-	-	-	107,864	-	107,864	107,864	-	107,864
Total		$228,135,484	$150,280,572	$77,854,912	$757,055	$441,640	$315,415	$228,892,539	$150,722,212	$78,170,327

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Environmental Quality		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14300										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,069	2,597,509	2,693,560	(325,000)	175,000	(500,000)	4,966,069	2,772,509	2,193,560
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(158,511)	-	(158,511)	9,951,925	3,143,271	6,808,654
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	745,086	87,544	657,542	11,935,579	3,619,060	8,316,519
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	-	-	-	102,491,628	82,215,250	20,276,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	-	-	-	3,148,056	237,461	2,910,595
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	-	-	-	863,939	863,939	-
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	(11,762)	-	(11,762)	5,334,950	4,261,955	1,072,995
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	-	-	-	359,750	-	359,750
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	(155,817)	-	(155,817)	5,245,073	1,560,581	3,684,492
1749	DENR-Energy Office	1,693,173	-	1,693,173	(944,539)	-	(944,539)	748,634	-	748,634
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	(26,298)	-	(26,298)	11,551,754	8,260,100	3,291,654
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(1,078,114)	-	(1,078,114)	3,408,423	-	3,408,423
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	639,171	-	639,171	639,171	-	639,171
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	586,656	-	586,656	586,656	-	586,656
N/A	State Health Plan Reserve	-	-	-	228,570	-	228,570	228,570	-	228,570
Total		$228,135,484	$150,280,572	$77,854,912	($400,558)	$441,640	($842,198)	$227,734,926	$150,722,212	$77,012,714

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Environmental Quality					
Budget Code 14300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(7.00)	-	32.00
1140	Administrative Services	68.45	(2.00)	-	66.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	-	2.00	113.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95		-	34.95
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	-	-	11.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	(0.25)	-	60.90
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	-	-	3.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(2.00)	-	55.02
1749	DENR-Energy Office	5.00	(3.00)	-	2.00
1760	Solid Waste Management	112.32	(0.50)	-	111.82
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		**1,110.86**	**(16.75)**	**4.00**	**1,098.11**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Environmental Quality					
Budget Code 14300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(7.00)	-	32.00
1140	Administrative Services	68.45	(2.00)	-	66.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	-	2.00	113.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95		-	34.95
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	-	-	11.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	(0.25)	-	60.90
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	-	-	3.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(2.00)	-	55.02
1749	DENR-Energy Office	5.00	(3.00)	-	2.00
1760	Solid Waste Management	112.32	(0.50)	-	111.82
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		1,110.86	(16.75)	4.00	1,098.11

Environmental Quality

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$77,854,912**		**$77,854,912**	
Legislative Changes				
Reserve for Salaries and Benefits				
29 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$639,171	R	$639,171	R
30 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$222,429	R	$586,656	R
31 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$107,864	R	$228,570	R

	FY 17-18		FY 18-19	
Department-wide				
32 Reorganization through Reduction **Fund Code:** 1910 Reduces net appropriations for the Department and authorizes the Secretary to use the Reorganization through Reduction (RTR) program in collaboration with the Office of State Human Resources to achieve operating efficiencies in order to make these reductions. In FY 2017-18, the Secretary is allowed to use up to $250,000 of the savings as well as funds from other sources to pay for the associated severance packages. The revised net appropriation for the Department from this change is $77.0 million in FY 2017-18 and $76.8 million in FY 2018-19.	($828,114)	R	($1,078,114)	R
Administrative Services				
33 Administrative Positions **Fund Code:** 1140 Eliminates the salaries and benefits of 2 filled positions in the Administrative Services division. 60010378 - Legislative Affairs Program Manager (1.0 FTE) 60035434 - Information/Communications Spec. III (1.0 FTE) The revised net appropriation for Administrative Services following this change is $6.8 million in each year of the biennium.	($158,511) -2.00	R	($158,511) -2.00	R
Coastal Management				
34 Operating Expenses **Fund Code:** 1625 Shifts funding for operating expenses for the Division of Coastal Management from net appropriations to federal funds and permit fee receipts. The revised net appropriation for the Division is $1.3 million in each year of the biennium.	($27,172)	R	($27,172)	R
Energy Office				
35 Energy Centers **Fund Code:** 1749 Reduces funding provided to the Department for the university energy centers to $400,000. These funds shall be split equally between NC A&T University and Appalachian State University. No funds are appropriated for the transfer to the energy center at NC State University. The revised net appropriation for this transfer to the energy centers is $400,000 in each year of the biennium.	($656,933)	R	($656,933)	R

	FY 17-18		FY 18-19	
36 Energy Office Consolidation **Fund Code:** 1749 Reduces funding for the Energy Office after it is consolidated with the Utility Savings Initiative. As part of this reduction, the Department shall eliminate two positions and may reduce operating expenses and/or salary reserve to achieve the remainder of the savings. The revised net appropriation for the Energy Office will be adjusted accordingly prior to certification.	($200,000) -2.00	R	($200,000) -2.00	R
37 Vacant Position **Fund Code:** 1749 Eliminates the salary and benefits of 1 position within the Energy Office. 65017884 - Hydro/Geologist (1.0 FTE) As of the end of April 2017, this position had been vacant for approximately 8 months. The remaining net appropriation for salaries and benefits in the Energy Office administration following this change is $347,252 in each year of the biennium.	($87,606) -1.00	R	($87,606) -1.00	R
Energy, Mineral, and Land Resources (DEMLR)				
38 Vacant Positions **Fund Code:** 1740 Eliminates the salaries and benefits of 2 vacant positions within DEMLR. 60032436 - Engineer (1.0 FTE) 60035292 - Community Planner II (1.0 FTE) As of the end of April 2017, these positions had been vacant for approximately 12 months. The remaining net appropriation for salaries and benefits in the Land Quality program following this change is $3.1 million in each year of the biennium.	($155,817) -2.00	R	($155,817) -2.00	R
39 Dam Safety Program **Fund Code:** 1740 Continues funding for the Dam Safety Program at the same level as FY 2016-17 for one year. These funds will be used to hire contract or temporary positions to manage and conduct the annual reviews of the emergency action plans and associated dam safety inspections and technical assistance for intermediate- and high-hazard dams as required by Part 5 of S.L. 2014-122, the Coal Ash Management Act of 2014. The revised net appropriation for miscellaneous contracts in the Land Quality program following this change is $315,475 in FY 2017-18 and $65,475 in FY 2018-19.	$250,000	NR		

	FY 17-18		FY 18-19	
Environmental Assistance and Customer Srv. (DEACS)				
40 Regional Office Support **Fund Code:** 1130 Reduces funding for DEACS support in the Department's regional offices by approximately 19%. To achieve this reduction, the Department shall eliminate 1 position from each of the 7 Regional Offices and may reduce operating expenses and/or salary reserve to achieve the remainder. The Department shall also offset $175,000 of this reduction through receipts. The revised net appropriation for DEACS Regional Offices following this change is $2.2 million in each year of the biennium.	($500,000) -7.00	R	($500,000) -7.00	R
41 DEACS Programs **Fund Code:** 1615 Transfers the staff and operating costs associated with the Utility Savings Initiative to the Energy Office. A corresponding special provision provides additional guidance. The revised net appropriation for DEACS programs will be adjusted accordingly prior to certification.				
Marine Fisheries				
42 Fisheries Information Network Maintenance **Fund Code:** 1315 Provides funding for annual licensing and hosting fees needed to support an upgraded Fisheries Information Network (FIN). FIN is the Division's database for collecting and managing statistical data and information on North Carolina's commercial fisheries. The revised net appropriation for maintenance of FIN is $100,000 in each year of the biennium.	$100,000	R	$100,000	R
43 Oyster Sanctuaries **Fund Code:** 1320 Continues funding for oyster sanctuaries at the same level as FY 2016-17 and makes $500,000 of the funding recurring. The revised net appropriation for oyster sanctuaries is $1.4 million in FY 2017-18 and $850,000 in FY 2018-19.	$500,000 $500,000	R NR	$500,000	R
44 Shellfish Rehabilitation **Fund Code:** 1320 Provides funding for cultch planting. The revised net appropriation for cultch planting is $1.1 million in each year of the biennium.	$155,088	R	$157,542	R

	FY 17-18		FY 18-19	
45 Oyster Study and Shellfish Mariculture Plan				
Fund Code: 1320	$150,000	NR		
Provides $150,000 on a nonrecurring basis for the Division of Marine Fisheries to contract with the North Carolina Policy Collaboratory to study and advance efforts to ecologically restore and achieve economic stability of the shellfish industry and to develop a Shellfish Mariculture Plan. The revised net appropriation for this study and plan development is $150,000 in FY 2017-18 only.				
46 Receipt-supported Positions				
Fund Code: 1320				
Authorizes the Division to establish 2 additional Marine Fisheries Technician II positions within the Fisheries Independent Assessment Program. These positions shall be supported by receipts from the sales of Coastal Recreational Fishing Licenses (CRFL). The revised net appropriation for these 2 positions is $0 in each year of the biennium.				
Reserves and Transfers				
47 FerryMon				
Fund Code: 1910	$150,000	NR		
Provides funding to the Institute of Marine Sciences at the University of North Carolina at Chapel Hill for the continuation of the North Carolina ferry-based water quality monitoring program. The revised net appropriation for this program is $150,000 in FY 2017-18 only.				
Waste Management				
48 Vacant Position	($11,762)	R	($11,762)	R
Fund Code: 1671	-0.25		-0.25	
Eliminates the salary and benefits of 0.25 of a position within the Underground Storage Tank section.				
65024020 - Program Assistant V (0.25 FTE)				
As of the end of April 2017, this position had been vacant for approximately 12 months. The remaining net appropriation for the Underground Storage Tank section following this change is $1.1 million in each year of the biennium.				

	FY 17-18		FY 18-19	
49 Vacant Positions	($26,298)	R	($26,298)	R
Fund Code: 1760	-0.50		-0.50	

Eliminates the salaries and benefits of the following vacant positions within Solid Waste Management.

65024017 - Paralegal II (0.25 FTE)
65024020 - Program Assistant V (0.25 FTE)

As of the end of April 2017, these positions had been vacant for approximately 12 months. Each of these positions is a net appropriation reduction of 0.25 FTE for a total reduction of 0.5 FTE. The remaining net appropriation for Solid Waste Management following this change is $3.3 million in each year of the biennium.

Water Infrastructure

50 Water Infrastructure Projects				
Fund Code: 1460	$345,000	NR		

Provides funding for various water infrastructure projects:

Town of Four Oaks ($40,000)
Town of Benson ($80,000)
Town of Taylorsville ($125,000)
Davidson County for Wil-Cox Bridge and Sewer Expansion ($100,000)

The revised net appropriation for these water infrastructure grants is $345,000 in FY 2017-18 only.

Water Resources

51 Water Quality Position	($33,864)	R	($33,864)	R
Fund Code: 1690	-0.50		-0.50	

Shifts funding for 0.5 positions to federal receipts. The revised net appropriation for the Water Quality Control program following this change is $6.5 million in each year in the biennium.

52 Water Supply Positions	($118,060)	R	($118,060)	R
Fund Code: 1490	-1.50		-1.50	

Shifts funding for 1.5 positions to federal grants and other receipts. The revised net appropriation for the Water Supply Protection program following this change is $117,394 in each year of the biennium.

	FY 17-18		FY 18-19	
Total Legislative Changes	**($1,079,585)**	R	**($842,198)**	R
	$1,395,000	NR		
Total Position Changes	-16.75		-16.75	
Revised Budget	**$78,170,327**		**$77,012,714**	

DENR - Special

Budget Code: 24300

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$47,251,591**		**$47,227,954**	
Recommended Budget				
Requirements	**$73,786,686**		**$73,786,686**	
Receipts	**$73,763,049**		**$73,763,049**	
Positions	**198.00**		**198.00**	
Legislative Changes				
Requirements:				
Mercury Switch Removal Program Provides funds to continue the Mercury Switch Removal Program in the Division of Waste Management set to sunset effective June 30, 2017 per S.L. 2016-94, the 2016 Appropriations Act. The reinstatement mirrors the extension of the National Mercury Switch Recovery Program through December 2021. The program will be funded via a $0.20 per certificate of title fee transfer from the Division of Motor Vehicles. This transfer fee is reduced from the $0.50 per certificate of title fee transfer that existed before the program was eliminated.	$486,538 $0 0.00	R NR	$496,154 $0 0.00	R NR
Subtotal Legislative Changes	**$486,538** **$0** 0.00	R NR	**$496,154** **$0** 0.00	R NR
Receipts:				
Mercury Switch Removal Program Provides funds to continue the Mercury Switch Removal Program in the Division of Waste Management set to sunset effective June 30, 2017 per S.L. 2016-94, the 2016 Appropriations Act. The reinstatement mirrors the extension of the National Mercury Switch Recovery Program through December 2021. The program will be funded via a $0.20 per certificate of title fee transfer from the	$486,538 $0	R NR	$496,154 $0	R NR

	FY 2017-18	FY 2018-19
Division of Motor Vehicles. This transfer fee is reduced from the $0.50 per certificate of title fee transfer that existed before the program was eliminated.		
Subtotal Legislative Changes	**$486,538** R **$0** NR	**$496,154** R **$0** NR
Revised Total Requirements	**$74,273,224**	**$74,282,840**
Revised Total Receipts	**$74,249,587**	**$74,259,203**
Change in Fund Balance	**($23,637)**	**($23,637)**
Total Positions	**198.00**	**198.00**
Unappropriated Balance Remaining	**$47,227,954**	**$47,204,317**

Wildlife Resources Commission
Budget Code 14350

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$73,141,239	$73,141,239
Receipts	$61,813,030	$61,813,030
Net Appropriation	$11,328,209	$11,328,209
Legislative Changes		
Requirements	$350,343	$464,897
Receipts	$499,565	$949,565
Net Appropriation	($149,222)	($484,668)
Revised Budget		
Requirements	$73,491,582	$73,606,136
Receipts	$62,312,595	$62,762,595
Net Appropriation	$11,178,987	$10,843,541

General Fund FTE		
Base Budget	647.81	647.81
Legislative Changes	1.00	1.00
Revised Budget	648.81	648.81

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Wildlife Resources Commission										
Budget Code 14350		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)
1135	Publications	1,009,346	1,030,798	(21,452)	-	-	-	1,009,346	1,030,798	(21,452)
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152
1171	Wildlife Appropriations	4,593	-	4,593	-	499,565	(499,565)	4,593	499,565	(494,972)
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	159,951	-	159,951	159,951	-	159,951
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	51,747	-	51,747	51,747	-	51,747
N/A	State Health Plan Reserve	-	-	-	26,645	-	26,645	26,645	-	26,645
Total		$73,141,239	$61,813,030	$11,328,209	$350,343	$499,565	($149,222)	$73,491,582	$62,312,595	$11,178,987

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Wildlife Resources Commission										
Budget Code 14350		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)
1135	Publications	1,009,348	1,030,798	(21,452)	-	-	-	1,009,348	1,030,798	(21,452)
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152
1171	Wildlife Appropriations	4,593	-	4,593	-	949,565	(949,565)	4,593	949,565	(944,972)
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	159,951	-	159,951	159,951	-	159,951
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	136,484	-	136,484	136,484	-	136,484
N/A	State Health Plan Reserve	-	-	-	56,462	-	56,462	56,462	-	56,462
Total		$73,141,239	$61,813,030	$11,328,209	$464,897	$949,565	($484,668)	$73,606,136	$62,762,595	$10,843,541

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Wildlife Resources Commission					
Budget Code 14350		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
1113	Information Technology	19.00	-	-	19.00
1114	Watercraft Registration and Titling	14.00	-	-	14.00
1115	Purchasing and Distribution	7.00	-	-	7.00
1116	Budget, Planning, and Audit	2.00	-	-	2.00
1117	Human Resources	6.00	-	-	6.00
1121	Enforcement	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		647.81	1.00	-	648.81

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Wildlife Resources Commission					
Budget Code 14350		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
1113	Information Technology	19.00	-	-	19.00
1114	Watercraft Registration and Titling	14.00	-	-	14.00
1115	Purchasing and Distribution	7.00	-	-	7.00
1116	Budget, Planning, and Audit	2.00	-	-	2.00
1117	Human Resources	6.00	-	-	6.00
1121	Enforcement	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		**647.81**	**1.00**	**-**	**648.81**

Wildlife Resources Commission

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$11,328,209**		**$11,328,209**	
Legislative Changes				
Reserve for Salaries and Benefits				
53 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$159,951	R	$159,951	R
54 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$51,747	R	$136,484	R
55 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$26,645	R	$56,462	R
Outdoor Heritage Advisory Council				
56 Outdoor Heritage Advisory Council Director **Fund Code:** 1191 Establishes a Director for the Outdoor Heritage Advisory Council. The position shall transition to receipt-support beginning in FY 2020-21. The revised net appropriation for the Outdoor Heritage Advisory Council is $112,000 in each year of the biennium.	$112,000 1.00	NR	$112,000 1.00	R

	FY 17-18		FY 18-19	
Reserves				
57 Agency-wide Reduction **Fund Code:** 1171 Reduces funding for the Wildlife Resources Commission by approximately 4.4% in FY 2017-18, increasing to 8.4% in FY 2018-19. This reduction is based on over-realized receipts and positions that have been vacant 12 months or more as of the end of February 2017. The revised net appropriation for the Wildlife Resources Commission including all changes is $10.8 million in FY 2017-18 and $10.4 million in FY 2018-19.	($499,565)	R	($949,565)	R
Total Legislative Changes	**($261,222)** **$112,000**	R NR	**($484,668)**	R
Total Position Changes	1.00		1.00	
Revised Budget	**$11,178,987**		**$10,843,541**	

Department of Commerce
Budget Code 14600

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$197,506,855	$197,506,855
Receipts	$63,091,924	$63,091,924
Net Appropriation	$134,414,931	$134,414,931
Legislative Changes		
Requirements	($3,360,221)	($14,851,075)
Receipts	($9,595,022)	($10,595,022)
Net Appropriation	$6,234,801	($4,256,053)
Revised Budget		
Requirements	$194,146,634	$182,655,780
Receipts	$53,496,902	$52,496,902
Net Appropriation	$140,649,732	$130,158,878

General Fund FTE		
Base Budget	332.50	332.50
Legislative Changes	(152.25)	(152.25)
Revised Budget	180.25	180.25

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce										
Budget Code 14600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	225,000	-	225,000	4,851,117	1,920,369	2,930,748
1113	Science and Technology	332,505	-	332,505	-	-	-	332,505	-	332,505
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	4,000,000	-	4,000,000	21,853,551	120,000	21,733,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,939	4,578,706	763,233	-	-	-	5,341,939	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	11,440,906	1,000,000	10,440,906	24,279,061	1,000,000	23,279,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	-	-	-	2,128,587	-	2,128,587
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industriel Finance Center	8,160,402	-	8,160,402	1,261,405	-	1,261,405	9,421,807	-	9,421,807
1620	Community Assistance	1,669,207	26,000	1,633,207	500,000	-	500,000	2,158,207	26,000	2,133,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1832	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(15,136,653)	(10,595,022)	(4,541,631)	-	-	-
1912	Reserves and Transfers	81,578,441	-	81,578,441	(5,955,688)	-	(5,955,688)	75,622,753	-	75,622,753
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	199,361	-	199,361	199,361	-	199,361
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	71,705	-	71,705	71,705	-	71,705
N/A	State Health Plan Reserve	-	-	-	33,743	-	33,743	33,743	-	33,743
Total		$197,506,855	$63,091,924	$134,414,931	($3,360,221)	($9,595,022)	$6,234,801	$194,145,634	$53,496,902	$140,649,732

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	250,000	-	250,000	4,876,117	1,920,369	2,955,748
1113	Science and Technology	332,505	-	332,505	-	-	-	332,505	-	332,505
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	500,000	-	500,000	18,353,551	120,000	18,233,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,938	4,578,706	763,233	-	-	-	5,341,938	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	(89,094)	-	(89,094)	12,749,061	-	12,749,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	-	-	-	2,128,587	-	2,128,587
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industrial Finance Center	8,160,402	-	8,160,402	-	-	-	8,160,402	-	8,160,402
1620	Community Assistance	1,659,207	26,000	1,633,207	-	-	-	1,659,207	26,000	1,633,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1632	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(15,136,653)	(10,595,022)	(4,541,631)	-	-	-
1912	Reserves and Transfers	81,578,441	-	81,578,441	(835,315)	-	(835,315)	80,743,126	-	80,743,126
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	199,361	-	199,361	199,361	-	199,361
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	189,123	-	189,123	189,123	-	189,123
N/A	State Health Plan Reserve	-	-	-	71,503	-	71,503	71,503	-	71,503
Total		$197,506,855	$63,091,924	$134,414,931	($14,851,075)	($10,595,022)	($4,256,053)	$182,655,780	$52,496,902	$130,158,878

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce					
Budget Code 14600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	-	-	2.80
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(52.24)	(100.01)	-
1912	Reserves and Transfers	-	-	-	-
Total FTE		332.50	(52.24)	(100.01)	180.25

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce					
Budget Code 14600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	-	-	2.80
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(52.24)	(100.01)	-
1912	Reserves and Transfers	-	-	-	-
Total FTE		332.50	(52.24)	(100.01)	180.25

Commerce

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$134,414,931**		**$134,414,931**	
Legislative Changes				
Reserve for Salaries and Benefits				
58 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$199,361	R	$199,361	R
59 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$71,705	R	$189,123	R
60 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$33,743	R	$71,503	R

	FY 17-18		FY 18-19	
Administration				
61 Outdoor Recreation Recruitment **Fund Code:** 1111 Provides funding for salary and benefits to establish an Outdoor Recreation Recruitment Director position and the operating costs related to this function. This position shall report directly to the Secretary of Commerce and shall work with the Department and other State agencies to promote North Carolina's outdoor recreation economy and to assist in the recruitment of new businesses to the State. This position is funded as of January 1, 2018. The revised net appropriation for this function is $125,000 in FY 2017-18 and $250,000 in FY 2018-19.	$125,000 1.00	R	$250,000 1.00	R
62 Department of Commerce Website **Fund Code:** 1111 Provides funds to contract for the replacement of the current departmental website with a state-of-the-art website. The revised net appropriation for the Administrative Services Division based on all changes is $2.9 million in FY 2017-18 and $3.0 million in FY 2018-19.	$100,000	NR		
Commerce Finance Center				
63 Job Maintenance and Capital (JMAC) Development Fund **Fund Code:** 1581 Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear. A corresponding item showing the transfer of these funds into the JMAC Fund can be found in the special fund pages. The revised net appropriation for JMAC funds is $8.8 million in FY 2017-18 and $7.5 million in FY 2018-19.	$1,261,405	NR		
Economic Development Partnership of NC (EDPNC)				
64 Tourism Advertising **Fund Code:** 1114 Provides additional funding to the Economic Development Partnership of North Carolina (EDPNC) for tourism advertising and marketing. In accordance with G.S. 143B-431.01.(b), these funds are restricted to a research-based comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and shall not be used for ancillary activities, such as statewide branding and business development marketing. The revised net appropriation to EDPNC from all changes is $21.7 million in FY 2017-18 and $18.2 million in FY 2018-19.	$500,000 $1,500,000	R NR	$500,000	R

	FY 17-18		FY 18-19	
65 Domestic and International Advertising				
Fund Code: 1114	$1,916,000	NR		
Provides funds for marketing and advertising of the State to promote economic development, business development, and job recruitment. The revised net appropriation to EDPNC from all changes is $21.7 million in FY 2017-18 and $18.2 million in FY 2018-19.				
66 Access NC Replacement				
Fund Code: 1114	$84,000	NR		
Provides funding to support the development and administration of a new tool to replace the buildings and sites database component of Access NC. The revised net appropriation to EDPNC from all changes is $21.7 million in FY 2017-18 and $18.2 million in FY 2018-19.				
Industrial Commission				
67 Industrial Commission Transfer	($5,392,123)	R	($4,495,123)	R
Fund Code: 1831	-52.24		-52.24	
Transfers the North Carolina Industrial Commission (NCIC) from the Department of Commerce to the Department of Insurance as a Type II transfer. Corresponding items can be found in the special fund pages and in the General Government section of the Committee Report. A corresponding special provision provides additional details. The revised net appropriation for the Industrial Commission in the Department of Commerce is $0 in each year of the biennium.				
68 Industrial Commission Reduction	($46,508)	R	($46,508)	R
Fund Code: 1831	($300,000)	NR		
Shifts funding for NCIC to receipts. The revised net appropriation for the Industrial Commission in the Department of Commerce is $0 in each year of the biennium.				
69 Industrial Commission Litigation Expenses				
Fund Code: 1831	$300,000	NR		
Provides nonrecurring funds for NCIC to employ and supervise private legal counsel for litigation arising from S.L. 2016-125. The revised net appropriation for the Industrial Commission in the Department of Commerce is $0 in each year of the biennium.				

	FY 17-18		FY 18-19
70 Consolidated Case Management System			
Fund Code: 1831	$750,000	NR	
Provides $2.7 million in nonrecurring funds over the biennium for NCIC to obtain a consolidated case management system to bring multiple internal functions together for improved efficiency and to allow external users to access their case data. Funding includes increased receipts of $1.2 million over the next four fiscal years. A corresponding item showing the transfer of these funds can be found in the special fund pages. Funding includes $750,000 in receipts transferred from the Industrial Development Fund Utility Account (24609-2568) to NCIC for this purpose in FY 2018-19 only. A corresponding item showing the transfer of these funds from the Utility Account can be found in the special fund pages. This nonrecurring funding is provided in each year through FY 2020-21. A corresponding special provision directs the continued appropriation of nonrecurring funding. The revised net appropriation for the consolidated case management system at NCIC is $750,000 in FY 2017-18 only.			
71 Industrial Commission Renovations			
Fund Code: 1831	$147,000	NR	
Provides nonrecurring funding for renovations at the Industrial Commission. The revised net appropriation for the Industrial Commission in the Department of Commerce is $0 in each year of the biennium.			
Reserves and Transfers			
72 Job Development Investment Grants (JDIG)			
Fund Code: 1912	($4,163,999)	NR	
Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet these needs. This adjustment does not affect any of the operations of the JDIG Program per Chapter 143B, Part 2G of the North Carolina General Statutes. The revised net appropriation for the JDIG program is $67.6 million in FY 2017-18 and $71.7 million in FY 2018-19.			
73 One North Carolina Fund			
Fund Code: 1912	($8,956,374)	NR	
Reduces funding for the One North Carolina Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet those needs. This adjustment does not affect any of the operations of the One North Carolina Fund per Chapter 143B, Part 2H of the North Carolina General Statutes. The revised net appropriation for the Fund is $43,626 in FY 2017-18 and $9.0 million in FY 2018-19.			

	FY 17-18		FY 18-19	
74 International Recruiting Coordination Office **Fund Code:** 1912 Provides funding to support the operations of the International Recruiting Coordination Office (IRCO). These funds, including $250,000 in recurring funds for the Office, shall be transferred to a new fund code unique to the IRCO. The revised net appropriation to the Office is $265,000 in each year of the biennium.	$15,000	R	$15,000	R
75 Lift Fan Facility Project **Fund Code:** 1912 Provides funding for a grant-in-aid to assist with costs related to the Lift Fan Facility at Cherry Point Marine Corps Air Station. The revised net appropriation for the Lift Fan Facility Project is $3.0 million in FY 2017-18 only.	$3,000,000	NR		
76 Haw River Mill Revitalization **Fund Code:** 1912 Provides $5.0 million to the Town of Haw River for a mill revitalization project. A corresponding special provision describes the requirements for this funding. The revised net appropriation for the Haw River Mill Revitalization project is $5.0 million in FY 2017-18 only.	$5,000,000	NR		
Rural Economic Development Division				
77 Vacant Position **Fund Code:** 1534 Eliminates the salary and benefits of 1 vacant position that has been vacant for more than 12 months. 65020258 - Rural Econ. Development Div. Associate (1.0 FTE) The revised net appropriation for the salaries and benefits in this Division is $2.3 million in each year of the biennium.	($89,094) -1.00	R	($89,094) -1.00	R
78 Downtown Revitalization and Economic Development Grants **Fund Code:** 1534 Provides funding for grants-in-aid for revitalization and economic development projects in municipalities across the State. A corresponding special provision directs the use of these funds. Funding includes $1.0 million in receipts transferred from the Industrial Development Fund Utility Account (24609-2568) to this fund. A corresponding item showing the transfer of these funds from the Utility Account can be found in the special fund pages. Total requirements for this program are $9.5 million in FY 2017-18. The revised net appropriation for Downtown Revitalization and Economic Development Grants is $8.5 million in FY 2017-18 only.	$8,530,000	NR		

	FY 17-18		FY 18-19	
79 Main Street Solutions **Fund Code:** 1620 Provides nonrecurring funds to offer matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas. The revised net appropriation for Main Street Solutions is $500,000 in FY 2017-18 only.	$500,000	NR		
80 NC Ready Sites **Fund Code:** 1534 Provides nonrecurring funding for the new NC Ready Sites program, which supports the development of infrastructure for large publicly-controlled manufacturing sites. The revised net appropriation for the NC Ready Sites program is $2.0 million in FY 2017-18 only.	$2,000,000	NR		
Workforce Solutions				
81 Apprenticeship Program **Fund Code:** 1912 Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions at the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A corresponding item showing the transfer of special funds can be found in the special fund pages. A corresponding special provision provides additional detail. The revised net appropriation for the Apprenticeship Program in the Division of Workforce Solutions is $0 in each year of the biennium.	($850,315)	R	($850,315)	R
Total Legislative Changes	**($5,433,231)** **$11,668,032**	R NR	**($4,256,053)**	R
Total Position Changes	-52.24		-52.24	
Revised Budget	**$140,649,732**		**$130,158,878**	

Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$172,066,460**		**$175,115,886**	
Recommended Budget				
Requirements	**$51,491,496**		**$51,491,496**	
Receipts	**$55,540,922**		**$55,540,922**	
Positions	**3.25**		**3.25**	
Legislative Changes				
Requirements:				
Job Maintenance and Capital Development Fund (JMAC) (2586)	$0	R	$0	R
Adjusts the budget to reflect the increased requirements for FY 2017-18 as estimated by the Department of Commerce.	$1,261,405	NR	$0	NR
	0.00		0.00	
Industrial Development Fund Utility Account (2568)	$0	R	$0	R
Transfers $1.0 million in FY 2017-18 to the Rural Economic Development Division for Downtown Revitalization and Economic Development Grants (14600-1534). Transfers $750,000 in FY 2018-19 to the NC Industrial Commission for a consolidated case management system (24611-2200). Transfers $140,205 in FY 2018-19 to the Parks and Recreation Trust Fund (24820).	$1,000,000	NR	$890,205	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$2,261,405	NR	**$890,205**	NR
	0.00		0.00	
Receipts:				
Job Maintenance and Capital Development Fund (JMAC) (2586)	$0	R	$0	R
Adjusts the budget to reflect the transfer of increased receipts from the General Fund for FY 2017-18.	$1,261,405	NR	$0	NR

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	**$0** R	**$0** R
	$1,261,405 NR	**$0** NR
Revised Total Requirements	**$53,752,901**	**$52,381,701**
Revised Total Receipts	**$56,802,327**	**$55,540,922**
Change in Fund Balance	**$3,049,426**	**$3,159,221**
Total Positions	**3.25**	**3.25**
Unappropriated Balance Remaining	**$175,115,886**	**$178,275,107**

Commerce - IT Projects

Budget Code: 24611

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$221,180**			
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Industrial Commission (2200)		R	$0	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18. This fund will transfer to the Department of Insurance in FY 2017-18.	$1,950,000	NR	$750,000	NR
	0.00		0.00	
Subtotal Legislative Changes		R	**$0**	R
	$1,950,000	NR	**$750,000**	NR
	0.00		0.00	
Receipts:				
Industrial Commission (2200)	$0	R	$0	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and from the Industrial Development Fund Utility Account (24609-2568) in FY 2018-19. This fund will move to the Department of Insurance in FY 2017-18.	$1,950,000	NR	$750,000	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,950,000	NR	**$750,000**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements		**$750,000**
Revised Total Receipts	**$1,950,000**	**$750,000**
Change in Fund Balance		**$0**
Total Positions	**0.00**	**0.00**

Unappropriated Balance Remaining

Commerce - Special - Interest Earning Fund

Budget Code: 24613

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$1,357,963**		**$1,278,509**	
Recommended Budget				
Requirements	**$82,412**		**$82,412**	
Receipts	**$2,958**		**$2,958**	
Positions	**0.50**		**0.50**	
Legislative Changes				
Requirements:				
Main Street Solutions (2622)	$0	R	$0	R
Adjusts the budget to reflect increased requirements in FY 2017-18.	$500,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$500,000	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Main Street Solutions (2622)	$0	R	$0	R
Adjusts the budget to reflect the transfer of additional funds from the General Fund in FY 2017-18.	$500,000	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$500,000	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$582,412	$82,412
Revised Total Receipts	$502,958	$2,958
Change in Fund Balance	($79,454)	($79,454)
Total Positions	0.50	0.50
Unappropriated Balance Remaining	$1,278,509	$1,199,055

Commerce - Special - Workforce Solutions

Budget Code: 24651

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$2,015,554**	**$2,015,554**
Recommended Budget		
Requirements	**$139,440,750**	**$139,440,750**
Receipts	**$128,917,784**	**$128,917,784**
Positions	**1,026.75**	**1,026.75**

Legislative Changes

Requirements:

Base Budget Technical Adjustment (2001)	($10,522,966)	R	($10,522,966)	R
Reduces the requirements of the Division of Workforce Solutions to align with actual anticipated receipts. This is a technical adjustment.	$0	NR	$0	NR
	0.00		0.00	
Apprenticeship (2001)	($2,041,785)	R	($2,041,785)	R
Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	$0	NR	$0	NR
	-17.00		-17.00	
Subtotal Legislative Changes	**($12,564,751)**	R	**($12,564,751)**	R
	$0	NR	**$0**	NR
	-17.00		-17.00	

Receipts:

Apprenticeship (2001)	($2,041,785)	R	($2,041,785)	R
Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	$0	NR	$0	NR

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	**($2,041,785)** R **$0** NR	**($2,041,785)** R **$0** NR
Revised Total Requirements	**$126,875,999**	**$126,875,999**
Revised Total Receipts	**$126,875,999**	**$126,875,999**
Change in Fund Balance	**$0**	**$0**
Total Positions	**1,009.75**	**1,009.75**
Unappropriated Balance Remaining	**$2,015,554**	**$2,015,554**

Commerce State-Aid
Budget Code 14601

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$15,955,810	$15,955,810
Receipts	$0	$0
Net Appropriation	$15,955,810	$15,955,810
Legislative Changes		
Requirements	$4,145,000	$200,000
Receipts	$0	$0
Net Appropriation	$4,145,000	$200,000
Revised Budget		
Requirements	$20,100,810	$16,155,810
Receipts	$0	$0
Net Appropriation	$20,100,810	$16,155,810

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	-	-

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce - State Aid										
Budget Code 14601		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	-	-	-	13,600,338	-	13,600,338
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	4,145,000	-	4,145,000	6,500,472	-	6,500,472
			-							
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$15,955,810	$0	$15,955,810	$4,145,000	$0	$4,145,000	$20,100,810	$0	$20,100,810

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce - State Aid		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14601										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	-	-	-	13,600,338	-	13,600,338
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	200,000	-	200,000	2,555,472	-	2,555,472
Undesignated Items										
NA	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
NA	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
NA	State Retirement Contributions	-	-	-	-	-	-	-	-	-
NA	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$15,955,810	$0	$15,955,810	$200,000	$0	$200,000	$16,155,810	$0	$16,155,810

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce - State Aid					
Budget Code 14601		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce - State Aid					
Budget Code 14601		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

Commerce - State Aid

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$15,955,810**		**$15,955,810**	
Legislative Changes				
High Point Market Authority				
82 High Point Market Authority **Fund Code:** 1913 Continues funding for the High Point Market Authority at the same level as FY 2016-17 and makes the funding recurring. These funds support marketing efforts, including the expansion of the Bluedot technology-based smartphone application. The revised net appropriation for the Authority following this change is $1.8 million in each year of the biennium.	$200,000	R	$200,000	R
Blue Ridge Parkway Foundation				
83 Blue Ridge Parkway Foundation **Fund Code:** 1913 Provides funds to support the reopening of the Bluff's Restaurant at Doughton Park along the Blue Ridge Parkway. The revised net appropriation for the Blue Ridge Parkway Foundation is $350,000 is FY 2017-18.	$350,000	NR		
Carolina Small Business Development Fund				
84 Carolina Small Business Development Fund **Fund Code:** 1913 Provides funding to the Carolina Small Business Development Fund to provide small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations. The revised net appropriation for the Carolina Small Business Development Fund is $2.5 million in FY 2017-18 only.	$2,500,000	NR		

	FY 17-18		FY 18-19
Cary Chamber of Commerce			
85 Cary Chamber of Commerce **Fund Code:** 1913 Provides funding to the Cary Chamber of Commerce to work in cooperation with other Chambers of Commerce in Apex, Fuquay-Varina, Holly Springs, and Morrisville to develop a program for schools focusing on workforce readiness and entrepreneurship that uses experiential, hands-on learning. The revised net appropriation for the Cary Chamber of Commerce is $250,000 in FY 2017-18 only.	$250,000	NR	
First Flight Society			
86 First Flight Society **Fund Code:** 1913 Provides funding for the First Flight Society, an organization devoted to fostering and promoting a public awareness of and widespread interest in the origin, history, and future of flight in all its forms and to memorialize Orville and Wilbur Wright. The revised net appropriation for the First Flight Society is $50,000 in FY 2017-18.	$50,000	NR	
James Shaw Ace Academy			
87 James Shaw ACE Academy **Fund Code:** 1913 Provides funds for James Shaw ACE Academy, a summer camp that provides opportunities for middle and high school students to learn about aviation and aviation-related job offerings. The revised net appropriation for James Shaw ACE Academy is $50,000 in FY 2017-18 only.	$50,000	NR	
Make a Difference in King			
88 Make a Difference in King **Fund Code:** 1913 Provides funds to Make a Difference in King toward the development of a playground for special needs children. The revised net appropriation for Make a Difference in King in $170,000 in FY 2017-18.	$170,000	NR	

	FY 17-18		FY 18-19
NC Business Leadership Network			
89 NC Business Leadership Network **Fund Code:** 1913 Provides funding for the NC Business Leadership network to support efforts toward providing education and employment training opportunities for people with disabilities. The revised net appropriation for the NC Business Leadership Network is $100,000 in FY 2017-18 only.	$100,000	NR	
North Carolina Coastal Federation			
90 Crab Pot Cleanup **Fund Code:** 1913 Continues the Crab Pot Cleanup Program piloted in FY 2016-17. The North Carolina Coastal Federation shall use the funds to contract with commercial fishermen to aid in derelict crab pot cleanup efforts. The Coastal Federation is encouraged to find ways to reuse recovered crab pots. The revised net appropriation to the Coastal Federation is $100,000 in FY 2017-18 only.	$100,000	NR	
North Carolina's Eastern Alliance Corporation			
91 North Carolina's Eastern Alliance Corporation **Fund Code:** 1913 Provides funding for North Carolina's Eastern Alliance Corporation to support regional analysis and development of the life science development and manufacturing center. The revised net appropriation for North Carolina's Eastern Alliance Corporation is $100,000 in FY 2017-18 only.	$100,000	NR	
Salvation Army of Winston-Salem			
92 Salvation Army of Winston-Salem **Fund Code:** 1913 Provides funds for the Salvation Army of Winston-Salem. The revised net appropriation for the Salvation Army of Winston-Salem is $100,000 in FY 2017-18 only.	$100,000	NR	
StepUp Ministry			
93 StepUp Ministry **Fund Code:** 1913 Provides funding to StepUp Ministry for Real World, a program for 16-22 year-old, at-risk youth by providing personal and education supports to enhance their education, life skills, and career paths toward self-sufficiency and employment. The revised net appropriation to StepUp Ministry is $75,000 in FY 2017-18 only.	$75,000	NR	

	FY 17-18		FY 18-19	
Sturgeon City of Jacksonville NC				
94 Sturgeon City of Jacksonville NC **Fund Code:** 1913 Provides funding to Sturgeon City of Jacksonville NC to support efforts to build a civic and environmental education center, which will house classroom space, native flora and fauna displays, and applied research. The revised net appropriation for Sturgeon City of Jacksonville NC is $100,000 in FY 2017-18 only.	$100,000	NR		
Total Legislative Changes	**$200,000**	R	**$200,000**	R
	$3,945,000	NR		
Total Position Changes				
Revised Budget	**$20,100,810**		**$16,155,810**	

Department of Natural and Cultural Resources
Budget Code 14800

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$206,116,340	$206,120,342
Receipts	$39,842,884	$39,842,884
Net Appropriation	$166,273,456	$166,277,458
Legislative Changes		
Requirements	$19,714,117	$8,714,395
Receipts	$374,224	$514,429
Net Appropriation	$19,339,893	$8,199,966
Revised Budget		
Requirements	$225,830,457	$214,834,737
Receipts	$40,217,108	$40,357,313
Net Appropriation	$185,613,349	$174,477,424

General Fund FTE		
Base Budget	1,806.78	1,806.78
Legislative Changes	12.00	12.00
Revised Budget	1,818.78	1,818.78

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources										
Budget Code 14800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	50,000	-	50,000	3,949,821	250	3,949,571
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	4,500,000	-	4,500,000	18,335,981	-	18,335,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	188,680	-	188,680	6,946,250	80,350	6,865,900
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	1,450,000	-	1,450,000	8,804,578	620	8,803,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	167,052	-	167,052	1,917,262	-	1,917,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	2,375,000	-	2,375,000	9,558,024	544,455	9,013,569
1330	NC Arts Council	7,364,728	10,711	7,354,017	880,000	-	880,000	8,244,728	10,711	8,234,017
1340	NC Symphony	2,116,589	39,191	2,077,398	350,000	-	350,000	2,466,589	39,191	2,427,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,592,380	29,181	4,563,199	176,436	-	176,436	4,768,816	29,181	4,739,635
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	1,058,000	-	1,058,000	16,711,812	-	16,711,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	417,778	-	417,778	6,505,473	1,400	6,504,073
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	4,726,818	374,224	4,352,594	61,042,913	8,900,974	52,141,939
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	119,469	-	119,469	15,067,669	489,045	14,578,624
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(202,633)	-	(202,633)	20,175,522	9,597,796	10,577,726
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	353,794	-	353,794	20,324,417	13,021,152	7,303,265
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	2,036,921	-	2,036,921	2,036,921	-	2,036,921
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	544,172	-	544,172	544,172	-	544,172
N/A	State Health Plan Reserve	-	-	-	343,290	-	343,290	343,290	-	343,290
Total		$206,116,340	$39,842,884	$166,273,456	$19,714,117	$374,224	$19,339,893	$225,830,457	$40,217,108	$185,613,349

2002

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources										
Budget Code 14800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	-	-	-	3,899,821	250	3,899,571
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	500,000	-	500,000	14,335,981	-	14,335,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	354,933	-	354,933	7,112,503	80,350	7,032,153
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	350,000	-	350,000	7,704,578	620	7,703,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	32,052	-	32,052	1,782,262	-	1,782,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	2,375,000	-	2,375,000	9,558,024	544,455	9,013,569
1330	NC Arts Council	7,364,728	10,711	7,354,017	700,000	-	700,000	8,064,728	10,711	8,054,017
1340	NC Symphony	2,116,589	39,191	2,077,398	-	-	-	2,116,589	39,191	2,077,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,596,382	29,181	4,567,201	(23,564)	-	(23,564)	4,572,818	29,181	4,543,637
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	-	-	-	15,653,812	-	15,653,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	257,778	-	257,778	6,345,473	1,400	6,344,073
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	47,397	514,429	(467,032)	56,363,492	9,041,179	47,322,313
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	(55,531)	-	(55,531)	14,892,669	489,045	14,403,624
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(202,633)	-	(202,633)	20,175,522	9,597,796	10,577,726
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	-	-	-	19,970,623	13,021,152	6,949,471
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	2,036,921	-	2,036,921	2,036,921	-	2,036,921
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	1,435,253	-	1,435,253	1,435,253	-	1,435,253
N/A	State Health Plan Reserve	-	-	-	727,449	-	727,449	727,449	-	727,449
Total		$206,120,342	$39,842,884	$166,277,458	$8,714,395	$514,429	$8,199,966	$214,834,737	$40,357,313	$174,477,424

2003

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources					
Budget Code 14800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	-	-	46.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	4.00	-	129.80
1242	Tryon Palace - Historic Sites and Gardens	44.00	-	-	44.00
1243	State Capitol	6.00	-	-	6.00
1245	NC Maritime Museum	27.00	-	-	27.00
1250	Historic Preservation	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	7.00	-	9.00
1320	Museum of Art	119.30	-	-	119.30
1330	NC Arts Council	21.11	-	-	21.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	4.00	-	97.00
1610	LWS Natural Resource Planning	2.90	-	-	2.90
1680	North Carolina Division of Parks and Recreation	480.50	1.00	-	481.50
1760	North Carolina Museum of Natural Science	152.00	(1.00)	-	151.00
1805	North Carolina Zoological Park	263.25	(3.00)	-	260.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		**1,806.78**	**12.00**	**-**	**1,818.78**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources					
Budget Code 14800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	-	-	46.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	4.00	-	129.80
1242	Tryon Palace - Historic Sites and Gardens	44.00	-	-	44.00
1243	State Capitol	6.00	-	-	6.00
1245	NC Maritime Museum	27.00	-	-	27.00
1250	Historic Preservation	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	7.00	-	9.00
1320	Museum of Art	119.30	-	-	119.30
1330	NC Arts Council	21.11	-	-	21.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	4.00	-	97.00
1610	LWS Natural Resource Planning	2.90	-	-	2.90
1680	North Carolina Division of Parks and Recreation	480.50	1.00	-	481.50
1760	North Carolina Museum of Natural Science	152.00	(1.00)	-	151.00
1805	North Carolina Zoological Park	263.25	(3.00)	-	260.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		**1,806.78**	**12.00**	**-**	**1,818.78**

Natural and Cultural Resources

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$166,273,456**		**$166,277,458**	
Legislative Changes				
Reserve for Salaries and Benefits				
95 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$2,036,921	R	$2,036,921	R
96 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$544,172	R	$1,435,253	R
97 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$343,290	R	$727,449	R

	FY 17-18		FY 18-19	
Administrative Services				
98 Vacant Positions **Fund Code:** 1120 Eliminates the salaries and benefits of 2 vacant positions within the Administrative Services Division. 60035496 - Office Assistant III (1.0 FTE) 60036012 - Accountant (1.0 FTE) As of May 2017, both of these positions have been vacant for over 12 months. The revised net appropriation for salaries and benefits within Administrative Services is $2.9 million in each year of the biennium.	($11,320) -2.00	R	($11,320) -2.00	R
99 Online Credit Card Data Security Compliance **Fund Code:** 1120 Provides funding to strengthen protection of citizen cardholder data. These funds shall be used to conduct risk assessments, audits, and training to meet credit card industry compliance standards. The revised net appropriation for credit card security compliance is $200,000 in FY 2017-18 and $366,253 in FY 2018-19.	$200,000 2.00	R	$366,253 2.00	R
Aquariums				
100 Ft. Fisher **Fund Code:** 1855 Provides additional operating support for the Ft. Fisher Aquarium. The revised net appropriation for the Aquariums Division is $7.3 million in FY 2017-18 and $6.9 million for FY 2018-19.	$100,000	NR		
101 Satellite Aquarium Facility **Fund Code:** 1855 Directs the Division to begin planning the development of a satellite aquarium facility at Blake Farm development in Scotts Hill. The satellite facility's exhibit shall be focused on the North Carolina shellfish and aquaculture industry. A corresponding special provision provides additional information. The revised net appropriation for the planning of this facility is $253,794 in FY 2017-18.	$253,794	NR		

	FY 17-18		FY 18-19	
Historical Resources				
102 Digital Historic Publications **Fund Code:** 1220 Provides funding to hire 2 FTE and to support operating expenses for the digitization of historic publications. These funds shall be used to archive and publish online historic colonial and Governors' State records as required by G.S. 121-6. The revised net appropriation for Historical Publications within the Historic Resources Division is $442,430 in each year of the biennium.	$185,000 2.00	R	$185,000 2.00	R
Land and Water Stewardship				
103 Clean Water Management Trust Fund (CWMTF) **Fund Code:** 1115 Provides additional funds to the CWMTF to support grants to address water pollution problems. A corresponding item showing the transfer of these funds into the CWMTF Special Fund can be found in the special fund pages. The revised net appropriation for CWMTF grants is $18.3 million in FY 2017-18 and $14.3 million in FY 2018-19.	$305,707 $4,194,293	R NR	$500,000	R
Museum of Art				
104 Museum of Art **Fund Code:** 1320 Provides an additional $2.4 million and 7 FTE for the Museum and the Museum Art Park. These funds are to provide additional operating support, add curators due to growth in the Museum's collection, and expand and enhance the Museum's security system. Funding for the salaries and benefits for the new positions are as follows: Park Ranger - $59,699 (3.0 FTE) Housekeeper - $35,444 (2.0 FTE) Curator - $69,615 (1.0 FTE) Assistant Curator - $54,879 (1.0 FTE) The revised net appropriation for the Museum of Art including all changes is $9.0 million in each year of the biennium.	$2,125,000 $250,000 7.00	R NR	$2,125,000 $250,000 7.00	R NR

		FY 17-18		FY 18-19	
Museum of History					
105	**Building and Environmental Services Technician Position** **Fund Code:** 1245 Provides funds to increase the salary of the existing vacant Building and Environmental Services Technician position (60083652) at the Graveyard of the Atlantic Museum from $10,738 to $29,949 to allow the Department to fill this position. Funds are provided for the increase in salary as well as payroll-associated benefits and health insurance. The revised net appropriation for this position is $42,790 in each year of the biennium.	$32,052	R	$32,052	R
106	**Museum of the Albemarle** **Fund Code:** 1245 Provides funds for special exhibits at the Museum of the Albemarle. The revised net appropriation for special exhibits at the Museum is $35,000 in FY 2017-18 only.	$35,000	NR		
107	**Museum of History Positions** **Fund Code:** 1500 Provides funds for the salaries and benefits of the following 4 new positions within the Museum of History: Chief Curator - $92,298 (1.0 FTE) Grant Writer - $79,921 (1.0 FTE) Visitors Services Assistant - $45,265 (1.0 FTE) Security Guard - $40,294 (1.0 FTE) The revised net appropriation for the Museum of History is $6.3 million in each year of the biennium.	$257,778 4.00	R	$257,778 4.00	R
108	**Southport Maritime Museum** **Fund Code:** 1245 Provides additional funding to support the North Carolina Maritime Museum in Southport. The revised net appropriation for the NC Maritime Museum in Southport is $396,948 in FY 2017-18 and $296,948 in FY 2018-19.	$100,000	NR		

		FY 17-18		FY 18-19	
109	**Grants-in-Aid** **Fund Code:** 1500 Provides funds to support the following museums: Destination Cleveland County, Inc. for the Earl Scruggs Center ($50,000) Sampson County for the Sampson County History Museum ($40,000) Raeford-Hoke Museum ($25,000) Cherokee County Museum ($20,000) Oxford Museum of History ($25,000) The revised net appropriation for these grants-in-aid is $115,000 in FY 2017-18 only.	$160,000	NR		
	Museum of Natural Sciences				
110	**Vacant Position** **Fund Code:** 1760 Eliminates the salary and benefits of 1 vacant position within the Museum of Natural Sciences. 65015798 - Coordinator of Distance Learning (1.0 FTE) As of May 2017, this position had been vacant for over 9 months. The revised net appropriation for salaries and benefits within the Museum is $10.0 million for each year of the biennium.	($55,531) -1.00	R	($55,531) -1.00	R
111	**Grants-in-Aid** **Fund Code:** 1760 Provides funds to support grants two museums as follows: The Zing Zumm Children's Museum in Jacksonville ($125,000) The Museum of Coastal Carolina in Ocean Isle Beach ($50,000) The revised net appropriation for grants-in-aid is $175,000 in FY 2017-18 only.	$175,000	NR		
	NC Arts Council				
112	**Grassroots Arts Grant Program** **Fund Code:** 1330 Increases support for the Grassroots Arts Grant Program by $500,000. The revised net appropriation for the Grassroots Art Grant Program is $2.8 million in each year of the biennium.	$500,000	R	$500,000	R

	FY 17-18		FY 18-19	
113 Rural Touring Arts Grant Program **Fund Code:** 1330 Creates the Rural Touring Arts Grant Program. This Program will provide grants to arts organizations that are designated as State Arts Resources so that these organizations can increase their reach in Tier 1 and Tier 2 counties. The revised net appropriation for Rural Touring Arts Grant Program grants is $75,000 in FY 2017-18 and $100,000 in FY 2018-19.	$75,000	R	$100,000	R
114 Military and Veterans Healing Arts Grant Program **Fund Code:** 1330 Establishes the Military and Veterans Healing Arts Grant Program. This Program aims to increase access to the arts for North Carolina's service members, veterans, and military families through grants to local arts councils and arts organizations that will partner with military bases, VA hospitals, and veterans service providers. The revised net appropriation for Military and Veterans Healing Arts Grant Program grants is $75,000 in FY 2017-18 and $100,000 in FY 2018-19.	$75,000	R	$100,000	R
115 Grants-in-Aid **Fund Code:** 1330 Provides funds for grants to the following arts-related nonprofits: Dreams of Wilmington ($50,000) Kids Making It, Inc. ($50,000) Arts Council of Wilmington and New Hanover County ($50,000) Pocosin Arts Organization ($80,000) The revised net appropriation for these grants-in-aid is $230,000 in FY 2017-18.	$230,000	NR		
NC Symphony				
116 NC Symphony Funding **Fund Code:** 1340 Provides additional nonrecurring funding for the NC Symphony. Of these funds, $50,000 shall be used to provide access to NC Symphony performances for public schools without transportation. The revised net appropriation for the NC Symphony, excluding any challenge grants, is $2.4 million in FY 2017-18 and $2.1 million in FY 2018-19.	$350,000	NR		

	FY 17-18		FY 18-19	
NC Zoo				
117 Vacant Positions **Fund Code:** 1805	($202,633) -3.00	R	($202,633) -3.00	R
Eliminates the salary and benefits of 3 vacant positions within the NC Zoo. 60033302 - Maintenance Mechanic V (1.0 FTE) 60033278 - Hort/ Grounds Tech (1.0 FTE) 60033371 - Hort/ Grounds Tech (1.0 FTE) As of May 2017, these positions had been vacant for 6 months. The revised net appropriation for salaries and benefits within the Zoo is $10.4 million for each year of the biennium.				
Office of Archives and History				
118 Vacant Position **Fund Code:** 1210	($5,660) -1.00	R	($5,660) -1.00	R
Eliminates the salary and benefits of 1 vacant position within the Office of Archives and History. 60035958 - Program Administrator (1.0 FTE) As of May, this position had been vacant for approximately 24 months. The revised net appropriation for salaries and benefits within the Office of Archives and History is $759,843 in each year of the biennium.				
Office of the Secretary				
119 Jones County Cultural Programming **Fund Code:** 1110	$50,000	NR		
Provides funds for planning and programming efforts around the arts and history of Jones County and Foscue Plantation. The revised net appropriation for this effort is $50,000 in FY 2017-18 only.				
Parks and Recreation				
120 Operating Expenses **Fund Code:** 1680	($374,224)	R	($374,224)	R
Shifts funding for operations within the Division of Parks and Recreation's budget to utilize projected over-realized receipts. The revised net appropriation for the Division following this adjustment is $47.4 million in each year of the biennium.				

		FY 17-18		FY 18-19	
121	**New State Park Operating Support** **Fund Code:** 1680 Provides funds for 2 Park Ranger positions needed to bring new NC Connect bond-funded State park projects online during FY 2017-18. The revised net appropriation for salaries and benefits in the Division following all adjustments is $29.2 million in each year of the biennium.	$112,100 2.00	R	$112,100 2.00	R
122	**Vacant Positions** **Fund Code:** 1680 Eliminates the salaries and benefits of 1 vacant position within the Division of Parks and Recreation. 60032829 - Parks Designer I (1.0 FTE) As of May 2017, this position had been vacant for 6 months. The revised net appropriation for the salaries and benefits within the Division following all adjustments is $29.2 million in each year of the biennium.	($64,703) -1.00	R	($64,703) -1.00	R
123	**Parks and Recreation Trust Fund (PARTF) Grants** **Fund Code:** 1680 Reduces funding for PARTF by $140,205 on a recurring basis and provides $3.4 million nonrecurring in FY 2017-18 and $140,205 nonrecurring in FY 2018-19. The FY 2018-19 funding is provided via a transfer from the Industrial Development Fund Utility Account (24609-2568). A corresponding item showing the transfer of these funds into the PARTF Special Fund can be found in the special fund pages. The revised net appropriation for PARTF is $19.7 million in FY 2017-18 and $16.2 million in FY 2018-19.	($140,205) $3,437,126	R NR	($140,205)	R

		FY 17-18		FY 18-19	
124	**Grants-in-Aid** **Fund Code:** 1680 Provides funds to support provide grants-in-aid for the following parks and recreation projects: The Appalachian Regional Healthcare System for the construction of a greenway connector trail ($50,000) Nash County for the Nash County Play Together Park ($125,000) Hertford County Recreation Commission for recreational, economic, and environmental improvements ($80,000) Bertie County for renovation of the Blue Jay Recreation Park ($80,000) The City of Raeford for McLaughlin Park ($200,000) The City of Hickory for the Claremont-SALT Block Pocket Park ($100,000) Town of Waxhaw for the development of the downtown park ($60,000) City of Belmont for Stowe Park ($75,000) Town of China Grove for Hanna Park ($35,000) Rockingham County for greenway ($50,000) Watauga County to connect the greenway to the Watauga Medical Center ($50,000) City of Lincolnton to expand Betty Ross Park ($150,000) Pamlico County for Alliance Recreation Park ($93,000) Town of Archer Lodge for a parks and recreation land purchase ($50,000) Town of Smithfield for the Neuse River town park ($20,000) City of Taylorsville for a shelter at Mathison Park ($50,000) The Elkin Valley Trails Association ($4,500) Cove City Park ($60,000) The revised net appropriation for these grants-in-aid is $1.3 million in FY 2017-18 only.	$1,332,500	NR		
125	**Crowders Mountain State Park** **Fund Code:** 1680 Provides additional funding for facility and operating upgrades at Crowders Mountain State Park. The revised net appropriation for this assistance is $50,000 in FY 2017-18 only.	$50,000	NR		
State Historic Sites					
126	**Maintenance Funds** **Fund Code:** 1241 Provides additional maintenance funding and 4 FTE for the State Historic Sites. These funds may be transferred to the other two funds within the State Historic Sites Division for maintenance at Tryon Palace and/or the State Capitol as needed. The revised net appropriation for the repair services line items for the State Historic Sites is $300,784 in each year of the biennium.	$250,000 4.00	R	$250,000 4.00	R

		FY 17-18		FY 18-19	
127	**Transportation Museum**	$100,000	R	$100,000	R
	Fund Code: 1241	$125,000	NR		
	Provides additional support for the Transportation Museum. The revised net appropriation for the Transportation Museum is $557,409 in FY 2017-18 and $432,409 in FY 2018-19.				
128	**Fort Dobbs Replica**				
	Fund Code: 1241	$975,000	NR		
	Provides $975,000 nonrecurring for planning, construction, and programming for a replica of the French and Indian War fort at the Fort Dobbs State Historic Site. The revised net appropriation for the Fort Dobbs replica is $975,000 in FY 2017-18 only.				
State Library					
129	**Vacant Position**	($23,564)	R	($23,564)	R
	Fund Code: 1410	-1.00		-1.00	
	Eliminates the salary and benefits of 1 vacant position within the State Library.				
	60083866 - Processing Assistant III (1.0 FTE)				
	As of the end of February 2017, this position had been vacant for over 12 months. The revised net appropriation for salaries and benefits within the State Library is $4.0 million in each year of the biennium.				
130	**Statewide Children's Digital Library**				
	Fund Code: 1410	$200,000	NR		
	Continues funding for the Statewide Children's Digital Library at the FY 2016-17 level on a nonrecurring basis. The revised net appropriation for the Digital Library is $200,000 in FY 2017-18 only.				
131	**State-aid to Public Libraries**				
	Fund Code: 1480	$500,000	NR		
	Increases FY 2017-18 funding for library grants. The revised net appropriation for state-aid to public libraries is $14.7 million in FY 2017-18 and $14.2 million in FY 2018-19.				

		FY 17-18		FY 18-19	
132	**Grants-in-Aid**				
	Fund Code: 1480	$558,000	NR		
	Provides funds for grants to support the following libraries: Town of St. Pauls Library ($13,000) West Lincoln County Library ($250,000) Fair Bluff Library ($100,000) Caldwell County for a Bookmobile ($100,000) Mooresville Public Library for a library patio project ($70,000) Town of Aberdeen for the Aberdeen library ($25,000) The revised net appropriation for these grants-in-aid is $558,000 in FY 2017-18 only.				
Total Legislative Changes		**$6,264,180**	R	**$7,949,966**	R
		$13,075,713	NR	**$250,000**	NR
Total Position Changes		12.00		12.00	
Revised Budget		**$185,613,349**		**$174,477,424**	

Clean Water Management Trust Fund

Budget Code: 24818

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$55,957,067**	**$55,957,067**
Recommended Budget		
Requirements	**$17,251,747**	**$17,251,747**
Receipts	**$17,251,747**	**$17,251,747**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Clean Water Management Trust Fund (CWMTF) Grants	$305,707	R	$500,000	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in each year of the biennium.	$4,194,293	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$305,707**	R	**$500,000**	R
	$4,194,293	NR	**$0**	NR
	0.00		0.00	

Receipts:

Clean Water Management Trust Fund (CWMTF) Grants	$305,707	R	$500,000	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and in FY 2018-19.	$4,194,293	NR	$0	NR
Subtotal Legislative Changes	**$305,707**	R	**$500,000**	R
	$4,194,293	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$21,751,747	$17,751,747
Revised Total Receipts	$21,751,747	$17,751,747
Change in Fund Balance	$0	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$55,957,067	$55,957,067

DPR-PARTF (Parks & Recreation Trust Fund)

Budget Code: 24820

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$13,622,190**	**$15,177,339**
Recommended Budget		
Requirements	**$16,253,089**	**$16,253,089**
Receipts	**$17,808,238**	**$17,808,238**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Parks and Recreation Trust Fund (PARTF) Grants	($140,205)	R	($140,205)	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 only.	$3,437,126	NR	$140,205	NR
	0.00		0.00	
Subtotal Legislative Changes	**($140,205)**	R	**($140,205)**	R
	$3,437,126	NR	**$140,205**	NR
	0.00		0.00	

Receipts:

Parks and Recreation Trust Fund (PARTF) Grants	($140,205)	R	($140,205)	R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and from the Industrial Development Fund Utility Account (24609-2568) in FY 2018-19.	$3,437,126	NR	$140,205	NR
Subtotal Legislative Changes	**($140,205)**	R	**($140,205)**	R
	$3,437,126	NR	**$140,205**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$19,550,010	$16,253,089
Revised Total Receipts	$21,105,159	$17,808,238
Change in Fund Balance	$1,555,149	$1,555,149
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$15,177,339	$16,732,488

Department of Natural and Cultural Resources -
Roanoke Island Commission
Budget Code 14802

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$555,571	$555,571
Receipts	$0	$0
Net Appropriation	$555,571	$555,571
Legislative Changes		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Revised Budget		
Requirements	$555,571	$555,571
Receipts	$0	$0
Net Appropriation	$555,571	$555,571

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission										
Budget Code 14802		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$555,571	$0	$555,571	$0	$0	$0	$555,571	$0	$555,571

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission Budget Code 14802		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	Savings from Personnel Turnover	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$555,571	$0	$555,571	$0	$0	$0	$555,571	$0	$555,571

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1584	Roanoke Island Commission	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1584	Roanoke Island Commission	-	-	-	-
Total FTE		-	-	-	-

DNCR - Roanoke Island Commission

GENERAL FUND

	FY 17-18	FY 18-19
Recommended Base Budget	$555,571	$555,571
Legislative Changes		
133 No Legislative Changes		
Fund Code:		
Total Legislative Changes		
Total Position Changes		
Revised Budget	$555,571	$555,571

Justice and Public Safety
Section I

2027

Department of Public Safety
Budget Code 14550

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$2,154,155,796	$2,154,232,814
Receipts	$218,889,060	$218,889,060
Net Appropriation	$1,935,266,736	$1,935,343,754
Legislative Changes		
Requirements	$67,433,310	$85,248,283
Receipts	$0	$0
Net Appropriation	$67,433,310	$85,248,283
Revised Budget		
Requirements	$2,221,589,106	$2,239,481,097
Receipts	$218,889,060	$218,889,060
Net Appropriation	$2,002,700,046	$2,020,592,037

General Fund FTE		
Base Budget	24,951.46	24,951.46
Legislative Changes	(67.00)	(259.50)
Revised Budget	24,884.46	24,691.96

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,247,650	250,893	57,996,757	2,242,025	-	2,242,025	60,489,675	250,893	60,238,782
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,383,983	80,726,020	657,963	745,000	-	745,000	82,128,983	80,726,020	1,402,963
1200	DJJ Administration	3,197,664	-	3,197,664	519,600	-	519,600	3,717,264	-	3,717,264
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,372,460	-	13,372,460	-	-	-	13,372,460	-	13,372,460
1307	Inmate Construction Program	1,291,442	-	1,291,442	-	-	-	1,291,442	-	1,291,442
1310	Prison Custody and Security	792,813,027	3,890,564	788,922,463	(3,395,943)	-	(3,395,943)	789,417,084	3,890,564	785,526,520
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-	-	22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(510,679)	-	(510,679)	9,040,000	9,040,000	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,222	-	479,222	-	-	-	479,222	-	479,222
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	864,681	-	864,681	11,359,815	-	11,359,815
1360	Community Corrections - Management	2,805,360	-	2,805,360	-	-	-	2,805,360	-	2,805,360
1365	Community Corrections - Interstate Compact	707,960	199,845	508,115	-	-	-	707,960	199,845	508,115
1370	Community Corrections - Regular Supervision	165,807,863	-	165,807,863	-	-	-	165,807,863	-	165,807,863
1375	Community Corrections - Community Supervision	12,404,321	-	12,404,321	500,000	-	500,000	12,904,321	-	12,904,321
1377	Community Corrections - Electronic Monitoring	6,897,677	108,817	6,788,860	-	-	-	6,897,677	108,817	6,788,860
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,503,712	-	5,503,712	-	-	-	5,503,712	-	5,503,712
1390	Post-Release Supervision and Parole Commission	2,743,019	-	2,743,019	-	-	-	2,743,019	-	2,743,019
1392	Grievance Resolution Board	497,704	-	497,704	-	-	-	497,704	-	497,704
1399	Division Wide Operations	7,824,950	486,151	7,338,799	-	-	-	7,824,950	486,151	7,338,799
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-	-	11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-	-	2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	233,314	-	233,314	213,516,465	3,399,238	210,117,227
1414	LE - SHP VIPER Administration	13,428,132	2,469	13,425,663	605,089	-	605,089	14,033,221	2,469	14,030,752
1450	State Bureau of Investigation	48,586,486	13,885,682	34,700,804	1,249,463	-	1,249,463	49,835,949	13,885,682	35,950,267
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	500,000	-	500,000	12,227,133	9,136,874	3,090,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	200,000	-	200,000	6,750,051	2,471,992	4,278,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	-	-	-	19,160,817	17,755,149	1,405,668
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve	-	-	-	30,543,220	N/A	30,543,220	30,543,220	N/A	30,543,220
	Compensation Reserve - State Agency Teachers	-	-	-	193,533	N/A	193,533	193,533	N/A	193,533
	SBI/ALE Compensation Reserve	-	-	-	500,000	N/A	500,000	500,000	N/A	500,000
	Correctional Officer Custody-Level Based Pay Adj.	-	-	-	18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions	-	-	-	8,237,333	N/A	8,237,333	8,237,333	N/A	8,237,333
	State Health Plan	-	-	-	5,156,674	N/A	5,156,674	5,156,674	N/A	5,156,674
	Undesignated	-	-	-	-	-	-	-	-	-
Total		$2,154,155,796	$218,889,060	$1,935,266,736	67,433,310	$0	$67,433,310	$2,221,589,106	$218,889,060	$2,002,700,046

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Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,278,447	250,893	58,027,554	1,904,344	-	1,904,344	60,182,791	250,893	59,931,898
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,384,986	80,726,020	658,966	250,000	-	250,000	81,634,986	80,726,020	908,966
1200	DJJ Administration	3,202,872	-	3,202,872	478,000	-	478,000	3,680,872	-	3,680,872
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,375,385	-	13,375,385	-	-	-	13,375,385	-	13,375,385
1307	Inmate Construction Program	1,292,842	-	1,292,842	-	-	-	1,292,842	-	1,292,842
1310	Prison Custody and Security	792,815,700	3,890,564	788,925,136	(3,395,943)	-	(3,395,943)	789,419,757	3,890,564	785,529,193
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-		22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(510,679)	-	(510,679)	9,040,000	9,040,000	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,985	-	479,985	-	-	-	479,985	-	479,985
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	1,221,100	-	1,221,100	11,716,234	-	11,716,234
1360	Community Corrections - Management	2,809,276	-	2,809,276	-	-	-	2,809,276	-	2,809,276
1365	Community Corrections - Interstate Compact	708,897	199,845	509,052	-	-	-	708,897	199,845	509,052
1370	Community Corrections - Regular Supervision	165,810,754	-	165,810,754	-	-	-	165,810,754	-	165,810,754
1375	Community Corrections - Community Supervision	12,404,426	-	12,404,426	600,000	-	600,000	13,004,426	-	13,004,426
1377	Community Corrections - Electronic Monitoring	6,898,669	108,817	6,789,852	-	-	-	6,898,669	108,817	6,789,852
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,506,173	-	5,506,173	-	-	-	5,506,173	-	5,506,173
1390	Post-Release Supervision and Parole Commission	2,747,093	-	2,747,093	-	-	-	2,747,093	-	2,747,093
1392	Grievance Resolution Board	498,654	-	498,654	-	-	-	498,654	-	498,654
1399	Division Wide Operations	7,825,706	486,151	7,339,555	-	-	-	7,825,706	486,151	7,339,555
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-		11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety										
Budget Code 14550		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-		2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	233,314	-	233,314	213,516,465	3,399,238	210,117,227
1414	LE - SHP VIPER Administration	13,432,526	2,469	13,430,057	678,077	-	678,077	14,110,603	2,469	14,108,134
1450	State Bureau of Investigation	48,597,259	13,885,682	34,711,577	249,463	-	249,463	48,846,722	13,885,682	34,961,040
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	-	-	-	11,727,133	9,136,874	2,590,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	200,000	-	200,000	6,750,051	2,471,992	4,278,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	39,244	-	39,244	19,200,061	17,755,149	1,444,912
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve	-	-	-	30,543,220	N/A	30,543,220	30,543,220	N/A	30,543,220
	Compensation Reserve - State Agency Teachers	-	-	-	554,938	N/A	554,938	554,938	N/A	554,938
	SBI/ALE Compensation Reserve	-	-	-	500,000	N/A	500,000	500,000	N/A	500,000
	Correctional Officer Custody-Level Based Pay Adj.	-	-	-	18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions	-	-	-	21,725,967	N/A	21,725,967	21,725,967	N/A	21,725,967
	State Health Plan	-	-	-	10,927,238	N/A	10,927,238	10,927,238	N/A	10,927,238
	Undesignated	-	-	-	-	-	-	-	-	-
Total		$2,154,232,814	$218,839,060	$1,935,343,754	$85,248,283	$0	$85,248,283	$2,239,481,097	$218,889,060	$2,020,592,037

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	(1.00)	-	580.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
1210	Youth Detention Center Services	174.50	-	-	174.50
1220	Youth Development Center Services	232.00	-	-	232.00
1225	Youth Treatment Services	220.00	-	-	220.00
1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1312	Statewide Misdemeanant Confinement Fund	-	-	-	-
1314	Prison Road Squad and Litter Crews	183.00	-	(183.00)	-
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	-	-	1,343.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
1345	Prison Corrective Programs	896.11	-	-	896.11
1347	Prison Work Release	18.36	-	-	18.36
1350	ACDP - Administration	4.21	-	-	4.21
1352	ACDP - In Prison Treatment	94.00	-	-	94.00
1354	ACDP - Community Based Treatment	116.00	-	-	116.00
1355	DPS Confinement in Response to Violation (CRV)	121.00	-	-	121.00
1360	Community Corrections - Management	32.30	-	-	32.30
1365	Community Corrections - Interstate Compact	10.00	-	-	10.00
1370	Community Corrections - Regular Supervision	2,409.00	-	-	2,409.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	6.00	-	-	6.00
1380	Community Corrections - Judicial Services	240.00	-	-	240.00
1385	Security Services for ACJJ	72.10	-	-	72.10
1390	Post-Release Supervision and Parole Commission	33.00	-	-	33.00
1392	Grievance Resolution Board	5.00	-	-	5.00
1399	Division Wide Operations	103.00	-	-	103.00
1401	LE - Alcohol Law Enforcement	122.00	-	-	122.00
1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1507	EM - CAP	1.84	-	-	1.84
1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	-	-	55.40
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-	-	112.00
Total FTE		**24,951.46**	**(67.00)**	**(183.00)**	**24,701.46**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	1.00	-	582.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
1210	Youth Detention Center Services	174.50	-	-	174.50
1220	Youth Development Center Services	232.00	-	-	232.00
1225	Youth Treatment Services	220.00	-	-	220.00
1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1312	Statewide Misdemeanant Confinement Fund	-	-	-	-
1314	Prison Road Squad and Litter Crews	183.00	-	(183.00)	-
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	(196.00)	-	1,147.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
1345	Prison Corrective Programs	896.11	-	-	896.11
1347	Prison Work Release	18.36	-	-	18.36
1350	ACDP - Administration	4.21	-	-	4.21
1352	ACDP - In Prison Treatment	94.00	-	-	94.00
1354	ACDP - Community Based Treatment	116.00	-	-	116.00
1355	DPS Confinement in Response to Violation (CRV)	121.00	-	-	121.00
1360	Community Corrections - Management	32.30	-	-	32.30
1365	Community Corrections - Interstate Compact	10.00	-	-	10.00
1370	Community Corrections - Regular Supervision	2,409.00	-	-	2,409.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	6.00	-	-	6.00
1380	Community Corrections - Judicial Services	240.00	-	-	240.00
1385	Security Services for ACJJ	72.10	-	-	72.10
1390	Post-Release Supervision and Parole Commission	33.00	-	-	33.00
1392	Grievance Resolution Board	5.00	-	-	5.00
1399	Division Wide Operations	103.00	-	-	103.00
1401	LE - Alcohol Law Enforcement	122.00	-	-	122.00
1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1507	EM - CAP	1.84	-	-	1.84
1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	1.50	-	56.90
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-	-	112.00
Total FTE		**24,951.46**	**(259.50)**	**(183.00)**	**24,508.96**

Public Safety

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,935,266,736**		**$1,935,343,754**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$30,543,220	R	$30,543,220	R
2 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$193,533	R	$554,938	R
3 Correctional Officer Custody-Level Based Pay Adjustment **Fund Code:** N/A Provides funding to complete the third and final phase of custody-level pay adjustments for Correctional Officers, Custody Supervisors, and Prison Facility Administrators started in FY 2015-16. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$18,400,000	R	$18,400,000	R
4 State Bureau of Investigation (SBI) Salary Increases **Fund Code:** N/A Provides $500,000 to increase salaries of SBI staff. Salary increases shall be determined by the SBI Director. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$500,000	R	$500,000	R

	FY 17-18		FY 18-19	
5 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$8,237,333	R	$21,725,967	R
6 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$5,156,674	R	$10,927,238	R
B. Administration				
7 Vacant Position Elimination **Fund Code:** 1100 Eliminates 5 positions that have been vacant for 12 months or more. The following positions are eliminated:	($459,154) -5.00	R	($459,154) -5.00	R
8 Samarcand Phase II Operating Cost **Fund Code:** 1100 Provides operating funds for Phase II of the Samarcand Training Academy. The revised net appropriation for the Samarcand Training Academy is $3,995,907 in FY 2017-18 and $3,883,226 in FY 2018-19.	$1,936,279 $539,900 4.00	R NR	$2,363,498 6.00	R

Position	Title	Total Position Cost
60056082	Safety Consultant II	$ 81,790
60056452	Payroll Clerk V	$ 47,992
60084642	Bus. & Tech. App. Analyst	$112,107
60056159	Analyst	$109,802
60056445	Accountant	$107,463

		FY 17-18		FY 18-19	
9	**Samarcand Obstacle Course** **Fund Code:** 1100 Provides funds for the construction of an obstacle course for law enforcement and Adult Correction and Juvenile Justice training exercises and team building.	$225,000	NR		
10	**Opioid Pilot Project** **Fund Code:** 1170 Provides funds for the Department, in conjunction with the City of Wilmington, to develop and implement a pilot project to establish a Quick Response Team to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. The revised net appropriation for opioid pilot projects in DPS is $250,000 in each year of the biennium.	$250,000	NR	$250,000	NR
11	**Human Trafficking Grant** **Fund Code:** 1170 Provides pass-through funding to the Governor's Crime Commission for a grant to True Justice International, a nonprofit in New Bern providing assistance to victims of human trafficking.	$275,000	NR		
12	**Bladen County Sheriff's Office** **Fund Code:** 1170 Provides a pass-through grant to the Bladen County Sheriff's Office Training Division for training for regional law enforcement and first responder personnel. Funds shall be used to improve the current infrastructure and make improvements to better support the training objectives and goal of providing top-tier relevant training to all participating regional first responders.	$200,000	NR		
13	**NC Civil Westgate Agreement** **Fund Code:** 1170 Provides pass-through funds to NC Civil, a nonprofit in Greenville, for the Westgate Agreement, a community collaborative mentoring program that uses community oriented policing to identify troubled young adults to provide them with employment training and life improvement skills.	$20,000	NR		
C.	**Law Enforcement**				
14	**Salary Reserve** **Fund Code:** 1411 Budgets State Highway Patrol (SHP) positions at actual salary levels, reducing the salary reserve.	($200,000)	R	($200,000)	R

	FY 17-18		FY 18-19	
15 SHP Telecommunicator Positions	$433,314	R	$433,314	R
Fund Code: 1411	8.00		8.00	
Creates 8 new telecommunicator positions in the State Highway Patrol.				
16 VIPER Tower Construction	($4,162,236)	R	($4,162,236)	R
Fund Code: 1414	$4,162,236	NR	$4,162,236	NR
Makes part of the funding for VIPER tower construction nonrecurring. The net General Fund appropriation for VIPER tower construction is $7 million in each year of the biennium.				
17 SHP VIPER Operating Costs	$605,089	R	$678,077	R
Fund Code: 1414				
Provides additional operating funds for the 19 new VIPER towers built since FY 2013-14. Funds are provided for insurance ($75,302 in the first year, $94,496 in the second), utilities ($139,637 in the first year, increasing to $175,231 in the second) and fuel ($7,650 in the first year, $9,600 in the second) for the new sites. In addition, $382,500 in the first year and $398,750 in the second year is provided to repair or replace tower lighting systems. The revised net appropriation for VIPER is $14,030,752 in FY 2017-18 and $14,108,134 in FY 2018-19.				
18 SBI Vacant Position Elimination	($250,537)	R	($250,537)	R
Fund Code: 1450	-5.00		-5.00	
Eliminates 5 positions in the State Bureau of Investigation (SBI) that have been vacant for 12 months or longer. The following positions are eliminated:				

Position	Title	Total Position Cost
60010602	Administrative Assist.	$55,327
60010792	Processing Assist. V	$52,567
60011136	Processing Assist. IV	$46,331
60011158	Processing Assist. V	$45,819
60011054	Admin. Secretary II	$50,494

19 SBI Special Investigative Funds	$500,000	R	$500,000	R
Fund Code: 1450				
Increases funding for special investigative purposes, including undercover drug purchases and telephone records related to criminal investigations. The revised net appropriation for special investigative funds is $870,469 in each year of the biennium.				

	FY 17-18		FY 18-19	
20 SBI Equipment and Surveillance Tools **Fund Code:** 1450 Provides funds to the SBI to purchase equipment. $505,000 is provided to purchase an electronic surveillance platform to expand cell phone surveillance capabilities. $300,000 is provided to purchase a Bearcat, a ballistically rated emergency technical response vehicle. $150,000 is provided for VIPER repeaters and antennae to link ground communications to the new Pilatus aircraft funded in the 2016 budget. Finally, $45,000 is provided for six additional dial down lines for increased capacity on electronic surveillance operations.	$1,000,000	NR		
D. Adult Correction and Juvenile Justice				
21 Vacant Positions **Fund Code:** 1310 Eliminates 69 positions throughout the Division of Adult Correction that have been vacant one year or longer.	($3,395,943) -69.00	R	($3,395,943) -69.00	R
22 Litter Crews and Road Squads **Fund Code:** 1314 Eliminates the budget for Litter Crews and Road Squads. This program was funded by receipts from the Department of Transportation (DOT). DOT will no longer be supporting the program. 183 receipt-supported positions are eliminated. The total requirements for the program were $9,550,679, including $9,040,000 in receipts from DOT and $510,679 net General Fund appropriation. The revised net General Fund appropriation for this program is $0 in both years.	($510,679)	R	($510,679)	R
23 Vacant Nursing Positions **Fund Code:** 1331 Eliminates vacant nursing positions, redirecting the funds to temporary contract nurses. The Department has difficulty recruiting and retaining nursing positions and relies on temporary nursing services to fill gaps.			($14,759,413) -196.00	R
24 Temporary Nursing Services **Fund Code:** 1331 Provides funding to contract for temporary nursing services with third-party providers. There is currently no base budget funding for contract nursing. The revised net appropriation for temporary nursing services is $14,759,413 in FY 2018-19.			$14,759,413	R

	FY 17-18		FY 18-19	
25 Community College Recidivism Pilot Project **Fund Code:** 1340 Funds a joint pilot project between Pamlico Community College and Pamlico Correctional Institution to reduce recidivism among offenders. The pilot project will serve 60 inmates in FY 2017-18 and 100 inmates FY 2018-19. The revised net appropriation for the Inmate Education Program is $10,121,413 in each year of the biennium, a 7.3% increase over the base budget.	$650,000	R	$650,000	R
26 Female Confinement in Response to Violation (CRV) Facility **Fund Code:** 1355 Provides funding for a 200-bed facility dedicated to housing female offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The facility will be located adjacent to the Swannanoa Correctional Center for Women in Buncombe County. The revised net appropriation for CRV facilities is $11,359,815 in FY 2017-18, a 7.6% increase over the base budget and $11,716,234 in FY 2018-19, a 10.4% increase over the base budget.	$611,927 $252,754	R NR	$1,221,100	R
27 Reentry Services **Fund Code:** 1375 Provides additional funds to contract for reentry services to help reintegrate former inmates into the community. The revised net appropriation for Community Services Programs is $12,904,321 in FY 2017-18, a 3.9% increase over the base budget, and $13,004,426 in FY 2018-19, a 4.6% increase over the base budget.	$500,000	R	$600,000	R
28 Juvenile Justice Reinvestment Act Planning **Fund Code:** 1200 Provides funding for planning phases for implementation of the Juvenile Justice Reinvestment Act.	$519,600	NR	$478,000	NR
E. Emergency Management and National Guard				
29 School Panic Alarm Pilot Program **Fund Code:** 1500 Provides funds to the Division of Emergency Management to support a statewide school panic alarm pilot program as defined by G.S. 115C-105.49A. Following testing of the pilot program, the Division shall report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the Joint Legislative Education Oversight Committee with any recommendations regarding future implementation and funding.	$250,000	NR		

	FY 17-18		FY 18-19	
30 North Carolina 2-1-1 **Fund Code:** 1500 Provides funding for North Carolina 2-1-1. This information and referral service connects North Carolinians with needed resources during disasters and emergency situations.	$250,000	NR		
31 Morganton Readiness Center **Fund Code:** 1601 Provides funding for 3 positions (Grounds Worker, HVAC Tech/Team Lead, and Maintenance Mechanic) to support operations at the Morganton Readiness Center in advance of the facility's scheduled Fall 2020 opening. The full cost of these positions is evenly split between the federal and State governments. These positions are established January 1, 2019. The annualized cost to the State for these positions is $78,488.			$39,244 1.50	R
32 State Active Duty Training **Fund Code:** 1600 Provides $200,000 to the North Carolina National Guard for annual State Active Duty Training activities. This funding enables the National Guard to add one day of training for National Guard units to focus on State-specific emergency and disaster responses.	$200,000	R	$200,000	R
Total Legislative Changes	**$59,488,820**	R	**$80,358,047**	R
	$7,944,490	NR	**$4,890,236**	NR
Total Position Changes	-67.00		-259.50	
Revised Budget	**$2,002,700,046**		**$2,020,592,037**	

Department of Justice
Budget Code 13600

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$88,738,859	$88,741,127
Receipts	$33,945,000	$33,945,000
Net Appropriation	$54,793,859	$54,796,127
Legislative Changes		
Requirements	($7,633,554)	($8,835,585)
Receipts	($550,989)	($550,989)
Net Appropriation	($7,082,565)	($8,284,596)
Revised Budget		
Requirements	$81,105,305	$79,905,542
Receipts	$33,394,011	$33,394,011
Net Appropriation	$47,711,294	$46,511,531

General Fund FTE		
Base Budget	812.89	812.89
Legislative Changes	5.00	5.00
Revised Budget	817.89	817.89

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Justice		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(349,990)	-	(349,990)	53,778,074	29,157,285	24,620,789
1400	State Crime Laboratory	20,325,201	1,765,956	18,559,245	1,855,282	(550,989)	2,406,271	22,180,483	1,214,967	20,965,516
1500	Criminal Justice Training and Standards	11,514,180	2,603,625	8,910,555	(188,182)	-	(188,182)	11,325,998	2,603,625	8,722,373
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve	-	-	-	707,612	N/A	707,612	707,612	N/A	707,612
	State Retirement Contributions	-	-	-	289,855	N/A	289,855	289,855	N/A	289,855
	State Health Plan	-	-	-	119,419	N/A	119,419	119,419	N/A	119,419
	Undesignated	-	-	-	(10,027,276)	N/A	(10,027,276)	(10,027,276)	N/A	(10,027,276)
Total		$88,738,859	$33,945,000	$54,793,859	(7,633,554)	(550,989)	(7,082,565)	$81,105,305	$33,394,011	$47,711,294

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Justice										
Budget Code 13600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(419,566)	-	(419,566)	53,708,498	29,157,285	24,551,213
1400	State Crime Laboratory	20,325,201	1,785,956	18,559,245	114,555	(550,989)	665,544	20,439,756	1,214,967	19,224,789
1500	Criminal Justice Training and Standards	11,516,448	2,603,625	8,912,823	(188,182)	-	(188,182)	11,328,266	2,603,625	8,724,641
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve	-	-	-	707,612	N/A	707,612	707,612	N/A	707,612
	State Retirement Contributions	-	-	-	764,492	N/A	764,492	764,492	N/A	764,492
	State Health Plan	-	-	-	253,054	N/A	253,054	253,054	N/A	253,054
	Undesignated	-	-	-	(10,027,276)	N/A	(10,027,276)	(10,027,276)	N/A	(10,027,276)
Total		$88,741,127	$33,945,000	$54,796,127	(8,835,585)	(550,989)	(8,284,596)	$79,905,542	$33,394,011	$46,511,531

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Justice					
Budget Code 13600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	General Administration	24.00	-	-	24.00
1200	Legal Services	432.89	(3.00)	-	429.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(1.00)	-	133.00
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		**812.89**	**5.00**	**(8.00)**	**809.89**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Justice					
Budget Code 13600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	General Administration	24.00	-	-	24.00
1200	Legal Services	432.89	(3.00)	-	429.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(1.00)	-	133.00
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		**812.89**	**5.00**	**(8.00)**	**809.89**

Justice

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$54,793,859**		**$54,796,127**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
33 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$707,612	R	$707,612	R
34 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$289,855	R	$764,492	R
35 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$119,419	R	$253,054	R

	FY 17-18		FY 18-19	
B. Department-wide				
36 Management Flexibility Reduction **Fund Code:** Reduces the budget to the Department on a recurring basis. No reductions may be made to fund codes 1400 or 1500, and no transfers from those fund codes to other fund codes in the Department are allowed.	($10,027,276)	R	($10,027,276)	R
C. Administration				
37 Salary Reserve **Fund Code:** 1100 Budgets Administrative positions at actual salary levels, reducing the salary reserve.	($40,274)	R	($40,274)	R
D. Legal Services				
38 Vacant Position Elimination **Fund Code:** 1200 Eliminates positions in the Legal Services Division that have been vacant for 9 months or longer: 2 partially receipt-supported program assistants (60010273, 60010370) for a total of 1.00 FTE; 1 full-time paralegal II (60010575); and 1 full-time tort claims investigator (60010585).	($173,264) -3.00	R	($173,264) -3.00	R
39 Salary Reserve **Fund Code:** 1200 Budgets legal services positions at actual salary levels, reducing the salary reserve.	($162,357)	R	($162,357)	R
40 Server Equipment **Fund Code:** 1200 Reduces the budget for server equipment. The revised net appropriation for server equipment is $129,230 in each year of the biennium.	($83,945)	R	($83,945)	R
41 Human Trafficking Awareness Signs **Fund Code:** 1200 Provides funding for the Human Trafficking Commission to design, create, and distribute 21,084 human trafficking awareness signs to hospitals, travel centers, adult establishments, Job Link centers, massage and bodywork therapy centers, and ABC permitted establishments throughout the State.	$69,576	NR		

	FY 17-18		FY 18-19	
E. State Crime Laboratory				
42 Salary Reserve **Fund Code:** 1400 Budgets State Crime Laboratory positions at actual salary levels, reducing the salary reserve.	($231,118)	R	($231,118)	R
43 State Crime Laboratory Receipt Supported Positions **Fund Code:** 1400 Transitions 8 receipt supported positions in the State Crime Laboratory to General Fund support. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $20,965,516 in FY 2017-18 and $19,224,789 in FY 2018-19.	$550,989 8.00	R	$550,989 8.00	R
44 State Crime Laboratory Ombudsman **Fund Code:** 1400 Transitions a contractual Ombudsman employee into a State full-time equivalent position. This position was required by S.L. 2011-19, The Forensic Sciences Act of 2011, but funding was never appropriated. The State Crime Laboratory had been contracting for ombudsman services using lapsed salary funds. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $20,965,516 in FY 2017-18 and $19,224,789 in FY 2018-19.	$115,518 1.00	R	$115,518 1.00	R
45 Scientist Training and Certification **Fund Code:** 1400 Provides funds for forensic scientist training and certification required by S.L. 2011-19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $20,965,516 in FY 2017-18 and $19,224,789 in FY 2018-19.	$161,000	R	$161,000	R
46 Forensic Science Advisory Board Travel **Fund Code:** 1400 Provides travel funds for the Forensic Science Advisory Board created by S.L. 2011-19, The Forensic Sciences Act of 2011. Many of the Board members are from other states and must be reimbursed for travel to NC to attend meetings. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $20,965,516 in FY 2017-18 and $19,224,789 in FY 2018-19.	$18,000	R	$18,000	R

	FY 17-18		FY 18-19	
47 State Crime Laboratory Accreditation **Fund Code:** 1400 Provides funds for accreditation of the Laboratory by an internationally recognized accrediting body as required by S.L. 2011-19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $20,965,516 in FY 2017-18 and $19,224,789 in FY 2018-19.	$51,155	R	$51,155	R
48 State Crime Laboratory Equipment **Fund Code:** 1400 Provides funds to the State Crime Laboratory to purchase or lease equipment.	$1,740,727	NR		
F. Criminal Justice Training and Standards				
49 Vacant Position Elimination **Fund Code:** 1500 Eliminates a business and technology application specialist position (60011250) that has been vacant for more than 11 months.	($138,625) -1.00	R	($138,625) -1.00	R
50 Salary Reserve **Fund Code:** 1500 Budgets positions at actual salary levels, reducing the salary reserve.	($49,557)	R	($49,557)	R
Total Legislative Changes	**($8,892,868)** **$1,810,303**	R NR	**($8,284,596)**	R
Total Position Changes	5.00		5.00	
Revised Budget	**$47,711,294**		**$46,511,531**	

Indigent Defense Services
Budget Code 12001

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$130,512,045	$130,864,258
Receipts	$10,355,797	$10,355,797
Net Appropriation	$120,156,248	$120,508,461
Legislative Changes		
Requirements	$1,147,842	$1,771,898
Receipts	$0	$0
Net Appropriation	$1,147,842	$1,771,898
Revised Budget		
Requirements	$131,659,887	$132,636,156
Receipts	$10,355,797	$10,355,797
Net Appropriation	$121,304,090	$122,280,359

General Fund FTE		
Base Budget	530.73	530.73
Legislative Changes	0.00	0.00
Revised Budget	530.73	530.73

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Indigent Defense Services Budget Code 12001		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	51,860,396	37,084	51,823,312	-	-	-	51,860,396	37,084	51,823,312
1380	Indigent Defense Service	2,616,763	193,578	2,423,185	-	-	-	2,616,763	193,578	2,423,185
Department-wide Items										
	Compensation Reserve	-	-	-	722,730	N/A	722,730	722,730	N/A	722,730
	State Retirement Contributions	-	-	-	267,573	N/A	267,573	267,573	N/A	267,573
	Consolidated Judicial Retirement Contrib.	-	-	-	46,029	N/A	46,029	46,029	N/A	46,029
	State Health Plan	-	-	-	111,510	N/A	111,510	111,510	N/A	111,510
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		**$130,512,045**	**$10,355,797**	**$120,156,248**	**$1,147,842**	**$0**	**$1,147,842**	**$131,659,887**	**$10,355,797**	**$121,304,090**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Indigent Defense Services		Base Budget			Legislative Changes			Revised Budget		
Budget Code 12001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	52,204,616	37,084	52,167,532	-	-	-	52,204,616	37,084	52,167,532
1380	Indigent Defense Service	2,624,756	193,578	2,431,178	-	-	-	2,624,756	193,578	2,431,178
Department-wide Items										
	Compensation Reserve	-	-	-	722,730	N/A	722,730	722,730	N/A	722,730
	State Retirement Contributions	-	-	-	705,724	N/A	705,724	705,724	N/A	705,724
	Consolidated Judicial Retirement Contrib.	-	-	-	107,149	N/A	107,149	107,149	N/A	107,149
	State Health Plan	-	-	-	236,295	N/A	236,295	236,295	N/A	236,295
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		$130,864,258	$10,355,797	$120,508,461	$1,771,898	$0	$1,771,898	$132,636,156	$10,355,797	$122,280,359

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Indigent Defense Services					
Budget Code 12001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Indigent Persons Attorney	-	-	-	-
1320	Public Defender Service	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
Total FTE		530.73	-	-	530.73

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Indigent Defense Services					
Budget Code 12001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Indigent Persons Attorney	-	-	-	-
1320	Public Defender Service	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
Total FTE		**530.73**	**-**	**-**	**530.73**

Judicial - Indigent Defense

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$120,156,248**		**$120,508,461**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
51 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$722,730	R	$722,730	R
52 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$267,573	R	$705,724	R
53 Consolidated Judicial Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% one-time cost-of-living adjustment to retirees. The revised net General Fund appropriation for CJRS statewide is $27.9 million in FY 2017-18 and $29.7 million in FY 2018-19, an increase of $1.4 million for FY 2017-18 and $3.2 million for FY 2018-19.	$46,029	R	$107,149	R

		FY 17-18		FY 18-19	
54	**State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$111,510	R	$236,295	R
Total Legislative Changes		**$1,147,842**	R	**$1,771,898**	R
Total Position Changes					
Revised Budget		**$121,304,090**		**$122,280,359**	

Administrative Office of the Courts
Budget Code 12000

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$514,916,305	$516,333,043
Receipts	$1,259,409	$1,259,409
Net Appropriation	$513,656,896	$515,073,634
Legislative Changes		
Requirements	$16,582,676	$23,949,788
Receipts	$0	$0
Net Appropriation	$16,582,676	$23,949,788
Revised Budget		
Requirements	$531,498,981	$540,282,831
Receipts	$1,259,409	$1,259,409
Net Appropriation	$530,239,572	$539,023,422

General Fund FTE		
Base Budget	5,802.23	5,802.23
Legislative Changes	98.00	127.00
Revised Budget	5,900.23	5,929.23

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Administrative Office of the Courts		Base Budget			Legislative Changes			Revised Budget		
Budget Code 12000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Services	53,245,055	585,649	52,659,406	70,963	-	70,963	53,316,018	585,649	52,730,369
1200	Appellate Division	14,573,703	-	14,573,703	-	-	-	14,573,703	-	14,573,703
1300	Trial Court Division	315,847,236	-	315,847,236	2,889,428	-	2,889,428	318,736,664	-	318,736,664
1410	Specialty Services and Programs	21,945,568	200,000	21,745,568	-	-	-	21,945,568	200,000	21,745,568
1600	Office - District Attorney	106,777,091	132,135	106,644,956	2,296,887	-	2,296,887	109,073,978	132,135	108,941,843
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027
Department-wide Items										
	Compensation Reserve	-	-	-	6,697,551	N/A	6,697,551	6,697,551	N/A	6,697,551
	State Retirement Contributions	-	-	-	2,085,560	N/A	2,085,560	2,085,560	N/A	2,085,560
	Consolidated Judicial Retirement Contrib.	-	-	-	1,327,888	N/A	1,327,888	1,327,888	N/A	1,327,888
	State Health Plan	-	-	-	1,214,399	N/A	1,214,399	1,214,399	N/A	1,214,399
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		$514,916,305	$1,259,409	$513,656,896	$16,582,676	$0	$16,582,676	$531,498,981	$1,259,409	$530,239,572

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Administrative Office of the Courts											
Budget Code 12000		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1100	Administration and Services	53,266,348	585,649	52,680,699	(304,037)	-	(304,037)	52,962,311	585,649	52,376,662	
1200	Appellate Division	14,609,964	-	14,609,964	-	-	-	14,609,964	-	14,609,964	
1300	Trial Court Division	316,627,269	-	316,627,269	4,094,206	-	4,094,206	320,721,475	-	320,721,475	
1410	Specialty Services and Programs	21,964,296	200,000	21,764,296	-	-	-	21,964,296	200,000	21,764,296	
1600	Office - District Attorney	107,337,514	132,135	107,205,379	2,296,887	-	2,296,887	109,634,401	132,135	109,502,266	
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027	
Department-wide Items											
	Compensation Reserve	-	-	-	8,697,551	N/A	8,697,551	8,697,551	N/A	8,697,551	
	State Retirement Contributions	-	-	-	5,500,665	N/A	5,500,665	5,500,665	N/A	5,500,665	
	Consolidated Judicial Retirement Contrib.	-	-	-	3,091,148	N/A	3,091,148	3,091,148	N/A	3,091,148	
	State Health Plan	-	-	-	2,573,368	N/A	2,573,368	2,573,368	N/A	2,573,368	
	Undesignated	-	-	-	-	N/A	-	-	N/A	-	
Total		$516,333,043	$1,259,409	$515,073,634	$23,949,788	$0	$23,949,788	$540,282,831	$1,259,409	$539,023,422	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Administrative Office of the Courts					
Budget Code 12000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	66.00	-	4,049.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office - District Attorney	1,130.14	32.00	-	1,162.14
1700	Independent Commissions	24.50	-	-	24.50
Total FTE		**5,802.23**	**98.00**	**-**	**5,900.23**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Administrative Office of the Courts					
Budget Code 12000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	95.00	-	4,078.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office - District Attorney	1,130.14	32.00	-	1,162.14
1700	Independent Commissions	24.50	-	-	24.50
Total FTE		**5,802.23**	**127.00**	**-**	**5,929.23**

Judicial

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$513,656,896**		**$515,073,634**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
55 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$6,697,551	R	$6,697,551	R
56 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$2,085,560	R	$5,500,665	R
57 Consolidated Judicial Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% one-time cost-of-living adjustment to retirees. The revised net General Fund appropriation for CJRS statewide is $27.9 million in FY 2017-18 and $29.7 million in FY 2018-19, an increase of $1.4 million for FY 2017-18 and $3.2 million for FY 2018-19.	$1,327,888	R	$3,091,148	R

		FY 17-18		FY 18-19	
58	**State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$1,214,399	R	$2,573,368	R
B.	**Administration**				
59	**Supplies** **Fund Code:** 1100 Budgets supplies at the actual expenditure level in FY 2015-16. The revised net appropriation for supplies is $3,454,540 in each year of the biennium.	($304,037)	R	($304,037)	R
60	**Pisgah Legal Services** **Fund Code:** 1100 Provides pass-through funds to the NC State Bar for Pisgah Legal Services. These funds shall be used by Pisgah Legal Services for its Veterans' legal aid pilot project.	$100,000	NR		
61	**Judicial Education Pilot Program** **Fund Code:** 1100 Provides funds for a pilot program to assist NC judges in attaining advanced, specialized legal training in an LL.M. program.	$75,000	NR		
B.	**Administration and Services**				
62	**Rural Judicial Services** **Fund Code:** 1100 Provides funds to AOC to study rural judicial districts to determine if there are more efficient ways to provide services and allocate resources. AOC will report the findings of its study, along with any recommendations, to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2018.	$200,000	NR		

	FY 17-18		FY 18-19	
C. Trial Court Division				
63 Emergency Judges **Fund Code:** 1300 Reduces funding for emergency judges. The revised net appropriation for emergency judges is $422,000 in each year of the biennium.	($231,671)	R	($231,671)	R
64 Special Superior Court Judges **Fund Code:** 1300 Eliminates funding for special superior court judgeships that were abolished in Section 18A.19 of S.L. 2015-241, 2015 Appropriations Act. The terms of the judges currently serving in these positions will end on December 31, 2017.	($194,275) -2.00	R	($388,550) -2.00	R
65 Deputy Clerks **Fund Code:** 1300 Provides funding to create new deputy clerk positions in various districts throughout the State. A total of 2,705.1 FTE are funded, with a revised net appropriation for personal services for clerks of $162,956,413 in FY 2017-18 and $164,355,376 in FY 2018-19.	$3,315,374 67.00	R	$4,714,427 96.00	R
66 Magistrate Positions **Fund Code:** 1300 Eliminates two magistrate positions: 60006073 and 60006074.	($152,357) -2.00	R	($152,357) -2.00	R
67 Magistrate/Clerk Staffing Pilot Project **Fund Code:** 1300 Creates 3 new deputy clerk positions in Surry County for a magistrate/clerk staffing pilot project. The Clerk's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours, freeing magistrates to work evenings and weekends.	$152,357 3.00	R	$152,357 3.00	R

	FY 17-18		FY 18-19	
D. District Attorney Offices				
68 Additional Assistant District Attorneys **Fund Code:** 1600 Creates new assistant district attorney (ADA) positions throughout the State. Funding is provided for an entry-level salary of $50,000 plus benefits. A total of 648 FTE are funded, with a revised net appropriation for personal services for district attorneys and assistant district attorneys of $101,182,035 in each year of the biennium.	$2,176,696 31.00	R	$2,176,696 31.00	R
69 Arson Resource Prosecutor **Fund Code:** 1600 Creates a resource prosecutor position in the Conference of District Attorneys. The position will serve as a statewide resource for prosecutors, law enforcement, firefighters, fire marshals, arson investigators, medical professionals and other allied professionals on arson and homicide cases. The resource prosecutor will also develop and provide training programs for prosecutors, law enforcement officers and other allied professions that will improve the ability to effectively prosecute arson and homicide cases. The revised net appropriation for the Conference of District Attorneys is $415,894 in each year of the biennium.	$120,191 1.00	R	$120,191 1.00	R
Total Legislative Changes	**$16,207,676** **$375,000**	R NR	**$23,949,788**	R
Total Position Changes	98.00		127.00	
Revised Budget	**$530,239,572**		**$539,023,422**	

General Government
Section J

Department of State Treasurer
Budget Code 13410

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$62,056,354	$62,084,084
Receipts	$51,789,528	$51,817,258
Net Appropriation	$10,266,826	$10,266,826
Legislative Changes		
Requirements	($3,445,486)	($3,442,029)
Receipts	$2,007,744	$1,992,744
Net Appropriation	($5,453,230)	($5,434,773)
Revised Budget		
Requirements	$58,610,868	$58,642,055
Receipts	$53,797,272	$53,810,002
Net Appropriation	$4,813,596	$4,832,053

General Fund FTE		
Base Budget	381.10	381.10
Legislative Changes	2.00	2.00
Revised Budget	383.10	383.10

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of State Treasurer		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13410										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	2,300,378	2,301,910	(1,532)	360,244	360,244	-	2,660,622	2,662,154	(1,532)
1130	Escheat Fund - Administration	3,302,368	3,302,368	-	-	-	-	3,302,368	3,302,368	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	600,000	600,000	-	5,803,162	5,803,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,473,473	2,843,944	3,629,529	895,000	445,000	450,000	7,368,473	3,288,944	4,079,529
Undesignated Items										
N/A	Position Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve	-	-	-	26,656	-	26,656	26,656	-	26,656
N/A	State Retirement Contributions	-	-	-	8,185	-	8,185	8,185	-	8,185
N/A	State Health Plan Reserve	-	-	-	4,515	-	4,515	4,515	-	4,515
Total		62,056,354	51,789,528	10,266,826	(3,445,486)	2,007,744	(5,453,230)	58,610,868	53,797,272	4,813,596

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of State Treasurer		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13410										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	2,300,378	2,301,910	(1,532)	351,244	351,244	-	2,651,622	2,653,154	(1,532)
1130	Escheat Fund - Administration	3,302,388	3,302,388	-	-	-	-	3,302,388	3,302,388	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	600,000	600,000	-	5,803,162	5,803,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,501,203	2,871,674	3,629,529	889,000	439,000	450,000	7,390,203	3,310,674	4,079,529
Undesignated Items										
N/A	Position Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve	-	-	-	26,656		26,656	26,656	-	26,656
N/A	State Retirement Contributions	-	-	-	21,589	-	21,589	21,589	-	21,589
N/A	State Health Plan Reserve	-	-	-	9,568	-	9,568	9,568	-	9,568
Total		62,084,084	51,817,258	10,266,826	(3,442,029)	1,992,744	(5,434,773)	58,642,055	53,810,002	4,832,053

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

(1.0) Treasurer

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$10,266,826**		**$10,266,826**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$26,656	R	$26,656	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$8,185	R	$21,589	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$4,515	R	$9,568	R

	FY 17-18		FY 18-19	
Department-Wide				
4 Position Eliminations	($253,874)	R	($253,874)	R
Fund Code: N/A	-3.00		-3.00	

Eliminates the following vacant positions which have been vacant for over 630 days:

65024108 Attorney II
65024109 Information and Communications Specialist III
65024110 Administrative Officer I

The revised net appropriation for the Department of State Treasurer is $4.8 million in each year of the biennium.

Financial Operations Division

5 Rent
Fund Code: 1510

Provides $169,000 in receipts for the contractual amount needed for rental of the complex for Department of State Treasurer (DST). The revised net appropriation for this fund, after all changes in this section, is $4.1 million in each year of the biennium.

6 Core Banking System	$450,000	R	$450,000	R
Fund Code: 1510				

Provides funding to fully support the requirements of an existing contract for maintenance and related information technology costs for the State's Core Banking System. The revised net appropriation for the Financial Operations Division, after all changes in this section, is $4.1 million in each year of the biennium.

7 Accounting Positions
Fund Code: 1510

Provides additional receipt support for 2 advanced accountant positions to support accounting and financial reporting for the Department of State Treasurer (DST). One of the positions will be allotted $155,676 annually for salary and benefits. The total amount is $270,000 recurring for each year of the biennium and $6,000 nonrecurring in FY 2017-18. The revised net appropriation for this fund, after all changes in this section, is $4.1 million in each year of the biennium.

	FY 17-18		FY 18-19	
General Administration Division				
8 Internal Auditor Positions **Fund Code:** 1110 Creates 2 additional internal audit positions and appropriates $161,096 for salaries and benefits. Additionally, the Department of State Treasurer is appropriated $6,000 for nonrecurring expenses associated with start-up costs for these positions. The revised requirements for the General Administration Division, from all changes in this section, is $2.7 million in each year of the biennium and the net appropriation is unchanged since the General Administration Division is 100% receipt-supported through cost allocation to the divisions supported by funds managed by Department of State Treasurer.				
Investment Management Division				
9 Investment Position Funding **Fund Code:** 1210 Adjusts the base budget by eliminating net General Fund appropriations for the Investment Management Division positions, which are receipt supported from investment earnings managed by the Department of State Treasurer. The revised net appropriation for this fund, from all actions in this section, is $400,000 in each year of the biennium, as the entire Division is receipt supported.	($5,688,712)	R	($5,688,712)	R
Local Government - Operations				
10 Information Technology Projects **Fund Code:** 1310 Increases receipts to provide $600,000 nonrecurring for each year of the biennium for information technology projects to assist local governments in accounting and financial management. The revised requirements for this fund is $5.8 million in each year of the biennium.				
Retirement Operations Division				
11 Orbit Update and Support **Fund Code:** 1410 Provides receipt funding for IT system upgrades and 1 FTE for the management of the Orbit Retirement System. Funding includes $127,500 for the salary and benefits of 1 FTE position and $431,000 for FY 2017-18 and $475,000 in FY 2018-19 for system enhancements. The revised requirements for the Retirement Operations Division is $19.7 million in each year of the biennium.				

	FY 17-18		FY 18-19	
Total Legislative Changes	**($5,453,230)**	R	**($5,434,773)**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$4,813,596**		**$4,832,053**	

Fire Rescue National Guard Pensions
Budget Code 13412

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$26,889,281	$26,889,281
Receipts	$0	$0
Net Appropriation	$26,889,281	$26,889,281
Legislative Changes		
Requirements	$972,580	$1,322,580
Receipts	$0	$0
Net Appropriation	$972,580	$1,322,580
Revised Budget		
Requirements	$27,861,861	$28,211,861
Receipts	$0	$0
Net Appropriation	$27,861,861	$28,211,861

General Fund FTE		
Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Fire Rescue National Guard Pensions		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13412										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	-	-	-	8,517,073	-	8,517,073
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	-	-	-	17,602,208	-	17,602,208
1432	Line of Duty Death Benefits	770,000	-	770,000	216,500	-	216,500	986,500	-	986,500
Undesignated Items										
N/A	Firefighters and Rescue Squad Workers Pension Fund	-	-	-	350,000	-	350,000	350,000	-	350,000
N/A	National Guard Pension Fund	-	-	-	406,080	-	406,080	406,080	-	406,080
Total		26,889,281	-	26,889,281	972,580	-	972,580	27,861,861	-	27,861,861

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Fire Rescue National Guard Pensions										
Budget Code 13412		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	-	-	-	8,517,073	-	8,517,073
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	-	-	-	17,602,208	-	17,602,208
1432	Line of Duty Death Benefits	770,000	-	770,000	216,500	-	216,500	986,500	-	986,500
Undesignated Items										
N/A	Firefighters and Rescue Squad Workers Pension Fund	-	-	-	700,000	-	700,000	700,000	-	700,000
N/A	National Guard Pension Fund	-	-	-	406,080	-	406,080	406,080	-	406,080
Total		26,889,281	-	26,889,281	1,322,580	-	1,322,580	28,211,861	-	28,211,861

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1414	General Fund Contribution to National Guard	-	-	-	-
1415	General Fund Contribution to Fire and Rescue Squad	-	-	-	-
1432	Line of Duty Death Benefits	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1414	General Fund Contribution to National Guard	-	-	-	-
1415	General Fund Contribution to Fire and Rescue Squad	-	-	-	-
1432	Line of Duty Death Benefits	-	-	-	-
Total FTE		-	-	-	-

(2.0) Treasurer - Retirement and Benefits

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$26,889,281**		**$26,889,281**	
Legislative Changes				
Reserve for Salaries and Benefits				
12 National Guard Pension Fund **Fund Code:** 1414 Increases the State's contribution to the National Guard Pension Fund (NGPF) to match the actuarially determined contribution. The revised net appropriation to the NGPF is $8.9 million.	$406,080	R	$406,080	R
13 Firefighters' and Rescue Squad Workers' Pension Fund **Fund Code:** 1415 Increases the State's contribution to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) to match the actuarially determined contribution. The revised net appropriation to the FRSWPF is $18.0 million for FY 2017-18 and $18.3 million for FY 2018-19.	$350,000	R	$700,000	R
Line of Duty Death Benefits				
14 Occupational Covered Diseases **Fund Code:** 1432 Provides funds to add esophageal cancer as one of the eligible diseases that is payable from the line-of-duty death benefits. The revised net appropriation to this fund is $1.0 million in each year of the biennium.	$216,500	R	$216,500	R
Total Legislative Changes	**$972,580**	R	**$1,322,580**	R
Total Position Changes				
Revised Budget	**$27,861,861**		**$28,211,861**	

Department of Military and Veterans Affairs
Budget Code 13050

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$60,846,296	$60,846,296
Receipts	$52,647,271	$52,647,271
Net Appropriation	$8,199,025	$8,199,025
Legislative Changes		
Requirements	$3,258,333	$761,718
Receipts	$0	$0
Net Appropriation	$3,258,333	$761,718
Revised Budget		
Requirements	$64,104,629	$61,608,014
Receipts	$52,647,271	$52,647,271
Net Appropriation	$11,457,358	$8,960,743

General Fund FTE		
Base Budget	90.65	90.65
Legislative Changes	0.00	0.00
Revised Budget	90.65	90.65

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Military and Veterans Affairs Budget Code 13050		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	1,102,443	-	1,102,443	14,249,929	6,770,964	7,478,965
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	2,000,000	-	2,000,000	2,162,748	-	2,162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Position Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve	-	-	-	107,739	-	107,739	107,739	-	107,739
N/A	State Retirement Contribution	-	-	-	29,902	-	29,902	29,902	-	29,902
N/A	State Health Plan Reserve	-	-	-	18,249	-	18,249	18,249	-	18,249
Total		60,846,296	52,647,271	8,199,025	3,258,333	-	3,258,333	64,104,629	52,647,271	11,457,358

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Military and Veterans Affairs		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13050										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	536,443	-	536,443	13,683,929	6,770,964	6,912,965
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	-	-	-	162,748	-	162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Position Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve	-	-	-	107,739	-	107,739	107,739	-	107,739
N/A	State Retirement Contribution	-	-	-	78,865	-	78,865	78,865	-	78,865
N/A	State Health Plan Reserve	-	-	-	38,671	-	38,671	38,671	-	38,671
Total		60,846,296	52,647,271	8,199,025	761,718	-	761,718	61,608,014	52,647,271	8,960,743

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs-Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		**90.65**	**-**	**-**	**90.65**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		**90.65**	**-**	**-**	**90.65**

(3.0) Department of Military and Veterans Affairs

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,199,025**		**$8,199,025**	
Legislative Changes				
Reserve for Salaries and Benefits				
15 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$107,739	R	$107,739	R
16 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$29,902	R	$78,865	R
17 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$18,249	R	$38,671	R
Military Presence Stabilization Fund				
18 Military Stabilization Fund **Fund Code:** 1400 Provides additional funding for communities' investment efforts to sustain and maintain North Carolina's military programs and activities. The revised net appropriation for this fund is $2.2 million in FY 2017-18 only.	$2,000,000	NR		

	FY 17-18		FY 18-19	
Veterans' Affairs - Services				
19 High Country Chapter of Military Officers Association of America **Fund Code:** 1200 Provides funds to construct a memorial in Watauga County. The revised net appropriation for this grant-in-aid is $50,000 in FY 2017-18 only.	$50,000	NR		
20 Grants-in-aid **Fund Code:** 1200 Provides a grant-in-aid to the following organizations: Honor the Warriors $100,000 Duplin County Veterans Memorial Museum $40,000 Vietnam Veterans of America, Chapter #990 $126,000 The revised net appropriation for these organizations is $266,000 in FY 2017-18 only.	$266,000	NR		
21 Scholarships for Children of War Veterans **Fund Code:** 1200 Provides funds to increase the scholarship allowance given to children of veterans killed or disabled during wartime. The revised net appropriation for this fund, after all changes in this section, is $7.5 million in FY 2017-18 and $6.9 million in FY 2018-19.	$536,443	R	$536,443	R
22 Veterans' Memorial **Fund Code:** 1200 Provides funding for the construction of public facilities at the North Carolina Veterans Memorial Pavilion in Broadway, North Carolina. The revised net appropriation for this fund, after all changes in this section, is $7.5 million in FY 2017-18 and $6.9 million in FY 2018-19.	$250,000	NR		
Total Legislative Changes	**$692,333** **$2,566,000**	R NR	**$761,718**	R
Total Position Changes				
Revised Budget	**$11,457,358**		**$8,960,743**	

Department of Insurance
Budget Code 13900

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$50,457,372	$50,459,537
Receipts	$10,666,688	$10,666,688
Net Appropriation	$39,790,684	$39,792,849
Legislative Changes		
Requirements	$21,000,550	$20,024,873
Receipts	$11,953,022	$11,503,022
Net Appropriation	$9,047,528	$8,521,851
Revised Budget		
Requirements	$71,457,922	$70,484,410
Receipts	$22,619,710	$22,169,710
Net Appropriation	$48,838,212	$48,314,700

General Fund FTE		
Base Budget	420.18	420.18
Legislative Changes	187.32	187.32
Revised Budget	607.50	607.50

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Insurance		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13900										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,704,434	121,726	7,582,708	480,959	-	480,959	8,185,393	121,726	8,063,667
1200	Company Services Group	10,567,782	27,676	10,540,086	317,292	-	317,292	10,885,054	27,676	10,857,378
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	2,391,240	-	2,391,240	11,824,968	3,198,158	8,626,810
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	427,535	158,000	269,535	16,158,693	4,771,505	11,387,188
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	17,187,145	11,795,022	5,392,123	17,815,372	11,795,022	6,020,350
Undesignated Items										
N/A	Position Eliminations	-	-	-	(121,341)	-	(121,341)	(121,341)	-	(121,341)
N/A	Travel Reduction	-	-	-	(405,525)	-	(405,525)	(405,525)	-	(405,525)
N/A	Compensation Increase Reserve	-	-	-	456,776	-	456,776	456,776	-	456,776
N/A	State Retirement Contribution				189,277	-	189,277	189,277	-	189,277
N/A	State Health Plan Reserve	-	-	-	77,192	-	77,192	77,192	-	77,192
Total		50,457,372	10,666,688	39,790,684	21,000,550	11,953,022	9,047,528	71,457,922	22,619,710	48,838,212

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Insurance										
Budget Code 13900		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,706,599	121,726	7,584,873	480,959	-	480,959	8,187,558	121,726	8,065,832
1200	Company Services Group	10,567,762	27,676	10,540,086	309,292	-	309,292	10,877,054	27,676	10,849,378
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	2,461,240	-	2,461,240	11,894,968	3,198,158	8,696,810
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	340,535	158,000	182,535	16,071,693	4,771,505	11,300,188
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	15,840,145	11,345,022	4,495,123	16,468,372	11,345,022	5,123,350
Undesignated Items										
N/A	Position Eliminations	-	-	-	(121,341)	-	(121,341)	(121,341)	-	(121,341)
N/A	Travel Reduction	-	-	-	(405,525)	-	(405,525)	(405,525)	-	(405,525)
N/A	Compensation Increase Reserve				456,776	-	456,776	456,776	-	456,776
N/A	State Retirement Contribution	-	-	-	499,219	-	499,219	499,219	-	499,219
N/A	State Health Plan Reserve	-	-	-	163,573	-	163,573	163,573	-	163,573
Total		50,459,537	10,666,688	39,792,849	20,024,873	11,503,022	8,521,851	70,484,410	22,169,710	48,314,700

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Insurance					
Budget Code 13900		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	2.00	-	102.08
1400	Producers, Fraud and Products Group	95.00	30.00	-	125.00
1500	Office of State Fire Marshal	96.36	5.00	-	101.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	52.24	100.08	152.32
N/A	Position Eliminations	-	(2.00)	-	(2.00)
Total FTE		**420.18**	**87.24**	**100.08**	**607.50**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Insurance					
Budget Code 13900		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	2.00	-	102.08
1400	Producers, Fraud and Products Group	95.00	30.00	-	125.00
1500	Office of State Fire Marshal	96.36	5.00	-	101.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	52.24	100.08	152.32
N/A	Position Eliminations	-	(2.00)	-	(2.00)
Total FTE		**420.18**	**87.24**	**100.08**	**607.50**

(4.0) Insurance

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$39,790,684**		**$39,792,849**	
Legislative Changes				
Reserve for Salaries and Benefits				
23 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$456,776	R	$456,776	R
24 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$189,277	R	$499,219	R
25 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$77,192	R	$163,573	R
Administration				
26 Lease Increase **Fund Code:** 1110 Provides additional funds for the lease increase for the Albemarle Building. The revised net appropriation for lease of the Albemarle Building is $2.1 million in each year of the biennium.	$480,959	R	$480,959	R

	FY 17-18		FY 18-19	
Company Services Group				
27 Captives Insurance Positions	$309,292	R	$309,292	R
Fund Code: 1200	$8,000	NR	$0	NR
Provides funds for 3 FTEs to work in the oversight and development of the Captives insurance market. The revised net appropriation for this fund is $10.9 million in each year of the biennium.	3.00		3.00	
Department-wide				
28 Vacant Position Eliminations	($121,341)	R	($121,341)	R
Fund Code: N/A	-2.00		-2.00	
Eliminates the following 2 vacant positions which have been vacant for longer than 200 days: 60013316 Executive Assistant I 60013603 Insurance Regulatory Analyst The revised net appropriation for the Department of Insurance, after all changes in this section, is $48.8 million in FY 2017-18 and $48.3 in FY 2018-19.				
29 Travel	($405,525)	R	($405,525)	R
Fund Code: N/A				
Reduces the amount of funds available for employee travel. This reduction is based upon actual expenditures over the past 3 years. The revised net appropriation available for employee travel is $1.1 million in each year of the biennium				
Office of State Fire Marshal				
30 Position Funding Elimination	($193,138)	R	($193,138)	R
Fund Code: 1500				
Eliminates the transfer of funds from the Department of Insurance to the Department of Administration (DOA). Funds had been transferred to support 2 FTE Engineer positions within DOA's Office of State Construction. The Department of Insurance had supported a total of 8 FTEs within DOA and there is another reduction of expenditures in Special Fund Code 23900 that eliminates support for remaining 6 FTEs. The revised net appropriation for the Office of State Fire Marshall, after all changes in this section, is $11.4 million in FY 2017-18 and $11.3 million in FY 2018-19.				

	FY 17-18		FY 18-19	
31 Fire Inspectors	$240,375	R	$240,375	R
Fund Code: 1500	$75,000	NR		
	3.00		3.00	

Provides funding for 3 FTE's for fire department inspections. The revised net appropriation for the Office of State Fire Marshal, after all changes in this section, is $11.4 million in FY 2017-18 and $11.3 million in FY 2018-19 in each year of the biennium.

32 Aid to Fire Departments
Fund Code: 1500

Continues the receipt funding, on a recurring basis, for fire protection for the Department of Transportation's buildings across the State. These funds are allocated to local fire departments for fire protection of State government buildings. This continues the transfer of $158,000 from the Department of Transportation to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is $5.3 million in each year of the biennium.

33 Fire Investigators	$135,298	R	$135,298	R
Fund Code: 1500	$12,000	NR		
	2.00		2.00	

Provides funds for 2 FTEs within the Office of State Fire Marshal to investigate suspicious fires. The net appropriation to this fund, after all changes in this section, is $11.4 million in FY 2017-18 and $11.3 million in FY 2018-19.

Producers, Fraud, and Products Group

34 Producers, Fraud, and Products Group	$2,391,240	R	$2,461,240	R
Fund Code: 1400				
	30.00		30.00	

Provides additional funding for up to 30 FTEs to work within the Criminal Investigations Division to investigate insurance fraudulent activities.

The following types of positions may be created with these funds:

Criminal Investigations Director
Criminal Investigations Supervisor
Criminal Investigator II
Criminal Investigator I
Financial Crimes - Prosecutor Chief
Forensic Accountant
Criminal Justice Specialists
Administrative Assistant to the Director
Administrative Assistant Field Operations

The revised net appropriation to this fund is $8.6 million in FY 2017-18 and $8.7 million in FY 2018-19.

	FY 17-18		FY 18-19	
Reserves and Transfers				
35 Industrial Commission	$5,392,123	R	$4,495,123	R
Fund Code: 1900	52.24		52.24	
Transfers the North Carolina Industrial Commission (NCIC) from the Department of Commerce to the Department of Insurance as a Type II transfer. Corresponding items can be found in the Natural and Cultural Resources section of the Committee Report. A corresponding special provision provides additional details. The revised net appropriation to this fund is $5.9 million in FY 2017-18 and $5.1 million in FY 2018-19.				
Total Legislative Changes	**$8,952,528**	R	**$8,521,851**	R
	$95,000	NR	**$0**	NR
Total Position Changes	88.24		88.24	
Revised Budget	**$48,838,212**		**$48,314,700**	

Special Fund – Interest Bearing

Budget Code: 23900

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$36,670,991**	**$37,094,772**
Recommended Budget		
Requirements	**$44,384,353**	**$44,384,353**
Receipts	**$44,351,554**	**$44,351,554**
Positions	**2.90**	**2.90**

Legislative Changes

Requirements:

Transfer of Funds	($456,580)	R	($456,580)	R
Eliminates the transfer of funding from the Department of Insurance to the Department of Administration's (DOA) State Construction Office to support 6 FTE positions. Additionally, there is a reduction of expenditures to the Office of State Fire Marshal 13900-1500 eliminating funding for 2 FTE positions located at DOA's State Construction office.	$0	NR	$0	NR
	0.00		0.00	
The revised requirements for this fund is $43.9 million in each year of the biennium.				
Subtotal Legislative Changes	**($456,580)**	R	**($456,580)**	R
	$0	NR	**$0**	NR
	0.00		0.00	

Receipts:

Transfer of Funds	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$43,927,773	$43,927,773
Revised Total Receipts	$44,351,554	$44,351,554
Change in Fund Balance	$423,781	$423,781
Total Positions	2.90	2.90
Unappropriated Balance Remaining	$37,094,772	$37,518,553

State Board of Elections
Budget Code 18025

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$6,723,306	$6,723,306
Receipts	$102,000	$102,000
Net Appropriation	$6,621,306	$6,621,306
Legislative Changes		
Requirements	$2,977	$65,308
Receipts	$0	$0
Net Appropriation	$2,977	$65,308
Revised Budget		
Requirements	$6,726,283	$6,788,614
Receipts	$102,000	$102,000
Net Appropriation	$6,624,283	$6,686,614

General Fund FTE		
Base Budget	61.00	61.00
Legislative Changes	(3.00)	(3.00)
Revised Budget	58.00	58.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

State Board of Elections Budget Code 18025		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA)	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve	-	-	-	78,107	-	78,107	78,107	-	78,107
N/A	State Retirement Contribution	-	-	-	29,024	-	29,024	29,024	-	29,024
N/A	State Health Plan Reserve	-	-	-	13,230	-	13,230	13,230	-	13,230
Total		**6,723,306**	**102,000**	**6,621,306**	**2,977**	**-**	**2,977**	**6,726,283**	**102,000**	**6,624,283**

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Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

State Board of Elections										
Budget Code 18025		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA)	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve				78,107	-	78,107	78,107	-	78,107
N/A	State Retirement Contribution	-	-	-	76,550	-	76,550	76,550	-	76,550
N/A	State Health Plan Reserve	-	-	-	28,035	-	28,035	28,035	-	28,035
Total		**6,723,306**	**102,000**	**6,621,306**	**65,308**	**-**	**65,308**	**6,788,614**	**102,000**	**6,686,614**

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Summary of General Fund Total Requirements FTE

Fiscal Year 2017-18

2017 Legislative Session

State Board of Elections					
Budget Code 18025		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	7.00	-	-	7.00
1200	Campaign Reporting	18.00	-	-	18.00
1201	Ethics and Campaign Reform	-	-	-	-
1300	Voter Registration and Voting Systems	29.00	-	-	29.00
1400	Voter Information Verification Act (VIVA)	7.00	-	-	7.00
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		**61.00**	**(3.00)**	**-**	**58.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

State Board of Elections					
Budget Code 18025		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	7.00	-	-	7.00
1200	Campaign Reporting	18.00	-	-	18.00
1201	Ethics and Campaign Reform	-	-	-	-
1300	Voter Registration and Voting Systems	29.00	-	-	29.00
1400	Voter Information Verification Act (VIVA)	7.00	-	-	7.00
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		**61.00**	**(3.00)**	**-**	**58.00**

(5.0) State Board of Elections

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$6,621,306**		**$6,621,306**	
Legislative Changes				
Reserve for Salaries and Benefits				
36 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$78,107	R	$78,107	R
37 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$29,024	R	$76,550	R
38 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$13,230	R	$28,035	R

	FY 17-18		FY 18-19	
Department-wide				
39 Vacant Positions **Fund Code:** N/A	($187,384) -3.00	R	($187,384) -3.00	R
Eliminates 3 FTE's that have been vacant over 540 days. The following positions will be eliminated: 60088226 Technology Support Analyst 60088214 Administrative Assistant II 60088238 Business and Technology Applications Technician The revised net appropriation for State Board of Elections, after all changes in this section, is $6.5 million in FY 2017-18 and $6.7 million in FY 2018-19.				
Voter Registration and Voting Systems				
40 Business Applications Analyst **Fund Code:** 1300	$70,000	R	$70,000	R
Converts a current time-limited position to a permanent FTE position. This Business Applications Analyst is responsible for supporting the voting application systems. The revised net appropriation for this fund is $3.2 million in each year of the biennium.				
Total Legislative Changes	**$2,977**	R	**$65,308**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$6,624,283**		**$6,686,614**	

North Carolina General Assembly
Budget Code 11000

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$64,562,017	$64,369,017
Receipts	$1,086,000	$893,000
Net Appropriation	$63,476,017	$63,476,017
Legislative Changes		
Requirements	$4,529,846	$4,552,240
Receipts	$2,030,250	$2,055,250
Net Appropriation	$2,499,596	$2,496,990
Revised Budget		
Requirements	$69,091,863	$68,921,257
Receipts	$3,116,250	$2,948,250
Net Appropriation	$65,975,613	$65,973,007

General Fund FTE		
Base Budget	480.95	480.95
Legislative Changes	14.00	14.00
Revised Budget	494.95	494.95

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

North Carolina General Assembly		Base Budget			Legislative Changes			Revised Budget		
Budget Code 11000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Senate	11,933,053	-	11,933,053	-	-	-	11,933,053	-	11,933,053
1120	House of Representatives	16,058,982	-	16,058,982	-	-	-	16,058,982	-	16,058,982
1211	Administrative Division	9,002,398	6,000	8,996,398	325,000	325,000	-	9,327,398	331,000	8,996,398
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,480,321	-	5,480,321	-	-	-	5,480,321	-	5,480,321
1214	Fiscal Research Division	5,017,723	-	5,017,723	-	-	-	5,017,723	-	5,017,723
1215	Building Maintenance	3,024,933	-	3,024,933	-	-	-	3,024,933	-	3,024,933
1216	Food Service	1,511,910	750,000	761,910	-	-	-	1,511,910	750,000	761,910
1217	Information Systems	7,246,368	330,000	6,916,368	-	-	-	7,246,368	330,000	6,916,368
1219	Program Evaluation Division	1,710,660	-	1,710,660	150,000	-	150,000	1,860,660	-	1,860,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	280,946	-	280,946	-	-	-	280,946	-	280,946
Undesignated Items										
N/A	Department-Wide				2,299,162	1,705,250	593,912	2,299,162	1,705,250	593,912
N/A	Compensation Increase Reserve	-	-	-	1,226,553	-	1,226,553	1,226,553	-	1,226,553
N/A	State Retirement Contribution	-	-	-	285,389	-	285,389	285,389	-	285,389
N/A	Legislative Retirement Contribution	-	-	-	38,372	-	38,372	38,372	-	38,372
N/A	State Health Plan Reserve	-	-	-	205,370	-	205,370	205,370	-	205,370
Total		64,562,017	1,086,000	63,476,017	4,529,846	2,030,250	2,499,596	69,091,863	3,116,250	65,975,613

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly Budget Code 11000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Senate	12,177,420	-	11,933,053	-	-	-	12,177,420	-	12,177,420
1120	House of Representatives	16,791,396	-	16,058,962	-	-	-	16,791,396	-	16,791,396
1211	Administrative Division	8,964,283	4,500	8,996,398	350,000	350,000	-	9,314,283	354,500	8,959,783
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,482,595	-	5,480,321	-	-	-	5,482,595	-	5,482,595
1214	Fiscal Research Division	5,052,023	-	5,017,723	-	-	-	5,052,023	-	5,052,023
1215	Building Maintenance	2,923,283	-	3,024,933	-	-	-	2,923,283	-	2,923,283
1216	Food Service	1,563,910	856,500	761,910	-	-	-	1,563,910	856,500	707,410
1217	Information Systems	6,335,246	32,000	6,916,368	-	-	-	6,335,246	32,000	6,303,246
1219	Program Evaluation Division	1,710,660	-	1,710,660	-	-	-	1,710,660	-	1,710,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	73,478	-	280,946	-	-	-	73,478	-	73,478
Undesignated Items										
N/A	Department-Wide				1,705,250	1,705,250	-	1,705,250	1,705,250	-
N/A	Compensation Increase Reserve	-	-	-	1,226,553	-	1,226,553	1,226,553	-	1,226,553
N/A	State Retirement Contribution	-	-	-	752,713	-	752,713	752,713	-	752,713
N/A	Legislative Retirement Contribution	-	-	-	82,536	-	82,536	82,536	-	82,536
N/A	State Health Plan Reserve	-	-	-	435,188	-	435,188	435,188	-	435,188
Total		**64,369,017**	**893,000**	**63,476,017**	**4,552,240**	**2,055,250**	**2,496,990**	**68,921,257**	**2,948,250**	**65,973,007**

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Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	14.00	55.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		480.95	-	14.00	494.95

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	14.00	55.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**480.95**	**-**	**14.00**	**494.95**

(6.0) General Assembly

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$63,476,017**		**$63,476,017**	
Legislative Changes				
Reserve for Salaries and Benefits				
41 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,226,553	R	$1,226,553	R
42 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$285,389	R	$752,713	R
43 Legislative Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Legislative Retirement System (LRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% cost-of-living adjustment to retirees. The revised net General Fund appropriation for LRS is $908,258 in FY 2017-18 and $952,422 in FY 2018-19.	$38,372	R	$82,536	R
44 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$205,370	R	$435,188	R

	FY 17-18		FY 18-19	
Administrative Division				
45 Security Measures **Fund Code:** 1211 Provides $325,000 in receipts in FY 2017-18 and FY 2018-19 to create positions and establish a security team to assist with the protection of the General Assembly's property. The funds provided are partial funding needed for the creation of up to 14 security staff positions. The revised requirements for the Administrative Division is $9.0 in each year of the biennium.				
Department-Wide				
46 Replacement Furniture **Fund Code:** N/A Provides one-time funding for the replacement of timeworn chairs, desks, and common-area furniture. Preference shall be given for furniture manufactured in North Carolina. The revised net appropriation for replacement furniture is $593,912 in FY 20	$593,912	NR		
47 Permanent Position Funding **Fund Code:** N/A Provides $1,705,250 in receipts in FY 2017-18 and FY 2018-19 to fix the structural budget issue associated with the temporary to permanent position changes. The revised net appropriation for the North Carolina General Assembly is $66.4 million in FY 2017-18 and $66.0 million in FY 2018-19.				
Program Evaluation Division				
48 Measurability Assessment and Efficiency Study **Fund Code:** 1219 Provides funding for the Program Evaluation Division (PED) to contract for a measurability assessment and efficiency study of the Department of Administration. PED is directed to coordinate with the Office of the State Auditor to identify programs for review. The revised net appropriation for this fund is $1.9 million in FY 2017-18 and $1.7 million in FY 2018-19.	$150,000	NR		
Total Legislative Changes	**$1,755,684** **$743,912**	R NR	**$2,496,990**	R
Total Position Changes				
Revised Budget	**$65,975,613**		**$65,973,007**	

NCGA Reserve Account

Budget Code: 21000

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$8,914,802**		**$6,784,552**	
Recommended Budget				
Requirements	**$100,000**		**$100,000**	
Receipts	**$0**		**$0**	
Positions	**1.00**		**1.00**	
Legislative Changes				
Requirements:				
Transfer of Funds Transfers funds to increase availability within the budget of the General Assembly to pay for increased expenses related to personal services. The revised requirements for this fund is $2,130,250 in each year of the biennium.	$0 $2,030,250 0.00	R NR	$0 $2,030,250 0.00	R NR
Subtotal Legislative Changes	**$0** **$2,030,250** 0.00	R NR	**$0** **$2,030,250** 0.00	R NR
Receipts:				
Reserve Account	$0 $0	R NR	$0 $0	R NR
Subtotal Legislative Changes	**$0** **$0**	R NR	**$0** **$0**	R NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$2,130,250	$2,130,250
Revised Total Receipts	$0	$0
Change in Fund Balance	($2,130,250)	($2,130,250)
Total Positions	1.00	1.00
Unappropriated Balance Remaining	$6,784,552	$4,654,302

Office of the Governor
Budget Code 13000

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$7,005,279	$7,005,279
Receipts	$1,211,165	$1,211,165
Net Appropriation	$5,794,114	$5,794,114
Legislative Changes		
Requirements	($419,137)	($817,705)
Receipts	$0	$0
Net Appropriation	($419,137)	($817,705)
Revised Budget		
Requirements	$6,586,142	$6,187,574
Receipts	$1,211,165	$1,211,165
Net Appropriation	$5,374,977	$4,976,409

General Fund FTE		
Base Budget	61.77	61.77
Legislative Changes	0.00	0.00
Revised Budget	61.77	61.77

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	(522,763)	-	(522,763)	5,819,097	1,092,868	4,726,229
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	64,767	-	64,767	64,767	-	64,767
N/A	State Retirement Contribution	-	-	-	27,752	-	27,752	27,752	-	27,752
N/A	State Health Plan Reserve	-	-	-	11,107	-	11,107	11,107	-	11,107
Total		7,005,279	1,211,165	5,794,114	(419,137)	-	(419,137)	6,586,142	1,211,165	5,374,977

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	(979,205)	-	(979,205)	5,362,655	1,092,868	4,269,787
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	64,767	-	64,767	64,767	-	64,767
N/A	State Retirement Contribution	-	-	-	73,197	-	73,197	73,197	-	73,197
N/A	State Health Plan Reserve	-	-	-	23,536	-	23,536	23,536	-	23,536
Total		**7,005,279**	**1,211,165**	**5,794,114**	**(817,705)**	**-**	**(817,705)**	**6,187,574**	**1,211,165**	**4,976,409**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor					
Budget Code 13000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		**61.77**	**-**	**-**	**61.77**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor					
Budget Code 13000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		**61.77**	-	-	**61.77**

(7.0) Governor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$5,794,114**		**$5,794,114**	
Legislative Changes				
Reserve for Salaries and Benefits				
49 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$64,767	R	$64,767	R
50 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$27,752	R	$73,197	R
51 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$11,107	R	$23,536	R
Administration				
52 Administrative Reduction **Fund Code:** 1110 Reduces the funds available to the Office of the Governor. The revised net appropriation to this fund after all changes in this section is $4.7 million in FY 2017-18 and $4.3 million in FY 2018-19.	($979,205)	R	($979,205)	R

	FY 17-18		FY 18-19	
53 Southern Legislative Conference Dues **Fund Code:** 1110 Provides funding for North Carolina's dues for the Southern Legislative Conference. The revised net appropriation for this subscription is $456,442 in FY 2017-18 only.	$456,442	NR		
Total Legislative Changes	**($875,579)**	R	**($817,705)**	R
	$456,442	NR		
Total Position Changes				
Revised Budget	**$5,374,977**		**$4,976,409**	

Office of the Governor - Special
Budget Code 13001

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$2,001,118	$2,001,118
Receipts	$0	$0
Net Appropriation	$2,001,118	$2,001,118
Legislative Changes		
Requirements	($2,001,118)	($2,001,118)
Receipts	$0	$0
Net Appropriation	($2,001,118)	($2,001,118)
Revised Budget		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0

General Fund FTE		
Base Budget	4.34	4.34
Legislative Changes	(0.65)	(0.65)
Revised Budget	3.69	3.69

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor - Special		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-
1R31	Race to the Top - DPI	-	-	-	-	-	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total		2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor - Special											
Budget Code 13001		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-	
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-	
1R31	Race to the Top - DPI	-	-	-	-	-	-	-	-	-	
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-	
Undesignated Items											
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-	
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-	
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-	
Total		2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-	

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1A15	Education and Workforce Innovation Program	0.65	(0.65)	-	-
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPI	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		**4.34**	**(0.65)**	**-**	**3.69**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1A15	Education and Workforce Innovation Program	0.65	(0.65)	-	-
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPI	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		**4.34**	**(0.65)**	**-**	**3.69**

(8.0) Governor - Special Projects

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$2,001,118**		**$2,001,118**	
Legislative Changes				
Education and Workforce Innovation Program				
54 Education and Workforce Grant Program **Fund Code:** 1A15 Transfers the grant funds and part-time position from the Office of the Governor to the Department of Public Instruction. The revised net appropriation for this fund is $0 in each year of the biennium.	($2,001,118) -0.65	R	($2,001,118) -0.65	R
Total Legislative Changes	**($2,001,118)**	R	**($2,001,118)**	R
Total Position Changes	-0.65		-0.65	
Revised Budget	**$0**		**$0**	

Office of State Budget and Management
Budget Code 13005

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$8,078,957	$8,078,957
Receipts	$118,487	$118,487
Net Appropriation	$7,960,470	$7,960,470
Legislative Changes		
Requirements	$220,076	$294,774
Receipts	$0	$0
Net Appropriation	$220,076	$294,774
Revised Budget		
Requirements	$8,299,033	$8,373,731
Receipts	$118,487	$118,487
Net Appropriation	$8,180,546	$8,255,244

General Fund FTE		
Base Budget	58.00	58.00
Legislative Changes	0.00	0.00
Revised Budget	58.00	58.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Budget and Management Budget Code 13005		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	8,078,957	118,487	7,960,470	100,000	-	100,000	8,178,957	118,487	8,060,470
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	70,669	-	70,669	70,669	-	70,669
N/A	State Retirement Contributions	-	-	-	37,437	-	37,437	37,437	-	37,437
N/A	State Health Plan Reserve	-	-	-	11,970	-	11,970	11,970	-	11,970
Total		**8,078,957**	**118,487**	**7,960,470**	**220,076**	**-**	**220,076**	**8,299,033**	**118,487**	**8,180,546**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of State Budget and Management		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13005										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	8,078,957	118,487	7,960,470	100,000	-	100,000	8,178,957	118,487	8,060,470
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	70,669	-	70,669	70,669	-	70,669
N/A	State Retirement Contributions	-	-	-	98,740	-	98,740	98,740	-	98,740
N/A	State Health Plan Reserve	-	-	-	25,365	-	25,365	25,365	-	25,365
Total		**8,078,957**	**118,487**	**7,960,470**	**294,774**	**-**	**294,774**	**8,373,731**	**118,487**	**8,255,244**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Office of State Budget and Management	58.00	-	-	58.00
1322	NC GEAR	-	-	-	-
Total FTE		**58.00**	**-**	**-**	**58.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Office of State Budget and Management	58.00	-	-	58.00
1322	NC GEAR	-	-	-	-
Total FTE		**58.00**	**-**	**-**	**58.00**

(9.0) State Budget & Management

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$7,960,470**		**$7,960,470**	
Legislative Changes				
Reserve for Salaries and Benefits				
55 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$70,669	R	$70,669	R
56 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$37,437	R	$98,740	R
57 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$11,970	R	$25,365	R
Office of State Budget and Management				
58 Results First Project **Fund Code:** 1310 Provides funds to the Office of State Budget and Management to work with the Pew-MacArthur Results First Initiative to implement an evidence-based policy making model for use in developing policy and budget decisions. The revised net appropriation for the Office of State Budget and Management is $8.2 million in FY 2017-18 and $8.3 million in FY 2018-19.	$100,000	R	$100,000	R

	FY 17-18		FY 18-19	
Total Legislative Changes	$220,076	R	$294,774	R
Total Position Changes				
Revised Budget	$8,180,546		$8,255,244	

Dorothea Dix Land Proceeds

Budget Code: 63008

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$50,554,292**		**$32,004,292**	
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$450,000**		**$450,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Child Facility-Based Crisis Centers	$0	R	$0	R
Provides funds to the Department of Health and Human Services, Budget Code 24460, for start up costs (renovation or construction) to establish new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating application, and a process for allocating grants.	$2,000,000	NR	$0	NR
	0.00		0.00	
Inpatient Behavioral Health Beds	$0	R	$0	R
Transfers funds to the Department of Health and Human Service, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to $4 million will be used for inpatient beds at the Caldwell/UNC Health Care, $4 million at Mission Health, $4 million at Cape Fear Valley Medical Center, $3 million at Good Hope Hospital and $2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.	$17,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$19,000,000	NR	**$0**	NR
	0.00		0.00	

	FY 2017-18	FY 2018-19
Receipts:		
Dorothea Dix Land Proceeds	$0 R	$0 R
	$0 NR	$0 NR
Subtotal Legislative Changes	**$0** R	**$0** R
	$0 NR	**$0** NR
Revised Total Requirements	**$19,000,000**	**$0**
Revised Total Receipts	**$450,000**	**$450,000**
Change in Fund Balance	**($18,550,000)**	**$450,000**
Total Positions	**0.00**	**0.00**
Unappropriated Balance Remaining	**$32,004,292**	**$32,454,292**

OSBM - Special
Budget Code 13085

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$2,000,000	$2,000,000
Receipts	$0	$0
Net Appropriation	$2,000,000	$2,000,000
Legislative Changes		
Requirements	$6,740,000	$0
Receipts	$0	$0
Net Appropriation	$6,740,000	$0
Revised Budget		
Requirements	$8,740,000	$2,000,000
Receipts	$0	$0
Net Appropriation	$8,740,000	$2,000,000

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

OSBM - Special Budget Code 13085		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1022	Special Appropriations	2,000,000	-	2,000,000	6,740,000	-	6,740,000	8,740,000	-	8,740,000
Undesignated Items										
Total		2,000,000	-	2,000,000	6,740,000	-	6,740,000	8,740,000	-	8,740,000

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

OSBM - Special										
Budget Code 13085		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1022	Special Appropriations	2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Undesignated Items										
Total		2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

OSBM - Special					
Budget Code 13085		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

OSBM - Special					
Budget Code 13085		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

(10.0) State Budget and Management - Special

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$2,000,000**		**$2,000,000**	
Legislative Changes				
59 Caldwell County Grant-in-aid **Fund Code:** 1022 Provides funding for the purchase of CPR equipment. The revised net appropriation for this grant-in-aid is $90,000 in FY 2017-18 only.	$90,000	NR		
60 Carolina Ballet Matching Grant **Fund Code:** 1022 Provides funding for a matching grant to the Carolina Ballet in honor of their 20th anniversary season. The revised net appropriation for this grant is $100,000 in FY 2017-18 only.	$100,000	NR		
61 Clement Civic Center, Inc. **Fund Code:** 1022 Provides a grant-in-aid to Clement Civic Center, Inc. in the amount of $65,000. The revised net appropriation to Clement Civic Center, Inc. is $65,000 in FY 2017-18 only.	$65,000	NR		
62 Mitchell County **Fund Code:** 1022 Provides a grant-in-aid to Mitchell County for improvements to Mitchell County High School. The revised net appropriation to Mitchell County for high school improvements is $250,000 in FY 2017-18 only.	$250,000	NR		
63 Wayne County **Fund Code:** 1022 Provides a grant-in-aid to Wayne County for a new Cooperative Extension storage building. The revised net appropriation to Wayne County for this grant-in-aid is $83,000 in FY 2017-18 only.	$83,000	NR		

	FY 17-18		FY 18-19
64 Robeson County			
Fund Code: 1022	$62,000	NR	
Provides a grant-in-aid to Robeson County for the swift water rescue program. The revised net appropriation for this program is $62,000 in FY 2017-18 only.			
65 Union County			
Fund Code: 1022	$1,500,000	NR	
Provides a grant-in-aid to Union County for the community shelter in Monroe, NC. The revised net appropriation for this grant-in-aid is $1.5 million in FY 2017-18 only.			
66 Davidson United Methodist Church			
Fund Code: 1022	$50,000	NR	
Provides a grant-in-aid to Davidson United Methodist Church's Getting Ahead Program. The revised net appropriation to Davidson United Methodist Church is $50,000 in FY 2017-18 only.			
67 Wilson County			
Fund Code: 1022	$125,000	NR	
Provides a grant-in-aid to Wilson County for improvements to the courthouse. The revised net appropriation to Wilson County for courthouse improvements is $125,000 in FY 2017-18 only.			
68 Fire and Rescue Grants-in-aid			
Fund Code: 1022	$545,000	NR	
Provides a grant-in-aid to the following organizations: Ashe County Fire-Rescue Association, Inc. $50,000 Caldwell County for EMS services $50,000 Autryville Volunteer Fire Department $75,000 Seven Springs Fire Department $240,000 Person County Fire Department $100,000 Mooresville Fire and Rescue $30,000 The revised net appropriation for these grants-in-aid is $545,000 in FY 2017-18 only.			
69 Richmond County			
Fund Code: 1022	$100,000	NR	
Provides a grant-in-aid to Richmond County for an athletic field at Ellerbe Middle School. The revised net appropriation for this grant-in-aid is $100,000 for FY 2017-18 only.			

	FY 17-18		FY 18-19
70 YMCA Grants-in-aid			
Fund Code: 1022	$1,175,000	NR	
Provides grants-in-aid to the following branches of the YMCA: YMCA of the Triangle $175,000 Gaston County Family YMCA at Robinwood Lake $1,000,000 The revised net appropriation for these YMCA grants-in-aid is $1,175,000 in FY 2017-18 only.			
71 Town of Banner Elk			
Fund Code: 1022	$25,000	NR	
Provides a grant-in-aid to the Town of Banner Elk for elementary school improvements. The revised net appropriation for this grant-in-aid is $25,000 for FY 2017-18 only.			
72 NC Community Foundation - Montgomery County Fund			
Fund Code: 1022	$125,000	NR	
Provides a grant-in-aid to the NC Community Foundation - Montgomery County Fund of $125,000. The revised net appropriation to this organization is $125,000 in FY 2017-18 only.			
73 Kernersville Foundation			
Fund Code: 1022	$100,000	NR	
Provides a grant-in-aid to the Kernersville Foundation in the amount of $100,000. The revised net appropriation to the Kernersville Foundation is $100,000 in FY 2017-18 only.			
74 NC Museum of Natural Sciences			
Fund Code: 1022	$1,500,000	NR	
Provides funds for the dinosaur project at the NC Museum of Natural Sciences to improve the visitor experience. The revised net appropriation for this project is $1.5 million in FY 2017-18 only.			
75 Town of Clayton			
Fund Code: 1022	$50,000	NR	
Provides funds to the Town of Clayton to contract for a rate study. The revised net appropriation for this grant-in-aid is $50,000 in FY 2017-18 only.			

	FY 17-18		FY 18-19
76 Renaissance West Community Initiative			
Fund Code: 1022	$250,000	NR	
Provides a grant-in-aid to the Renaissance West Community Initiative in the amount of $250,000. The revised net appropriation to the Renaissance West Community Initiative is $250,000 in FY 2017-18 only.			
77 Rescue Squad Park			
Fund Code: 1022	$150,000	NR	
Provides a grant-in-aid to the Rescue Squad Park located in Denver. The revised net appropriation to the Rescue Squad Park is $150,000 in FY 2017-18 only.			
78 Northern Pitt County Improvement Association			
Fund Code: 1022	$25,000	NR	
Provides a grant-in-aid to the Northern Pitt County Improvement Association. The revised net appropriation for this grant-in-aid is $25,000 in FY 2017-18 only.			
79 Greene Community Improvement Association, Inc.			
Fund Code: 1022	$50,000	NR	
Provides a grant-in-aid to the Greene Community Improvement Association, Inc. The revised net appropriation for this grant-in-aid is $50,000 in FY 2017-18 only.			
80 Boys and Girls Club of Greene County, Inc.			
Fund Code: 1022	$20,000	NR	
Provides a grant-in-aid to the Boys and Girls Club of Greene County, Inc. The revised net appropriation for this grant-in-aid is $20,000 in FY 2017-18 only.			
81 Greene County Interfaith Volunteers			
Fund Code: 1022	$50,000	NR	
Provides a grant-in-aid to the Greene County Interfaith Volunteers. The revised net appropriation for this grant-in-aid is $50,000 in FY 2017-18 only.			
82 Greene County Wellness Center			
Fund Code: 1022	$250,000	NR	
Provides a grant-in-aid for the Greene County Wellness Center. The revised net appropriation for this grant-in-aid is $250,000 in FY 2017-18 only.			

	FY 17-18		FY 18-19
Total Legislative Changes	$6,740,000	NR	
Total Position Changes			
Revised Budget	**$8,740,000**		**$2,000,000**

Department of Revenue
Budget Code 14700

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$138,664,960	$138,664,960
Receipts	$55,458,890	$55,458,890
Net Appropriation	$83,206,070	$83,206,070
Legislative Changes		
Requirements	$1,439,541	$2,277,900
Receipts	$0	$0
Net Appropriation	$1,439,541	$2,277,900
Revised Budget		
Requirements	$140,104,501	$140,942,860
Receipts	$55,458,890	$55,458,890
Net Appropriation	$84,645,611	$85,483,970

General Fund FTE		
Base Budget	1,470.92	1,470.92
Legislative Changes	(5.00)	(5.00)
Revised Budget	1,465.92	1,465.92

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Revenue		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14700										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income Tax Division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(195,750)	-	(195,750)	11,819,465	1,221,727	10,597,738
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,169	1,616,169	-	-	-	-	1,616,169	1,616,169	-
1711	Federal Grant - Joint Operations Center	590,791	590,791	-	-	-	-	590,791	590,791	-
1800	White Goods - Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1820	Scrap Tire Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1830	Public Transit Tax	732,570	732,570	-	-	-	-	732,570	732,570	-
1840	Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	125,000	125,000	-
1870	Solid Waste Disposal Tax	225,000	225,000	-	-	-	-	225,000	225,000	-
1880	911 - Service Charge	500,000	500,000	-	-	-	-	500,000	500,000	-
1900	Reserves and Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,066,191	-	1,066,191	1,066,191	-	1,066,191
N/A	State Retirement Contributions	-	-	-	388,676	-	388,676	388,676	-	388,676
N/A	State Health Plan Reserve	-	-	-	180,424	-	180,424	180,424	-	180,424
Total		**138,664,960**	**55,458,890**	**83,206,070**	**1,439,541**	**-**	**1,439,541**	**140,104,501**	**55,458,890**	**84,645,611**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Revenue										
Budget Code 14700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income Tax Division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(195,750)	-	(195,750)	11,819,465	1,221,727	10,597,738
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,189	1,616,189	-	-	-	-	1,616,189	1,616,189	-
1711	Federal Grant - Joint Operations Center	590,791	590,791	-	-	-	-	590,791	590,791	-
1800	White Goods - Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1820	Scrap Tire Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1830	Public Transit Tax	732,570	732,570	-	-	-	-	732,570	732,570	-
1840	Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	125,000	125,000	-
1870	Solid Waste Disposal Tax	225,000	225,000	-	-	-	-	225,000	225,000	-
1880	911 - Service Charge	500,000	500,000	-	-	-	-	500,000	500,000	-
1900	Reserves and Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,066,191	-	1,066,191	1,066,191	-	1,066,191
N/A	State Retirement Contributions	-	-	-	1,025,133	-	1,025,133	1,025,133	-	1,025,133
N/A	State Health Plan Reserve	-	-	-	382,326	-	382,326	382,326	-	382,326
Total		**138,664,960**	**55,458,890**	**83,206,070**	**2,277,900**	**-**	**2,277,900**	**140,942,860**	**55,458,890**	**85,483,970**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Revenue					
Budget Code 14700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income Tax Division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(5.00)	-	192.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**1,470.92**	**(5.00)**	**-**	**1,465.92**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Revenue					
Budget Code 14700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income Tax Division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(5.00)	-	192.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**1,470.92**	**(5.00)**	**-**	**1,465.92**

(11.0) Revenue

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$83,206,070**		**$83,206,070**	
Legislative Changes				
Reserve for Salaries and Benefits				
83 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,066,191	R	$1,066,191	R
84 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$388,676	R	$1,025,133	R
85 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$180,424	R	$382,326	R

	FY 17-18		FY 18-19	
Documents and Payments Processing				
86 Position Eliminations	($195,750)	R	($195,750)	R
Fund Code: 1685	-5.00		-5.00	
Eliminates the following 5 positions that have been vacant in excess of 5 months: 60082617 Processing Assistant IV 60082622 Processing Assistant IV 60082638 Processing Assistant IV 60082646 Processing Assistant IV 60082696 Processing Assistant IV The revised net appropriation for this fund code is $10.6 million in each year of the biennium.				
Total Legislative Changes	**$1,439,541**	R	**$2,277,900**	R
Total Position Changes	-5.00		-5.00	
Revised Budget	**$84,645,611**		**$85,483,970**	

Project Collect Tax

Budget Code: 24704

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$58,224,196**	**$23,705,289**
Recommended Budget		
Requirements	**$37,775,826**	**$37,775,826**
Receipts	**$33,060,361**	**$33,060,361**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Operating and Maintenance Costs	($1,750,000)	R	($1,750,000)	R
Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope. The revised requirements for operating and maintenance are $250,000 in each year of the biennium.	$0	NR	$0	NR
	0.00		0.00	
Operations and Maintenance for Tax Systems	$0	R	$0	R
Provides funds to DOR from the Collections Assistance Fee (CAF) to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised total requirements for all changes are $67.6 million in FY 2017-18 and $36 million in FY 2018-19.	$7,153,442	NR	$0	NR
	0.00		0.00	
Identity Theft and Tax Fraud Analysis	$0	R	$0	R
Provides funds to DOR from the Collections Assistance Fee (CAF) to contract with a vendor to perform tax fraud analysis using the Government Data Analytics Center (GDAC) and to pay for identity theft protection information technology upgrades. The revised total requirements for all changes are $67.6 million for FY 2017-18 and $36 million in FY 2018-19.	$4,400,000	NR	$0	NR
	0.00		0.00	
Collections Case Management System	$0	R	$0	R
Provides funds to DOR from the Collections Assistance Fee (CAF) to implement a new tax collection system. The revised total requirements for all changes are $67.6 million for FY 2017-18 and $36 million in FY 2018-19.	$20,000,000	NR	$0	NR
	0.00		0.00	

	FY 2017-18		FY 2018-19	
Subtotal Legislative Changes	**($1,750,000)**	R	**($1,750,000)**	R
	$31,553,442	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Operating and Maintenance Costs	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$67,579,268**		**$36,025,826**	
Revised Total Receipts	**$33,060,361**		**$33,060,361**	
Change in Fund Balance	**($34,518,907)**		**($2,965,465)**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$23,705,289**		**$20,739,824**	

ITAS Replacement

Budget Code: 24708

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$9,800,546**		**$4,453,988**	
Recommended Budget				
Requirements	**$2,000,000**		**$2,000,000**	
Receipts	**$2,000,000**		**$2,000,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Operating and Maintenance Costs Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope. The revised requirements for operations and maintenance are $250,000 in each year of the biennium.	($1,750,000) $0 0.00	R NR	($1,750,000) $0 0.00	R NR
Operations and Maintenance for Tax Systems Provides funds to DOR from Integrated Tax Administration System (ITAS) Replacement to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised total requirements for FY 2017-18 are $5.6 million and $250,000 in FY 2018-19.	$0 $5,346,558 0.00	R NR	$0 $0 0.00	R NR
Subtotal Legislative Changes	**($1,750,000)** **$5,346,558** 0.00	R NR	**($1,750,000)** **$0** 0.00	R NR
Receipts:				
Operating and Maintenance Costs Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope.	($1,750,000) $0	R NR	($1,750,000) $0	R NR

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	**($1,750,000)** R **$0** NR	**($1,750,000)** R **$0** NR
Revised Total Requirements	**$5,596,558**	**$250,000**
Revised Total Receipts	**$250,000**	**$250,000**
Change in Fund Balance	**($5,346,558)**	**$0**
Total Positions	**0.00**	**0.00**
Unappropriated Balance Remaining	**$4,453,988**	**$4,453,988**

Office of State Controller
Budget Code 14160

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$24,174,328	$24,174,328
Receipts	$821,119	$821,119
Net Appropriation	$23,353,209	$23,353,209
Legislative Changes		
Requirements	($2,479,341)	($109,733)
Receipts	$0	$0
Net Appropriation	($2,479,341)	($109,733)
Revised Budget		
Requirements	$21,694,987	$24,064,595
Receipts	$821,119	$821,119
Net Appropriation	$20,873,868	$23,243,476

General Fund FTE		
Base Budget	169.01	169.01
Legislative Changes	0.00	0.00
Revised Budget	169.01	169.01

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Controller										
Budget Code 14160		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	Office of State Controller	24,174,328	821,119	23,353,209	(2,801,263)	-	(2,801,263)	21,373,065	821,119	20,551,946
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	197,376	-	197,376	197,376	-	197,376
N/A	State Retirement Contributions	-	-	-	91,114	-	91,114	91,114	-	91,114
N/A	State Health Plan Reserve	-	-	-	33,432	-	33,432	33,432	-	33,432
Total		24,174,328	821,119	23,353,209	(2,479,341)	-	(2,479,341)	21,694,987	821,119	20,873,868

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of State Controller		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14160										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	Office of State Controller	24,174,328	821,119	23,353,209	(618,267)	-	(618,267)	23,556,061	821,119	22,734,942
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	197,376	-	197,376	197,376	-	197,376
N/A	State Retirement Contributions	-	-	-	240,314	-	240,314	240,314	-	240,314
N/A	State Health Plan Reserve	-	-	-	70,844	-	70,844	70,844	-	70,844
Total		**24,174,328**	**821,119**	**23,353,209**	**(109,733)**	**-**	**(109,733)**	**24,064,595**	**821,119**	**23,243,476**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Controller					
Budget Code 14160		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.01	-	-	169.01
Total FTE		169.01	-	-	169.01

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Controller					
Budget Code 14160		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.01	-	-	169.01
Total FTE		169.01	-	-	169.01

(12.0) State Controller

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$23,353,209**		**$23,353,209**	
Legislative Changes				
Reserve for Salaries and Benefits				
87 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$197,376	R	$197,376	R
88 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$91,114	R	$240,314	R
89 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$33,432	R	$70,844	R
Office of State Controller				
90 Administrative Reduction **Fund Code:** 1000 Increases receipts from the Federal Income Contribution Act (FICA) Special Fund and reduces General Funds available for the Office of State Controller. The revised net appropriation for the Office of State Controller is $20.9 million in FY 2017-18 and $23.2 million in FY 2018-19.	($2,734,642)	NR	($734,642)	NR

	FY 17-18		FY 18-19	
91 Lease Reduction	($266,029)	R	($266,029)	R
Fund Code: 1000	($182,996)	NR		
Reduces the amount of funds available for leased space due to renegotiation of a 10-year contract. The revised net appropriation available for leased space for the Office of State Controller for FY 2017-18 is $576,826 and $759,822 for FY 2018-19.				
92 Information Technology Service Contracts	$382,404	R	$382,404	R
Fund Code: 1000				
Provides additional funds for service contracts including the North Carolina Accounting System, Cash Management System, HR Payroll System and others that support the Office of State Controller responsibilities. The revised net appropriation for these service contracts is $2.5 million in each year of the biennium.				
Total Legislative Changes	**$438,297**	R	**$624,909**	R
	($2,917,638)	NR	**($734,642)**	NR
Total Position Changes				
Revised Budget	**$20,873,868**		**$23,243,476**	

NC Flex FICA Reserve

Budget Code: 24160

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$21,626,786**	**$13,613,183**
Recommended Budget		
Requirements	**$13,043,706**	**$13,043,706**
Receipts	**$7,764,745**	**$7,764,745**
Positions	**0.00**	**0.00**
Legislative Changes		
Requirements:		
Federal Insurance Contribution Act Savings	$0 R	$0 R
Transfers funds to the Office of State Controller, Budget Code 14160. The revised total requirements for FY 2017-18 is $15.8 million.	$2,734,642 NR	$734,642 NR
	0.00	0.00
Subtotal Legislative Changes	**$0** R	**$0** R
	$2,734,642 NR	**$734,642** NR
	0.00	0.00
Receipts:		
Federal Insurance Contribution Act Savings	$0 R	$0 R
	$0 NR	$0 NR
Subtotal Legislative Changes	**$0** R	**$0** R
	$0 NR	**$0** NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$15,778,348	$13,778,348
Revised Total Receipts	$7,764,745	$7,764,745
Change in Fund Balance	($8,013,603)	($6,013,603)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$13,613,183	$7,599,580

Office of Administrative Hearings
Budget Code 18210

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$7,150,460	$7,150,460
Receipts	$1,796,203	$1,796,203
Net Appropriation	$5,354,257	$5,354,257
Legislative Changes		
Requirements	$611,841	$660,048
Receipts	$3,618	$3,618
Net Appropriation	$608,223	$656,430
Revised Budget		
Requirements	$7,762,301	$7,810,508
Receipts	$1,799,821	$1,799,821
Net Appropriation	$5,962,480	$6,010,687

General Fund FTE		
Base Budget	49.50	49.50
Legislative Changes	6.29	6.29
Revised Budget	55.79	55.79

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of Administrative Hearings		Base Budget			Legislative Changes			Revised Budget		
Budget Code 18210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	516,455	3,618	512,837	7,666,915	1,799,821	5,867,094
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	58,271	-	58,271	58,271	-	58,271
N/A	State Retirement Contributions	-	-	-	27,245	-	27,245	27,245	-	27,245
N/A	State Health Plan Reserve	-	-	-	9,870	-	9,870	9,870	-	9,870
Total		**7,150,460**	**1,796,203**	**5,354,257**	**611,841**	**3,618**	**608,223**	**7,762,301**	**1,799,821**	**5,962,480**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of Administrative Hearings Budget Code 18210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	509,004	3,618	505,386	7,659,464	1,799,821	5,859,643
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	58,271	-	58,271	58,271	-	58,271
N/A	State Retirement Contributions	-	-	-	71,858	-	71,858	71,858	-	71,858
N/A	State Health Plan Reserve	-	-	-	20,915	-	20,915	20,915	-	20,915
Total		**7,150,460**	**1,796,203**	**5,354,257**	**660,048**	**3,618**	**656,430**	**7,810,508**	**1,799,821**	**6,010,687**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		49.50	6.29	-	55.79

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		**49.50**	**6.29**	**-**	**55.79**

(13.0) Office of Administrative Hearings

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$5,354,257**		**$5,354,257**	
Legislative Changes				
Reserve for Salaries and Benefits				
93 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$58,271	R	$58,271	R
94 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$27,245	R	$71,858	R
95 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$9,870	R	$20,915	R
Civil Rights Division				
96 Office Renovation **Fund Code:** 1100 Provides $50,000 for the Office of Administrative Hearings to renovate space within its existing office to accommodate the transfer of the Human Relations Commission to the Civil Rights Division. The revised net appropriation from all changes for the Office of Administrative Hearings is $6.0 million in each year of the biennium.	$50,000	NR		

	FY 17-18		FY 18-19	
97 Civil Rights Investigator	$43,626	R	$87,251	R
Fund Code: 1100	$1,076	NR		
	1.00		1.00	
Provides funding for 1 additional Civil Rights Investigator position effective January 1, 2018 and start-up costs associated with the position. The funds include the annual salary level of $60,693 and annual benefits and operating costs for the position. The revised net appropriation from all changes for the Office of Administrative Hearings is $6.0 million in each year of the biennium.				
98 Human Relations Commission Transfer	$418,135	R	$418,135	R
Fund Code: 1100				
	5.29		5.29	
Transfers all funding and positions for the Human Relations Commission from the Department of Administration to the Office of Administrative Hearings as a Type I transfer. The Human Relations Commission will become part of the Civil Rights Division within OAH. The revised net appropriation from all changes for the Office of Administrative Hearings is $6.0 million in each year of the biennium.				
Hearings Division				
99 Medicaid Administrative Law Judge				
Fund Code: 1100				
Provides funding for an upgrade of an Attorney II position to a newly designated Medicaid Administrative Law Judge position. The total increase in costs for the upgrade is $3,618. The revised amount to be transferred from the Department of Health and Human Services is $136,201 in support of this position. The revised net appropriation from all changes for the Office of Administrative Hearings is $6.0 million in each year of the biennium.				
Total Legislative Changes	**$557,147**	R	**$656,430**	R
	$51,076	NR		
Total Position Changes	6.29		6.29	
Revised Budget	**$5,962,480**		**$6,010,687**	

Department of Administration
Budget Code 14100

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$73,622,445	$73,622,445
Receipts	$11,636,042	$11,636,042
Net Appropriation	$61,986,403	$61,986,403
Legislative Changes		
Requirements	$1,010,910	$716,641
Receipts	($693,708)	($693,708)
Net Appropriation	$1,704,618	$1,410,349
Revised Budget		
Requirements	$74,633,355	$74,339,086
Receipts	$10,942,334	$10,942,334
Net Appropriation	$63,691,021	$63,396,752

General Fund FTE		
Base Budget	429.25	429.25
Legislative Changes	(10.29)	(10.29)
Revised Budget	418.96	418.96

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Administration		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14100										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Office of the Secretary	1,825,485	176,355	1,649,110	50,000	-	50,000	1,875,485	176,355	1,699,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	40,934	(693,708)	734,642	6,331,984	-	6,331,984
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	Facilities Management Division	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	525,000	-	525,000	1,594,679	-	1,594,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	100,000	-	100,000	432,336	-	432,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	118,943	-	118,943	118,943	-	118,943
N/A	Compensation Increase Reserve	-	-	-	478,698	-	478,698	478,698	-	478,698
N/A	State Retirement Contributions	-	-	-	177,096	-	177,096	177,096	-	177,096
N/A	State Health Plan Reserve	-	-	-	81,083	-	81,083	81,083	-	81,083
Total		**73,622,445**	**11,636,042**	**61,986,403**	**1,010,910**	**(693,708)**	**1,704,618**	**74,633,355**	**10,942,334**	**63,691,021**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Administration		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14100										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Office of the Secretary	1,825,465	176,355	1,649,110	-	-	-	1,825,465	176,355	1,649,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	40,934	(693,708)	734,642	6,331,984	-	6,331,984
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	Facilities Management Division	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	-	-	-	1,069,679	-	1,069,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	-	-	-	332,336	-	332,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	118,943	-	118,943	118,943	-	118,943
N/A	Compensation Increase Reserve	-	-	-	478,698	-	478,698	478,698	-	478,698
N/A	State Retirement Contributions	-	-	-	467,091	-	467,091	467,091	-	467,091
N/A	State Health Plan Reserve	-	-	-	171,819	-	171,819	171,819	-	171,819
Total		73,622,445	11,636,042	61,986,403	716,641	(693,708)	1,410,349	74,339,086	10,942,334	63,396,752

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Administration					
Budget Code 14100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	8.00	(8.00)	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
1781	Domestic Violence Program	4.64	-	-	4.64
1782	Domestic Violence Center	-	-	-	-
1810	State Ethics Commission	13.00	-	-	13.00
1851	Pension - Surviving Spouse	-	-	-	-
1861	Commission on Indian Affairs	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(0.06)	(2.94)	(3.00)
Total FTE		429.25	0.65	(10.94)	418.96

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Administration					
Budget Code 14100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	8.00	(8.00)	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
1781	Domestic Violence Program	4.64	-	-	4.64
1782	Domestic Violence Center	-	-	-	-
1810	State Ethics Commission	13.00	-	-	13.00
1851	Pension - Surviving Spouse	-	-	-	-
1861	Commission on Indian Affairs	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(0.06)	(2.94)	(3.00)
Total FTE		**429.25**	**0.65**	**(10.94)**	**418.96**

(14.0) Administration

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$61,986,403**		**$61,986,403**	
Legislative Changes				
Reserve for Salaries and Benefits				
100 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$478,698	R	$478,698	R
101 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$177,096	R	$467,091	R
102 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$81,083	R	$171,819	R
Advocacy Programs				
103 Human Relations Commission Transfer **Fund Code:** 1741 Transfers all funding and positions for the Human Relations Commission to the Civil Rights Division within the Office of Administrative Hearings as a Type I transfer. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is $0 in each year of the biennium.	($418,135) -5.29	R	($418,135) -5.29	R

		FY 17-18		FY 18-19	
104	**Human Relations Commission Director Position Elimination** **Fund Code:** 1741 Eliminates the Human Relations Commission Director position (60014486), including salary and benefits. The Human Relations Commission will be transferred to the Office of Administrative Hearings, where the Director of the Civil Rights Division will oversee operations. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is $0 in each year of the biennium.	($111,042) -1.00	R	($111,042) -1.00	R
105	**Human Relations Commission Assistant Position Elimination** **Fund Code:** 1741 Eliminates the Human Relations Commission Administrative Assistant I position (65024966), including salary and benefits. This position has been vacant for over 6 months. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is $0 in each year of the biennium.	($51,667) -1.00	R	($51,667) -1.00	R
106	**Grants-in-aid** **Fund Code:** 1731 Provides a grant-in-aid to the following organizations: Onslow Women's Center $125,000 Ruth's House in Washington, NC $100,000 North Carolina Coalition Against Sexual Assault for trauma counselors $300,000 The revised net appropriation for these grants-in-aid is $525,000 in FY 2017-18 only.	$525,000	NR		
107	**Lumbee Cultural Center** **Fund Code:** 1861 Provides a grant-in-aid to the Lumbee Cultural Center in Robeson County. The revised net appropriation to the Lumbee Cultural Center is $100,000 in FY 2017-18 only.	$100,000	NR		

		FY 17-18		FY 18-19	
Department Wide					
108	**Vacant Position Eliminations** **Fund Code:** N/A Eliminates the following vacant positions, including salaries and benefits, which have been vacant for longer than 6 months: 60013858 Office Assistant IV 60014835 Grounds Worker 60014669 HVAC Technician The revised net appropriation for the Department of Administration is $63.7 million in FY 2017-18 and $63.4 million in FY 2018-19.	($144,127) -3.00	R	($144,127) -3.00	R
109	**Position Funding Realignment** **Fund Code:** N/A Provides funding to move the following positions from partial receipt support to 100% General Fund appropriations. 60013848 Deputy Secretary - 0.31 FTE 60013849 Deputy Secretary - 0.13 FTE 60089847 Administrative Assistant - 0.80 FTE 60008588 Accountant - 0.60 FTE 60014112 Accountant - 0.35 FTE 60014099 Departmental Purchasing Agent II - 0.75 FTE The revised net appropriation for the Department of Administration is $63.7 million in FY 2017-18 and $63.4 million in FY 2018-19.	$263,070	R	$263,070	R
Office of the Secretary					
110	**Measurability Assessment and Efficiency Study** **Fund Code:** 1111 Provides funding for the Department of Administration to contract with the Program Evaluation Division for a measurability assessment and efficiency study of the agency. The revised net appropriation for the Office of the Secretary is $1.7 million in FY 2017-18 and $1.6 million in FY 2018-19.	$50,000	NR		

	FY 17-18		FY 18-19	
State Construction Office				
111 State Construction Position Funding Realignment **Fund Code:** 1411 Provides funding to shift the following positions from receipts, which are paid by the Department of Insurance, to General Fund Appropriations. 60013374 Engineer 60013375 Engineer 60089843 Engineer 60089845 Engineer 65009250 Engineering Technician 65009251 Engineering Technician 65009252 Engineering Technician 65009253 Engineering Technician The revised net appropriation for the State Construction Office is $6.3 million in each year of the biennium.	$734,642	NR	$734,642	NR
State Ethics Commission				
112 Electronic System Maintenance **Fund Code:** 1810 Provides an additional $20,000 for annual maintenance for the new electronic Statement of Economic Interest (SEI) and ethics education system. The revised net appropriation for the Ethics Commission is $1.2 million in each year of the biennium.	$20,000	R	$20,000	R
Total Legislative Changes	**$294,976**	R	**$675,707**	R
	$1,409,642	NR	**$734,642**	NR
Total Position Changes	-10.29		-10.29	
Revised Budget	**$63,691,021**		**$63,396,752**	

Housing Finance Agency
Budget Code 13010

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$10,660,000	$10,660,000
Receipts	$0	$0
Net Appropriation	$10,660,000	$10,660,000
Legislative Changes		
Requirements	$20,000,000	$20,000,000
Receipts	$16,050,841	$0
Net Appropriation	$3,949,159	$20,000,000
Revised Budget		
Requirements	$30,660,000	$30,660,000
Receipts	$16,050,841	$0
Net Appropriation	$14,609,159	$30,660,000

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Housing Finance Agency		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13010										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	20,000,000	16,050,841	3,949,159	30,660,000	16,050,841	14,609,159
Undesignated Items										
Total		10,660,000	-	10,660,000	20,000,000	16,050,841	3,949,159	30,660,000	16,050,841	14,609,159

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Housing Finance Agency Budget Code 13010		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	20,000,000	-	20,000,000	30,660,000	-	30,660,000
Undesignated Items										
Total		10,660,000	-	10,660,000	20,000,000	-	20,000,000	30,660,000	-	30,660,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Housing Finance Agency - Appropriations	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Housing Finance Agency - Appropriations	-	-	-	-
Total FTE		-	-	-	-

(15.0) Housing Finance Agency

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$10,660,000**		**$10,660,000**	
Legislative Changes				
113 Workforce Housing Loan Program **Fund Code:** 1100 Provides $16,050,841 in funds received by the State from the Settlement Agreement dated January 13, 2017, and entered into with Moody's Corporation, Moody's Investors Service, Inc., and Moody's Analytics, Inc., to the Workforce Housing Loan Program (WHLP) to assist with the development of low-income housing units across the State. In addition to the settlement funds, an additional $3,949,159 is provided to the WHLP in FY 2017-18 and $20,000,000 in FY 2018-19. The total requirements for the WHLP are $20.0 million in each year of the biennium. The revised net appropriation for the WHLP is $3.9 million in FY 2017-18 and $20.0 million in FY 2018-19.	$3,949,159	NR	$20,000,000	NR
Total Legislative Changes	**$3,949,159**	**NR**	**$20,000,000**	**NR**
Total Position Changes				
Revised Budget	**$14,609,159**		**$30,660,000**	

Housing Finance Agency – Partnership

Budget Code: 63011

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$103,811,465**		**$102,973,465**	
Recommended Budget				
Requirements	**$11,498,000**		**$11,498,000**	
Receipts	**$10,660,000**		**$10,660,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Community Living Housing Fund	$0	R	$0	R
Provides funds to the Community Living Housing Fund (CLHF) to increase access to permanent, community-based integrated housing for individuals with disabilities in support of the Olmstead Settlement. The revised total requirements for the CLHF are $4.2 million in FY 2017-18 only.	$4,221,055	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$4,221,055	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Community Living Housing Fund	$0	R	$0	R
Adjusts the fund to reflect receipts transferred from the Department of Health and Human Services.	$4,221,055	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$4,221,055	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$15,719,055	$11,498,000
Revised Total Receipts	$14,881,055	$10,660,000
Change in Fund Balance	($838,000)	($838,000)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$102,973,465	$102,135,465

Lieutenant Governor
Budget Code 13100

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$703,302	$703,302
Receipts	$0	$0
Net Appropriation	$703,302	$703,302
Legislative Changes		
Requirements	$90,406	$68,195
Receipts	$0	$0
Net Appropriation	$90,406	$68,195
Revised Budget		
Requirements	$793,708	$771,497
Receipts	$0	$0
Net Appropriation	$793,708	$771,497

General Fund FTE		
Base Budget	6.00	6.00
Legislative Changes	1.00	1.00
Revised Budget	7.00	7.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Lieutenant Governor Budget Code 13100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	77,812	-	77,812	781,114	-	781,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	7,439	-	7,439	7,439	-	7,439
N/A	State Retirement Contributions	-	-	-	3,895	-	3,895	3,895	-	3,895
N/A	State Health Plan Reserve	-	-	-	1,260	-	1,260	1,260	-	1,260
Total		**703,302**	**-**	**703,302**	**90,406**	**-**	**90,406**	**793,708**	**-**	**793,708**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Lieutenant Governor Budget Code 13100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	47,812	-	47,812	751,114	-	751,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	7,439	-	7,439	7,439	-	7,439
N/A	State Retirement Contributions	-	-	-	10,274	-	10,274	10,274	-	10,274
N/A	State Health Plan Reserve	-	-	-	2,670	-	2,670	2,670	-	2,670
Total		**703,302**	**-**	**703,302**	**68,195**	**-**	**68,195**	**771,497**	**-**	**771,497**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		**6.00**	**1.00**	-	**7.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		**6.00**	**1.00**	-	**7.00**

(16.0) Lieutenant Governor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$703,302**		**$703,302**	
Legislative Changes				
Reserve for Salaries and Benefits				
114 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$7,439	R	$7,439	R
115 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$3,895	R	$10,274	R
116 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$1,260	R	$2,670	R
Administration				
117 Supplies and Equipment **Fund Code:** 1110 Provides an additional $30,000 for the purchase or upgrade of technology and communications equipment and supplies. The revised net appropriation for the Office of the Lieutenant Governor from all items in this report is $793,708 in FY 2017-18 and $771,497 in FY 2018-19.	$30,000	NR		

	FY 17-18		FY 18-19	
118 Administrative Assistant Position	$47,812	R	$47,812	R
Fund Code: 1110	1.00		1.00	
Creates a new Administrative Assistant I position. The total cost of the position, including salaries and benefits, is $47,812. The revised net appropriation for the Office of the Lieutenant Governor from all items in this report is $793,708 in FY 2017-18 and $771,497 in FY 2018-19.				
Total Legislative Changes	**$60,406**	R	**$68,195**	R
	$30,000	NR		
Total Position Changes	1.00		1.00	
Revised Budget	**$793,708**		**$771,497**	

Secretary of State
Budget Code 13200

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$12,923,217	$12,983,865
Receipts	$171,794	$171,794
Net Appropriation	$12,751,423	$12,812,071
Legislative Changes		
Requirements	$352,888	$502,872
Receipts	$0	$0
Net Appropriation	$352,888	$502,872
Revised Budget		
Requirements	$13,276,105	$13,486,737
Receipts	$171,794	$171,794
Net Appropriation	$13,104,311	$13,314,943

General Fund FTE		
Base Budget	175.88	175.88
Legislative Changes	0.00	0.00
Revised Budget	175.88	175.88

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Secretary of State Budget Code 13200		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	100,000	-	100,000	3,362,709	2,100	3,360,609
1220	Certification and Filing Division	2,460,857	34,825	2,426,032	-	-	-	2,460,857	34,825	2,426,032
1230	Securities Division	2,412,212	-	2,412,212	-	-	-	2,412,212	-	2,412,212
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
				-						
Undesignated Items				-						
N/A	Travel Reduction	-	-	-	(67,649)	-	(67,649)	(67,649)	-	(67,649)
N/A	Compensation Increase Reserve	-	-	-	217,316	-	217,316	217,316	-	217,316
N/A	State Retirement Contributions	-	-	-	66,496	-	66,496	66,496	-	66,496
N/A	State Health Plan Reserve	-	-	-	36,725	-	36,725	36,725	-	36,725
Total		12,923,217	171,794	12,751,423	352,888	-	352,888	13,276,105	171,794	13,104,311

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Secretary of State		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13200										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	100,000	-	100,000	3,362,709	2,100	3,360,609
1220	Certification and Filing Division	2,506,343	34,825	2,471,518	-	-	-	2,506,343	34,825	2,471,518
1230	Securities Division	2,427,374	-	2,427,374	-	-	-	2,427,374	-	2,427,374
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
Undesignated Items										
N/A	Travel Reduction	-	-	-	(67,649)	-	(67,649)	(67,649)	-	(67,649)
N/A	Compensation Increase Reserve	-	-	-	217,316	-	217,316	217,316	-	217,316
N/A	State Retirement Contributions	-	-	-	175,383	-	175,383	175,383	-	175,383
N/A	State Health Plan Reserve	-	-	-	77,822	-	77,822	77,822	-	77,822
Total		12,983,885	171,794	12,812,071	502,872	-	502,872	13,486,737	171,794	13,314,943

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Secretary of State					
Budget Code 13200		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	34.10	-	-	34.10
1120	Publications Division	2.73	-	-	2.73
1150	Lobbyist Registration	5.00	-	-	5.00
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	-	-	57.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		**175.88**	**0.00**	**0.00**	**175.88**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Secretary of State					
Budget Code 13200		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	34.10	-	-	34.10
1120	Publications Division	2.73	-	-	2.73
1150	Lobbyist Registration	5.00	-	-	5.00
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	-	-	57.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		**175.88**	**0.00**	**0.00**	**175.88**

(17.0) Secretary of State

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$12,751,423**		**$12,812,071**	
Legislative Changes				
Reserve for Salaries and Benefits				
119 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$217,316	R	$217,316	R
120 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$66,496	R	$175,383	R
121 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$36,725	R	$77,822	R
Corporations Division				
122 Call Center Temporary Positions **Fund Code:** 1210 Provides $100,000 to the Corporations Division for the use of temporary employees in the call center. The revised net appropriation from all items in this report for the Corporations Division is $3.4 million in each year of the biennium.	$100,000	R	$100,000	R

	FY 17-18		FY 18-19	
Department Wide				
123 Travel Reduction **Fund Code:** N/A Reduces the travel budget for the Secretary of State's Office by $67,649 in each year of the 2017-2019 fiscal biennium. The revised net appropriation for the Secretary of State's Office is $13.1 million in FY 2017-18 and $13.3 million in FY 2018-19.	($67,649)	R	($67,649)	R
Total Legislative Changes	**$352,888**	R	**$502,872**	R
Total Position Changes				
Revised Budget	**$13,104,311**		**$13,314,943**	

Office of State Auditor
Budget Code 13300

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$19,327,612	$19,327,612
Receipts	$5,947,874	$5,947,874
Net Appropriation	$13,379,738	$13,379,738
Legislative Changes		
Requirements	$448,470	$400,793
Receipts	$0	$0
Net Appropriation	$448,470	$400,793
Revised Budget		
Requirements	$19,776,082	$19,728,405
Receipts	$5,947,874	$5,947,874
Net Appropriation	$13,828,208	$13,780,531

General Fund FTE		
Base Budget	166.00	166.00
Legislative Changes	0.00	0.00
Revised Budget	166.00	166.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Auditor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13300										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	200,000	-	200,000	16,808,477	5,947,874	10,860,603
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	147,536	-	147,536	147,536	-	147,536
N/A	State Retirement Contributions	-	-	-	75,944	-	75,944	75,944	-	75,944
N/A	State Health Plan Reserve	-	-	-	24,990	-	24,990	24,990	-	24,990
Total		19,327,612	5,947,874	13,379,738	448,470	-	448,470	19,776,082	5,947,874	13,828,208

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of State Auditor Budget Code 13300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	-	-	-	16,608,477	5,947,874	10,660,603
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	147,536	-	147,536	147,536	-	147,536
N/A	State Retirement Contributions	-	-	-	200,302	-	200,302	200,302	-	200,302
N/A	State Health Plan Reserve	-	-	-	52,955	-	52,955	52,955	-	52,955
Total		**19,327,612**	**5,947,874**	**13,379,738**	**400,793**	**-**	**400,793**	**19,728,405**	**5,947,874**	**13,780,531**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	23.00	-	-	23.00
1210	Field Audit Division	143.00	-	-	143.00
Total FTE		**166.00**	**-**	**-**	**166.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	23.00	-	-	23.00
1210	Field Audit Division	143.00	-	-	143.00
Total FTE		**166.00**	**-**	**-**	**166.00**

(18.0) Auditor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$13,379,738**		**$13,379,738**	
Legislative Changes				
Reserve for Salaries and Benefits				
124 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$147,536	R	$147,536	R
125 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$75,944	R	$200,302	R
126 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$24,990	R	$52,955	R
Field Audit Division				
127 Subject Matter Experts **Fund Code:** 1210 Provides an additional $200,000 in FY 2017-18 for contract work with subject matter experts during audits. The revised net appropriation for the Field Audit Division is $10.9 million in FY 2017-18 and $10.7 million in FY 2018-19.	$200,000	NR		

	FY 17-18		FY 18-19	
Total Legislative Changes	$248,470	R	$400,793	R
	$200,000	NR		
Total Position Changes				
Revised Budget	$13,828,208		$13,780,531	

Transportation
Section K

Department of Transportation
Budget Code 84210

Highway Fund Budget [1]				
		FY 2017-18		FY 2018-19
Base Budget				
Requirements	$	7,245,197,068	$	7,237,942,131
Receipts	$	5,236,376,809	$	5,229,096,914
Net Appropriation	$	2,008,820,259	$	2,008,845,217
Legislative Changes				
Requirements	$	176,490,978	$	238,947,766
Receipts	$	(5,652,533)	$	(3,704,705)
Net Appropriation	$	182,143,511	$	242,652,471
Revised Budget				
Requirements	$	7,421,688,046	$	7,476,889,897
Receipts	$	5,230,724,276	$	5,225,392,209
Net Appropriation	$	2,190,963,770	$	2,251,497,688

Highway Fund FTE		
Base Budget	12,316.00	12,316.00
Legislative Changes	(225.00)	(224.00)
Revised Budget	12,091.00	12,092.00

1 The Base Budget and Revised Budget amounts include duplicate receipt-supported fund codes for field operations, grant programs, and equipment established pursuant to S.L. 2011-145, Section 28.2. The revised FY 2017-18 budget without the inclusion of these duplicate fund codes is $3,340,193,906 in requirements, $1,149,230,136 in receipts, and $2,190,963,770 in net appropriation. The revised FY 2018-19 budget net of duplicate receipts is $3,395,395,757 in requirements, $1,143,898,069 in receipts, and $2,251,497,688 in net appropriation.

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation											
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834	
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975	
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655	
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758	
0177	Computer Systems	386,728	386,728	-	-	-	-	386,728	386,728	-	
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446	
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574	
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123	
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752	
7020	Financial	9,794,920	4,226,752	5,568,168	3,800,000	-	3,800,000	13,594,920	4,226,752	9,368,168	
7025	Information Technology	58,389,153	6,569,209	51,819,944	2,070,914	-	2,070,914	60,460,067	6,569,209	53,890,858	
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196	
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027	
	ADMINISTRATION- DOT	**183,889,361**	**13,343,909**	**90,545,452**	**5,870,914**	**-**	**5,870,914**	**189,760,275**	**13,343,909**	**96,416,366**	
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334	
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085	
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-	
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-	
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-	
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-	
1018	Chief Engineer DOH Special Projects	364,066	364,066	-	-	-	-	364,066	364,066	-	
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-	
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-	
1069	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868	
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-	
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-	
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-	
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724	
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-	
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-	
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-	
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-	
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-	
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-	
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-	
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-	
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-	
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-	
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-	
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-	
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-	
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-	
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-	
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-	
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715	
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000	

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-
	ADMINISTRATION- DOH	**55,924,348**	**21,892,124**	**34,032,224**	**750,000**	**-**	**750,000**	**56,674,348**	**21,892,124**	**34,782,224**
7812	Construction - Secondary	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7814	Construction - Public Service Roads	1,723,707	-	1,723,707	(1,723,707)	-	(1,723,707)	-	-	-
7817	Spot Safety	12,100,000	-	12,100,000	-	-	-	12,100,000	-	12,100,000
7818	Construction - Contingency	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7837	Division of Small Urban Construction	2,500,000	-	2,500,000	(2,500,000)	-	(2,500,000)	-	-	-
7838	Economic Development	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-
	Mobility/Economic Development/Small Construction	-	-	-	50,000,000	-	50,000,000	50,000,000	-	50,000,000
	Planning Funds	-	-	-	-	-	-	-	-	-
	Emergency Detour Route	-	-	-	3,500,000	-	3,500,000	3,500,000	-	3,500,000
	CONSTRUCTION	**44,359,878**	**-**	**44,359,878**	**45,240,122**	**-**	**45,240,122**	**89,600,000**	**-**	**89,600,000**
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(178,568,921)	-	(178,568,921)	284,796,990	-	284,796,990
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-
7824	Contract Resurfacing	498,432,709	-	498,432,709	5,000,000	-	5,000,000	503,432,709	-	503,432,709
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738
	Bridge Preservation	-	-	-	80,000,000	-	80,000,000	80,000,000	-	80,000,000
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000
7841	Pavement Preservation	85,161,756	-	85,161,756	15,000,000	-	15,000,000	100,161,756	-	100,161,756
	MAINTENANCE	**1,289,539,114**	**-**	**1,289,539,114**	**64,011,079**	**-**	**64,011,079**	**1,353,550,193**	**-**	**1,353,550,193**
7827	FHWA Construction	886,489,400	886,489,400	-	-	-	-	886,489,400	886,489,400	-
	PLANNING & RESEARCH	**886,489,400**	**886,489,400**	**-**	**-**	**-**	**-**	**886,489,400**	**886,489,400**	**-**

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7832	OSHA Program	358,030	-	358,030	-	-	-	358,030	-	358,030
	OSHA	**358,030**	**-**	**358,030**	**-**	**-**	**-**	**358,030**	**-**	**358,030**
7836	State Aid - Highway Fund for WBS	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000
	STATE AID TO MUNICIPALITIES	**147,500,000**	**-**	**147,500,000**	**-**	**-**	**-**	**147,500,000**	**-**	**147,500,000**
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523
7831	Public Transportation - Highway Fund	129,869,100	38,026,031	91,843,069	1,500,000	-	1,500,000	131,369,100	38,026,031	93,343,069
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357
7829	Railroad Program	41,045,621	4,247,816	36,797,805	1,597,200	-	1,597,200	42,642,821	4,247,816	38,395,005
	Rail Equipment Overhaul	-	-	-	4,643,000	-	4,643,000	4,643,000	-	4,643,000
0041	Aviation	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356
7830	Airports Program	66,517,417	20,000,000	46,517,417	51,883,000	-	51,883,000	118,400,417	20,000,000	98,400,417
7040	Ferry Administration	1,302,269	-	1,302,269	-	-	-	1,302,269	-	1,302,269
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	3,000,000	-	3,000,000	49,181,106	2,500,000	46,681,106
	INTERMODAL	**288,994,488**	**64,977,564**	**224,016,934**	**62,623,200**	**-**	**62,623,200**	**351,617,688**	**64,977,564**	**288,640,134**
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**14,010,734**	**13,755,367**	**255,367**	**-**	**-**	**-**	**14,010,734**	**13,755,367**	**255,367**
0049	Driver Licensing	-	-	-	-	-	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	5,648,256	-	5,648,256	103,224,173	18,216,647	85,007,526
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	2,349,529	-	2,349,529	20,378,377	8,187,019	12,191,358
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921
	Hearings Unit	-	-	-	3,734,657	1,867,329	1,867,328	3,734,657	1,867,329	1,867,328
	DIVISION OF MOTOR VEHICLES	**147,291,355**	**27,174,414**	**120,116,941**	**12,232,442**	**1,867,329**	**10,365,113**	**159,523,797**	**29,041,743**	**130,482,054**
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753
0869	Office of State Budget and Management -Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000	-	158,000
	Cape Fear River Trail	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
	Department of Public Instruction	-	-	-	2,500,000	-	2,500,000	2,500,000	-	2,500,000
	OTHER STATE AGENCIES	**72,920,759**	**59,025,029**	**13,895,730**	**3,658,000**	**-**	**3,658,000**	**76,578,759**	**59,025,029**	**17,553,730**
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-
	TRANSFER TO GENERAL FUND	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Summary of Highway Fund Appropriations
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Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0869	Reserve - Global TransPark	750,000	-	750,000	935,000	-	935,000	1,685,000	-	1,685,000
1288	North Carolina State Ports Authority	35,000,000	-	35,000,000	(35,000,000)	-	(35,000,000)	-	-	-
	TRANSFER TO AUTHORITIES	**35,750,000**	**-**	**35,750,000**	**(34,065,000)**	**-**	**(34,065,000)**	**1,685,000**	**-**	**1,685,000**
0871	Employer's Contribution - Retirement	266,525	-	266,525	2,416,796	-	2,416,796	2,683,321	-	2,683,321
0873	Legislative Salary Increases	1,327,923	-	1,327,923	7,826,238	-	7,826,238	9,154,161	-	9,154,161
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-	-	-	-	-	-
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	1,325,625	-	1,325,625	2,209,936	-	2,209,936
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	Classification & Compensation System	-	-	-	504,724	-	504,724	504,724	-	504,724
	OTHER RESERVES	**8,850,589**	**400,000**	**8,450,589**	**12,073,383**	**-**	**12,073,383**	**20,923,972**	**400,000**	**20,523,972**
0892	GARVEE Bond Redemption	70,805,000	70,805,000	-	-	-	-	70,805,000	70,805,000	-
	DEBT SERVICE	**70,805,000**	**70,805,000**	**-**	**-**	**-**	**-**	**70,805,000**	**70,805,000**	**-**
7926	Capital Improvements	-	-	-	11,616,700	-	11,616,700	11,616,700	-	11,616,700
	CAPITAL IMPROVEMENTS	**-**	**-**	**-**	**11,616,700**	**-**	**11,616,700**	**11,616,700**	**-**	**11,616,700**
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,643	3,840,643	-	-	-	-	3,840,643	3,840,643	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-

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Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	2,249,170	2,249,170	-	54,664,811	54,664,811	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	-	-	-	27,746,288	27,746,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	339,572,512	339,572,512	-	-	-	-	339,572,512	339,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	Corridor Development Unit	-	-	-	730,968	730,968	-	730,968	730,968	-
	FIELD OPERATIONS	**4,078,514,082**	**4,078,514,082**	**-**	**2,980,138**	**2,980,138**	**-**	**4,081,494,140**	**4,081,494,140**	**-**
Department-wide Items										
	Vacant Positions	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**-**	**(10,500,000)**	**(10,500,000)**	**-**	**(10,500,000)**	**(10,500,000)**	**-**
Total		**$ 7,245,197,068**	**$ 5,236,376,889**	**$ 2,008,820,259**	**$ 176,490,978**	**$ (5,652,533)**	**$ 182,143,511**	**$ 7,421,688,046**	**$ 5,230,724,276**	**$ 2,190,963,770**
Total (excluding duplicate receipt-supported fund codes)		**$ 3,166,683,066**	**$ 1,157,862,807**	**$ 2,008,820,259**	**$ 173,510,840**	**$ (8,632,671)**	**$ 182,143,511**	**$ 3,340,193,906**	**$ 1,149,230,136**	**$ 2,190,963,770**

Summary of Highway Fund Appropriations
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Department of Transportation											
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834	
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975	
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655	
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758	
0177	Computer Systems	386,729	386,729	-	-	-	-	386,729	386,729	-	
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446	
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574	
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123	
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752	
7020	Financial	9,794,920	4,226,752	5,568,168	3,880,500	80,500	3,800,000	13,675,420	4,307,252	9,368,168	
7025	Information Technology	58,414,111	6,569,209	51,844,902	-	-	-	58,414,111	6,569,209	51,844,902	
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196	
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027	
	ADMINISTRATION- DOT	**103,914,319**	**13,343,909**	**90,570,410**	**3,880,500**	**80,500**	**3,800,000**	**107,794,819**	**13,424,409**	**94,370,410**	
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334	
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085	
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-	
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-	
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-	
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-	
1018	Chief Engineer DOH Special Projects	364,068	364,068	-	-	-	-	364,068	364,068	-	
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-	
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-	
1068	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868	
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-	
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-	
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-	
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724	
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-	
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-	
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-	
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-	
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-	
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-	
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-	
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-	
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-	
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-	
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-	
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-	
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-	
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-	
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-	
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-	
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715	
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000	

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Department of Transportation											
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705	
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170	
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523	
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843	
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321	
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353	
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700	
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563	
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278	
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501	
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895	
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420	
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517	
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918	
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-	
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-	
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099	
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855	
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588	
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249	
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-	
	ADMINISTRATION- DOH	**55,924,348**	**21,892,124**	**34,032,224**	**750,000**	**-**	**750,000**	**56,674,348**	**21,892,124**	**34,782,224**	
7812	Construction - Secondary	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000	
7814	Construction - Public Service Roads	1,723,707	-	1,723,707	(1,723,707)	-	(1,723,707)	-	-	-	
7817	Spot Safety	12,100,000	-	12,100,000	-	-	-	12,100,000	-	12,100,000	
7818	Construction - Contingency	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000	
7837	Division of Small Urban Construction	2,500,000	-	2,500,000	(2,500,000)	-	(2,500,000)	-	-	-	
7838	Economic Development	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-	
	Mobility/Economic Development/Small Construction	-	-	-	50,000,000	-	50,000,000	50,000,000	-	50,000,000	
	Planning Funds	-	-	-	2,150,000	-	2,150,000	2,150,000	-	2,150,000	
	Emergency Detour Route	-	-	-	-	-	-	-	-	-	
	CONSTRUCTION	**44,359,878**	**-**	**44,359,878**	**43,890,122**	**-**	**43,890,122**	**88,250,000**	**-**	**88,250,000**	
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(153,822,438)	-	(153,822,438)	309,543,473	-	309,543,473	
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-	
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-	
7824	Contract Resurfacing	498,432,709	-	498,432,709	15,000,000	-	15,000,000	513,432,709	-	513,432,709	
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738	
	Bridge Preservation	-	-	-	85,000,000	-	85,000,000	85,000,000	-	85,000,000	
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000	
7841	Pavement Preservation	85,161,756	-	85,161,756	15,000,000	-	15,000,000	100,161,756	-	100,161,756	
	MAINTENANCE	**1,289,539,114**	**-**	**1,289,539,114**	**103,757,562**	**-**	**103,757,562**	**1,393,296,676**	**-**	**1,393,296,676**	
7827	FHWA Construction	883,056,800	883,056,800	-	-	-	-	883,056,800	883,056,800	-	
	PLANNING & RESEARCH	**883,056,800**	**883,056,800**	**-**	**-**	**-**	**-**	**883,056,800**	**883,056,800**	**-**	

Summary of Highway Fund Appropriations
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Department of Transportation											
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
7832	OSHA Program	358,030	-	358,030	-	-	-	358,030	-	358,030	
	OSHA	**358,030**	**-**	**358,030**	**-**	**-**	**-**	**358,030**	**-**	**358,030**	
7836	State Aid - Highway Fund for WBS	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000	
	STATE AID TO MUNICIPALITIES	**147,500,000**	**-**	**147,500,000**	**-**	**-**	**-**	**147,500,000**	**-**	**147,500,000**	
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032	
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523	
7831	Public Transportation - Highway Fund	130,629,821	38,786,552	91,843,069	2,000,000	-	2,000,000	132,629,821	38,786,552	93,843,069	
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357	
7829	Railroad Program	36,797,805	-	36,797,805	1,597,200	-	1,597,200	38,395,005	-	38,395,005	
	Rail Equipment Overhaul	-	-	-	4,834,000	-	4,834,000	4,834,000	-	4,834,000	
0041	Aviation	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356	
7830	Airports Program	66,517,417	20,000,000	46,517,417	80,400,000	-	80,400,000	146,917,417	20,000,000	126,917,417	
7040	Ferry Administration	1,302,269	-	1,302,269	-	-	-	1,302,269	-	1,302,269	
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	-	-	-	46,181,106	2,500,000	43,681,106	
	INTERMODAL	**285,507,203**	**61,490,269**	**224,016,934**	**88,831,200**	**-**	**88,831,200**	**374,338,403**	**61,490,269**	**312,848,134**	
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367	
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-	
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**14,010,734**	**13,755,367**	**255,367**	**-**	**-**	**-**	**14,010,734**	**13,755,367**	**255,367**	
0049	Driver Licensing	-	-	-	-	-	-	-	-	-	
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541	
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380	
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	5,329,936	-	5,329,936	102,905,853	18,216,647	84,689,206	
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	1,999,897	-	1,999,897	20,028,745	8,187,019	11,841,726	
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921	
	Hearings Unit	-	-	-	3,734,657	3,734,657	-	3,734,657	3,734,657	-	
	DIVISION OF MOTOR VEHICLES	**147,291,355**	**27,174,414**	**120,116,941**	**11,564,490**	**3,734,657**	**7,829,833**	**158,855,845**	**30,909,071**	**127,946,774**	
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060	
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999	
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503	
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753	
0899	Office of State Budget and Management -Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-	
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399	
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816	
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200	
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000	-	158,000	
	Cape Fear River Trail	-	-	-	-	-	-	-	-	-	
	Department of Public Instruction	-	-	-	-	-	-	-	-	-	
	OTHER STATE AGENCIES	**72,920,759**	**59,025,029**	**13,895,730**	**158,000**	**-**	**158,000**	**73,078,759**	**59,025,029**	**14,053,730**	
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-	
1185	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-	
	TRANSFER TO GENERAL FUND	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

Summary of Highway Fund Appropriations
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Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0869	Reserve - Global TransPark	750,000	-	750,000	400,000	-	400,000	1,150,000	-	1,150,000
1298	North Carolina State Ports Authority	35,000,000	-	35,000,000	(35,000,000)	-	(35,000,000)	-	-	-
	TRANSFER TO AUTHORITIES	**35,750,000**	**-**	**35,750,000**	**(34,600,000)**	**-**	**(34,600,000)**	**1,150,000**	**-**	**1,150,000**
0871	Employer's Contribution - Retirement	266,525	-	266,525	6,374,299	-	6,374,299	6,640,824	-	6,640,824
0873	Legislative Salary Increases	1,327,923	-	1,327,923	7,826,238	-	7,826,238	9,154,161	-	9,154,161
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-	-	-	-	-	-
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	2,809,063	-	2,809,063	3,693,374	-	3,693,374
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	Classification & Compensation System	-	-	-	1,009,447	-	1,009,447	1,009,447	-	1,009,447
	OTHER RESERVES	**8,850,589**	**400,000**	**8,450,589**	**18,019,047**	**-**	**18,019,047**	**26,869,636**	**400,000**	**26,469,636**
0892	GARVEE Bond Redemption	70,445,000	70,445,000	-	-	-	-	70,445,000	70,445,000	-
	DEBT SERVICE	**70,445,000**	**70,445,000**	**-**	**-**	**-**	**-**	**70,445,000**	**70,445,000**	**-**
7826	Capital Improvements	-	-	-	10,216,707	-	10,216,707	10,216,707	-	10,216,707
	CAPITAL IMPROVEMENTS	**-**	**-**	**-**	**10,216,707**	**-**	**10,216,707**	**10,216,707**	**-**	**10,216,707**
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,843	3,840,843	-	-	-	-	3,840,843	3,840,843	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-

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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	2,249,170	2,249,170	-	54,664,811	54,664,811	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	-	-	-	27,746,288	27,746,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	338,572,512	338,572,512	-	-	-	-	338,572,512	338,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	Corridor Development Unit	-	-	-	730,968	730,968	-	730,968	730,968	-
	FIELD OPERATIONS	**4,078,514,002**	**4,078,514,002**	**-**	**2,980,138**	**2,980,138**	**-**	**4,081,494,140**	**4,081,494,140**	**-**
Department-wide Items										
	Vacant Positions	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
	DEPARTMENT-WIDE ITEMS	-	-	-	**(10,500,000)**	**(10,500,000)**	-	**(10,500,000)**	**(10,500,000)**	-
Total		**$ 7,237,942,131**	**$ 5,229,096,914**	**$ 2,008,845,217**	**$ 238,947,766**	**$ (3,704,705)**	**$ 242,652,471**	**$ 7,476,889,897**	**$ 5,225,392,209**	**$ 2,251,497,688**
Total (excluding duplicate receipt-supported fund codes)		**$ 3,159,428,129**	**$ 1,150,582,912**	**$ 2,008,820,259**	**$ 235,967,628**	**$ (6,684,843)**	**$ 242,652,471**	**$ 3,395,395,757**	**$ 1,143,898,069**	**$ 2,251,497,688**

Summary of Highway Fund Total Requirements FTE
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Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1096	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	-	112.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	**431.00**	**-**	**-**	**431.00**
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
1201	Division 1 - Right of Way Administration	1.00	-	-	1.00
1202	Division 2 - Right of Way Administration	1.00	-	-	1.00
1203	Division 3 - Right of Way Administration	1.00	-	-	1.00
1204	Division 4 - Right of Way Administration	1.00	-	-	1.00
1205	Division 5 - Right of Way Administration	1.00	-	-	1.00
1206	Division 6 - Right of Way Administration	1.00	-	-	1.00
1207	Division 7 - Right of Way Administration	-	-	-	-
1208	Division 8 - Right of Way Administration	1.00	-	-	1.00
1209	Division 9 - Right of Way Administration	2.00	-	-	2.00
1210	Division 10 - Right of Way Administration	1.00	-	-	1.00
1211	Division 11 - Right of Way Administration	1.00	-	-	1.00
1212	Division 12 - Right of Way Administration	1.00	-	-	1.00
1213	Division 13 - Right of Way Administration	1.00	-	-	1.00
1214	Division 14 - Right of Way Administration	1.00	-	-	1.00
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
7110	Division 7	20.00	-	-	20.00
7115	Division 8	17.00	-	-	17.00
7120	Division 9	18.00	-	-	18.00
7125	Division 10	24.00	-	-	24.00
7130	Division 11	14.00	-	-	14.00
7135	Division 12	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00

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Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7152	OCR - On-the-Job Training Grant	-	-	-	-
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	**554.00**	**-**	**-**	**554.00**
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	Mobility/Economic Development/Small Construction	-	-	-	-
	CONSTRUCTION	**-**	**-**	**-**	**-**
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	Bridge Preservation	-	-	-	-
	Roadside Environmentall	-	-	-	-
	MAINTENANCE	**-**	**-**	**-**	**-**
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	**-**	**-**	**-**	**-**
7832	OSHA Program	-	-	-	-
	OSHA	**-**	**-**	**-**	**-**
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	**-**	**-**	**-**	**-**
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
7831	Public Transportation - Highway Fund	-	-	-	-
0037	Rail Division	7.00	-	-	7.00
7829	Railroad Program	-	-	-	-
	Rail Equipment Overhaul	-	-	-	-
0041	Aeronautics	16.00	-	-	16.00
7830	Airports Program	-	-	-	-
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
	INTERMODAL	**43.00**	**-**	**-**	**43.00**
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**5.00**	**-**	**-**	**5.00**
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	16.00	-	967.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	Hearings Unit	-	-	-	-
	DIVISION OF MOTOR VEHICLES	**1,558.00**	**22.00**	**-**	**1,580.00**
0852	Department of Revenue - International Registration Plan	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0862	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0864	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0865	DHHS - Chemical Testing	-	-	-	-
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	-
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
0704	Legal - Field	45.00	-	-	45.00
0714	Engineer Trainee Program	44.00	-	-	44.00
0720	Governor's Highway Safety Program	7.00	-	-	7.00
1017	Director of Preconstruction - Field	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	46.00	497.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7565	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	-	109.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	Corridor Development Unit	-	-	7.00	7.00
	FIELD OPERATIONS	**9,725.00**	**-**	**53.00**	**9,778.00**
Department-wide Items					
	Vacant Positions	-	-	(300.00)	(300.00)
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**(300.00)**	**(300.00)**
Total FTE		**12,316.00**	**22.00**	**(247.00)**	**12,091.00**

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1086	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	1.00	113.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	**431.00**	**-**	**1.00**	**432.00**
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
1201	Division 1 - Right of Way Administration	1.00	-	-	1.00
1202	Division 2 - Right of Way Administration	1.00	-	-	1.00
1203	Division 3 - Right of Way Administration	1.00	-	-	1.00
1204	Division 4 - Right of Way Administration	1.00	-	-	1.00
1205	Division 5 - Right of Way Administration	1.00	-	-	1.00
1206	Division 6 - Right of Way Administration	1.00	-	-	1.00
1207	Division 7 - Right of Way Administration	-	-	-	-
1208	Division 8 - Right of Way Administration	1.00	-	-	1.00
1209	Division 9 - Right of Way Administration	2.00	-	-	2.00
1210	Division 10 - Right of Way Administration	1.00	-	-	1.00
1211	Division 11 - Right of Way Administration	1.00	-	-	1.00
1212	Division 12 - Right of Way Administration	1.00	-	-	1.00
1213	Division 13 - Right of Way Administration	1.00	-	-	1.00
1214	Division 14 - Right of Way Administration	1.00	-	-	1.00
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
7110	Division 7	20.00	-	-	20.00
7115	Division 8	17.00	-	-	17.00
7120	Division 9	18.00	-	-	18.00
7125	Division 10	24.00	-	-	24.00
7130	Division 11	14.00	-	-	14.00
7135	Division 12	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7152	OCR - On-the-Job Training Grant	-	-	-	-
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	**554.00**	**-**	**-**	**554.00**
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	Mobility/Economic Development/Small Construction	-	-	-	-
	CONSTRUCTION	**-**	**-**	**-**	**-**
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	Bridge Preservation	-	-	-	-
	Roadside Environmental	-	-	-	-
	MAINTENANCE	**-**	**-**	**-**	**-**
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	**-**	**-**	**-**	**-**
7832	OSHA Program	-	-	-	-
	OSHA	**-**	**-**	**-**	**-**
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	**-**	**-**	**-**	**-**
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
7831	Public Transportation - Highway Fund	-	-	-	-
0037	Rail Division	7.00	-	-	7.00
7829	Railroad Program	-	-	-	-
	Rail Equipment Overhaul	-	-	-	-
0041	Aeronautics	16.00	-	-	16.00
7830	Airports Program	-	-	-	-
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
	INTERMODAL	**43.00**	**-**	**-**	**43.00**
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**5.00**	**-**	**-**	**5.00**
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	16.00	-	967.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	Hearings Unit	-	-	-	-
	DIVISION OF MOTOR VEHICLES	**1,558.00**	**22.00**	**-**	**1,580.00**
0852	Department of Revenue - International Registration Plan	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0882	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0884	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0885	DHHS - Chemical Testing	-	-	-	-
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	-
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
0704	Legal - Field	45.00	-	-	45.00
0714	Engineer Trainee Program	44.00	-	-	44.00
0720	Governor's Highway Safety Program	7.00	-	-	7.00
1017	Director of Preconstruction - Field	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	46.00	497.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7665	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	-	109.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	Corridor Development Unit	-	-	7.00	7.00
	FIELD OPERATIONS	**9,725.00**	-	**53.00**	**9,778.00**
Department-wide Items					
	Vacant Positions	-	-	(300.00)	(300.00)
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**(300.00)**	**(300.00)**
Total FTE		**12,316.00**	**22.00**	**(246.00)**	**12,092.00**

Highway Fund

	HIGHWAY FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$2,008,820,259**		**$2,008,845,217**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** 0873 Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for Highway Fund supported salaries are $302.8 million in FY 2017-18 and $309.1 million in FY 2018-19.	$7,826,238	R	$7,826,238	R
2 Classification and Compensation System **Fund Code:** N/A Provides funding to be used to implement the new Classification and Compensation System for State employees. These funds are to increase salaries for any Highway Fund supported salary to the minimum of their salary range under the new System.	$504,724	R	$1,009,447	R
3 State Retirement Contributions **Fund Code:** 0871 Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the Highway Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net Highway Fund appropriation for TSERS is $51.7 million in FY 2017-18 and $55.7 million in FY 2018-19.	$2,416,796	R	$6,374,299	R
4 State Health Plan Reserve **Fund Code:** 0885 Provides additional funding to continue health benefit coverage for enrolled active employees supported in each year of the biennium. The revised net appropriation for enrolled active employees is $37.0 million in FY 2017-18 and $38.5 million in FY 2018-19.	$1,325,625	R	$2,809,063	R

	FY 17-18		FY 18-19	
Adjustments to Availability				
5 Division of Motor Vehicles (DMV) Hearing Fees **Fund Code:** N/A Increases forecasted revenue by $1,867,329 in FY 2017-18 and $3,734,657 in FY 2018-19 based on the implementation of DMV hearing fees, effective January 1, 2018.				
6 Highway Use Tax Lease Proceeds **Fund Code:** N/A Transfers recurring funds of $10,000,000 from short-term vehicle lease proceeds to the Highway Fund for capital improvements at commercial airports.				
Administration - Division of Highways				
7 Matching Grant Funds **Fund Code:** 7070 Provides funding to planning organizations for a portion of the 20% federal matching requirement for State Planning and Research funds. The revised net appropriation for the Transportation Planning Branch is $750,000 in each year of the biennium.	$750,000	R	$750,000	R
Administration - DOT				
8 Financial - Toll Revenue Accountant Position **Fund Code:** 7020 Establishes a Highway Trust Fund-supported Accountant position (salary: $59,342), effective July 1, 2018, to support additional requirements associated with the opening of the I-77 managed lane and Monroe Connector projects. Requirements and receipts total $80,500 in FY 2018-19.				
9 IT - Credit Card Replacement **Fund Code:** 7025 Provides funding for the purchase of 1,700 credit card readers to be used by DMV and License Plate Agency offices. The revised net appropriation for Information Technology is $53,890,858 in FY 2017-18 and $51,844,902 in FY 2018-19.	$2,070,914	NR		

		FY 17-18		FY 18-19	
Capital					
10	**Asset Management Long Range Facility Planning** **Fund Code:** 7826 Provides funding for long range site planning across the State at larger Department of Transportation (DOT) facilities. The revised net appropriation for capital expenditures is $11,616,700 in FY 2017-18 and $10,216,707 in FY 2018-19.	$250,000	NR	$250,000	NR
11	**Capital Projects** **Fund Code:** 7826 Provides funding for additional capital projects. The revised net appropriation for capital expenditures is $11,616,700 in FY 2017-18 and $10,216,707 in FY 2018-19.	$3,000,000	NR	$3,000,000	NR
12	**Greenville State Highway Patrol (SHP) /Division Of Motor Vehicles (DMV) Office and Garage** **Fund Code:** 7826 Provides funding for the DMV portion of the design and construction of a 25,000 square foot SHP/DMV office building and 10,000 square foot SHP Garage. The revised net appropriation for capital expenditures is $11,616,700 in FY 2017-18 and $10,216,707 in FY 2018-19.	$2,000,000	NR	$1,616,707	NR
13	**QMS Lab/Resident Engineer's Office** **Fund Code:** 7826 Provides funding for a 5,500 square foot Quality Management System lab and Resident Engineer's office in Guilford County. The revised net appropriation for capital expenditures is $11,616,700 in FY 2017-18 and $10,216,707 in FY 2018-19.	$1,254,000	NR		
14	**Repairs and Renovations** **Fund Code:** 7826 Provides funding for repairs and renovations. The revised net appropriation for capital expenditures is $11,616,700 in FY 2017-18 and $10,216,707 in FY 2018-19.	$5,112,700	NR	$5,350,000	NR

		FY 17-18		FY 18-19	
Construction					
15	**Construction Fund Codes** **Fund Code:** 7814, 7837, 7838 Eliminates funding to the Access and Service Roads account (Fund Code 7814), the Small Urban Construction account (Fund Code 7837) and the Economic Development account (Fund Code 7838) and transfers funding to the new Mobility/Economic Development/Small Construction Fund. The revised net appropriation to each of the three accounts is $0 in each year of the biennium.	($8,259,878)	R	($8,259,878)	R
16	**Emergency Detour Route** **Fund Code:** N/A Provides funding to widen the first segment of NC 208 from US 25/70 towards Hot Springs to the intersection of NC 212 at Belva. This road serves as a detour route when a rockslide or other emergency closes I-40 in Haywood County. The total net appropriation to this project is $3,500,000 in FY 2017-18 and $0 in FY 2018-19.	$3,500,000	NR		
17	**Mobility/Economic Development/Small Construction** **Fund Code:** N/A Establishes a new fund for immediate need construction projects. $24,000,000 will be divided equally among the 14 Division Engineers for high impact construction projects, such as intersection and operational improvements. $6,000,000 is provided to the Secretary of Transportation for economic development projects. $20,000,000 is provided to implement the SPOT Mobility program for safety and mobility projects that reduce congestion. The revised net appropriation to the Mobility/Economic Development/Small Construction Fund is $50,000,000 in each year of the biennium.	$50,000,000	R	$50,000,000	R
18	**Planning Funds** **Fund Code:** N/A Provides planning funds to complete the Avoidance and Minimization stage of the National Environmental Policy Act process for a multi-state highway project that enhances the region's economic development. The revised net appropriation for planning funds is $0 in FY 2017-18 and $2,150,000 in FY 2018-19.			$2,150,000	NR

		FY 17-18		FY 18-19	
Department Wide					
19	**Vacant Positions** **Fund Code:** N/A Eliminates 300 receipt-supported vacant positions throughout DOT. Requirements and receipts total $10,500,000 in each year of the biennium.				
Division of Motor Vehicles (DMV)					
20	**Hearings Unit** **Fund Code:** N/A Establishes a new Hearings Unit fund code. Hearing fees will be effective January 1, 2018. The total requirements of the Hearings Unit is $3,734,657 in each year of the biennium. The unit is supported by receipts from the hearing fees totaling $1,867,329 in FY 2017-18. The unit is fully receipt-supported at $3,734,657 in FY 2018-19. The revised net appropriation for the Hearings Unit is $1,867,328 in FY 2017-18 and $0 in FY 2018-19.	$1,867,328	NR		
21	**License Plate Agency Compensation** **Fund Code:** 7055 Realigns funding for Branch Agent Compensation based on historical actuals. The revised net appropriation for Branch Agent Compensation is $12,974,738 in each year of the biennium.	$4,210,000	NR	$4,210,000	NR
22	**Medical Review Unit** **Fund Code:** 7056 Realigns funding provided in S.L. 2016-94 to convert 6 temporary positions to permanent positions, eliminate 5 temporary positions, and continue funding of 6 temporary positions, expiring June 30, 2018. Funding is used to convert 5 temporary Nurse Consultant positions ($66,560 salary/$90,062 with benefits) and 1 Administrative Assistant IV position ($31,200 salary/$45,223 with benefits) to permanent. Funding is continued to 4 temporary Nurse Consultant positions ($69,984 with FICA and fees) and 2 temporary Administrative Assistant IV positions ($34,848 with FICA and fees). Funding is eliminated to 5 temporary Nurse Consultant positions. The revised net appropriation for DMV Processing Services is $12,191,358 in FY 2017-18 and $11,841,726 in FY 2018-19.	($467,471) 6.00	R	($817,103) 6.00	R

	FY 17-18		FY 18-19	
23 New Driver's License Office in Charlotte **Fund Code:** 7055 Provides funding for a new driver's license office in the Charlotte area. The cost to upfit the new driver's license office is $318,320 in FY 2017-18 and operating and lease costs are $173,977 in each year of the biennium. This driver's license office will be staffed by 15 Driver License Examiners ($41,941 salary/$58,843 with benefits) and 1 Senior Driver License Examiner ($45,467 salary/$63,314 with benefits). The total cost of the 16 new positions is $945,959 in each year of the biennium. The revised net appropriation for DMV Field Services is $85,007,526 in FY 2017-18 and $84,689,206 in FY 2018-19.	$1,119,936 $318,320 16.00	R NR	$1,119,936 16.00	R
24 Online and Enhanced Services **Fund Code:** 7050 Provides funding for a multi-channel public outreach campaign to promote DMV online and enhanced services. The revised net appropriation for advertising/marketing is $560,554 in each year of the biennium.	$500,000	NR	$500,000	NR
25 Processing Services **Fund Code:** 7056 Restores funding to the Ignition Interlock and Medical Services Units. Nonrecurring funding was provided in FY 2016-17 in S.L. 2015-241. The revised net appropriation for DMV Processing Services is $12,191,358 in FY 2017-18 and $11,841,726 in FY 2018-19.	$2,817,000	R	$2,817,000	R
Intermodal				
26 Aviation - Cape Fear Regional Jetport **Fund Code:** 7830 Provides funding for capital improvements at the Cape Fear Regional Jetport located in Oak Island. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$2,000,000	NR		
27 Aviation - Commercial Airports **Fund Code:** 7830 Increases funding for capital improvements at commercial airports. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$40,000,000	R	$75,000,000	R

		FY 17-18		FY 18-19	
28	**Aviation Fuel Tax - Statutory Adjustment** **Fund Code:** 7830 Increases revenue to reflect the revised revenue estimate of the Aviation Fuel Tax for the Aviation Division per G.S. 105-164.44M. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$5,700,000	R	$5,400,000	R
29	**Aviation - Gastonia Municipal Airport** **Fund Code:** 7830 Provides funding for maintenance improvements at the Gastonia Municipal Airport. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$100,000	NR		
30	**Aviation - Pitt-Greenville Airport** **Fund Code:** 7830 Provides funding to repair damaged pavement at the Pitt-Greenville Airport. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$83,000	NR		
31	**Aviation - Raleigh Executive Jetport** **Fund Code:** 7830 Provides funding for capital improvements at the Raleigh Executive Jetport located in Sanford. The revised net appropriation for the Airports Program is $98,400,417 in FY 2017-18 and $126,917,417 in FY 2018-19.	$4,000,000	NR		

	FY 17-18	FY 18-19

32 Ferry - Field Operations Staff

Fund Code: 7615

Converts 46 temporary ferry field positions to permanent positions and eliminates 12 temporary ferry field positions, beginning in FY 2017-18. The total cost of the 46 receipt-supported positions is $2,249,170. The revised net appropriation for Ferry Field Operations is $0 in each year of the biennium.

Position Title - Number of Positions (Salary/Salary with benefits)

Administrative Assistant I – 1 ($36,754 /$58,980)
Dredge Deckhand – 1 ($25,484 /$42,631)
Dredge Deckhand – 1 ($26,894 /$44,675)
Dredge Level Operator – 1 ($39,707 /$63,264)
Ferry Chief Engineer – 1 ($45,282 /$71,352)
Ferry Chief Engineer – 1 ($44,034 /$69,542)
Ferry Chief Engineer – 1 ($37,125 /$59,519)
Ferry Crew Member I – 3 ($23,400 /$39,607)
Ferry Crew Member I – 2 ($25,750 /$43,016)
Ferry Crew Member I – 1 ($26,013 /$43,397)
Ferry Crew Member II – 1 ($27,019 /$44,857)
Ferry Crew Member II – 2 ($26,021 /$43,409)
Ferry Master – 1 ($48,797 /$76,452)
Ferry Master – 2 ($40,123 /$63,868)
Ferry Master – 1 ($42,120 /$66,764)
Lead Worker III – 1 ($33,987 /$54,966)
Marine Mechanic – 1 ($34,861 /$56,234)
Marine Painter – 1 ($33,190 /$53,809)
Marine Painter – 1 ($33,197 /$53,820)
Processing Assistant III – 3 ($24,381 /$41,030)
Processing Assistant III – 1 ($24,378 /$41,026)
Seasonal Ferry Chief Engineer – 2 ($37,125 /$59,518)
Seasonal Ferry Crew Member I – 1 ($23,405 /$39,613)
Seasonal Ferry Crew Member II – 3 ($26,013 /$43,397)
Seasonal Marine Mechanic – 1 ($33,190 /$53,809)
Seasonal Security Guard – 1 ($25,159 /$42,158)
Security Guard – 2 ($24,861 /$41,727)
Security Guard – 8 ($25,147 /$42,141)

33 Ferry - Southport and Fort Fisher Ramps and Gantries Rehabilitation

Fund Code: 7825 $3,000,000 **NR**

Provides funding to replace the existing cantilevered weightlifting systems at Southport and Fort Fisher with hydraulic systems. The revised net appropriation for Ferry Operations is $46,681,106 in FY 2017-18 and $43,681,106 in FY 2018-19.

		FY 17-18		FY 18-19	
34	**Public Transportation - Regional Consolidation and Regional Coordination** **Fund Code:** 7831 Provides funding to incentivize regional consolidation and regional coordination of public transportation systems across the State. The revised net appropriation for Public Transportation is $93,343,069 in FY 2017-18 and $93,843,069 in FY 2018-19.	$1,500,000	R	$2,000,000	R
35	**Rail - Equipment Overhaul** **Fund Code:** N/A Establishes a new Rail Equipment Overhaul Fund for the overhaul and improvement of rail equipment. The revised net appropriation for the Rail Equipment Overhaul Program is $4,643,000 in FY 2017-18 and $4,834,000 in FY 2018-19.	$1,200,000 $3,443,000	R NR	$1,200,000 $3,634,000	R NR
36	**Rail - Federal Match** **Fund Code:** 7829 Provides funding for matching federal Congestion Mitigation and Air Quality grants. The revised net appropriation for the Railroad Program is $38,395,005 in each year of the biennium.	$1,597,200	R	$1,597,200	R
Maintenance					
37	**Bridge Preservation** **Fund Code:** N/A Establishes a new Bridge Preservation Fund to employ cost effective solutions to maximize bridge life and lower lifetime cost. The revised net appropriation for the Bridge Preservation Program is $80,000,000 in FY 2017-18 and $85,000,000 in FY 2018-19.	$80,000,000	R	$85,000,000	R
38	**Bridge Program** **Fund Code:** 7839 Provides $30,000,000 to replace deficient bridges costing more than $20,000,000 and provides $8,000,000 to meet the 2015 legislative directive to reduce the total number of structurally deficient bridges to 10% of the bridge inventory by 2030. The revised net appropriation for the Bridge Program is $281,158,738 in each year of the biennium.	$38,000,000	R	$38,000,000	R

		FY 17-18		FY 18-19	
39	**Bridge Program - Statutory Adjustment** **Fund Code:** 7839 Adjusts funding for the Bridge Program based on the revised revenue forecast. This program receives the balance of funds generated from the Gasoline Inspection Fee after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture and Consumer Services for fuel inspection. The revised net appropriation for the Bridge Program is $281,158,738 in each year of the biennium.	$580,000	R	$580,000	R
40	**Contract Resurfacing** **Fund Code:** 7824 Provides funding for contract resurfacing. The revised net appropriation for Contract Resurfacing is $503,432,709 in FY 2017-18 and $513,432,709 in FY 2018-19.	$5,000,000	R	$15,000,000	R
41	**General Maintenance Reserve (GMR)** **Fund Code:** 0934 Transfers funding for bridge preservation and roadside environmental activities to new fund codes. The revised net appropriation for the General Maintenance Reserve is $284,796,990 in FY 2017-18 and $309,543,473 in FY 2018-19.	($184,000,000)	R	($189,000,000)	R
42	**General Maintenance Reserve (GMR)** **Fund Code:** 0934 Increases funding for general maintenance activities to address critical maintenance needs. The revised net appropriation for the General Maintenance Reserve is $284,796,990 in FY 2017-18 and $309,543,473 in FY 2018-19.	$5,431,079	R	$35,177,562	R
43	**Pavement Preservation** **Fund Code:** 7841 Increases funding for pavement preservation activities and authorizes the use of the funds for pavement markings and markers. The revised net appropriation for the Pavement Preservation Program is $100,161,756 in each year of the biennium.	$15,000,000	R	$15,000,000	R
44	**Roadside Environmental** **Fund Code:** N/A Establishes a new Roadside Environmental Fund, which provides dedicated funding for vegetation management, mowing, litter prevention and removal, beautification efforts, and rest areas. The revised net appropriation for the Roadside Environmental Program is $104,000,000 in each year of the biennium.	$104,000,000	R	$104,000,000	R

	FY 17-18		FY 18-19	
Planning and Programming				
45 Corridor Development Unit **Fund Code:** N/A Establishes a new Corridor Development Unit in the Division of Planning and Programming to assist small Metropolitan Planning Organizations (MPO) and Rural Transportation Planning Organizations (RPO) in defining projects included in long-range planning documents. This unit will be staffed by 6 Engineers/Planners ($64,273 salary/$98,903 with benefits) and 1 Engineering Supervisor ($90,912 salary/ $137,550 with benefits) located in Raleigh. The total cost of the 7 new receipt-supported positions is $730,968. The revised net appropriation for the Corridor Development Unit is $0 in each year of the biennium.				
46 Corridor Development Unit **Fund Code:** N/A Directs DOT to convert 14 vacant receipt-supported positions to 14 Engineers/Planners, with a salary commensurate to the Division Planning Engineers. These positions, to be located in each Highway Division, will serve as the main DOT contact for small MPOs and RPOs for planning purposes. The revised net appropriation for the Corridor Development Unit is $0 in each year of the biennium.				
Transfers				
47 Cape Fear River Trail **Fund Code:** N/A Provides funding to complete a connecting section of the Cape Fear River Trail in Fayetteville. The revised net appropriation for the Cape Fear River Trail is $1,000,000 in FY 2017-18 and $0 in FY 2018-19.	$1,000,000	NR		
48 Data Analytics **Fund Code:** 7020 Provides funding to continue and enhance DOT's existing contract for transportation analytics services. Funds shall be used to continue the development and optimization of cash flow models, to improve data management, and to support additional analytics services in order to improve the efficiency and operations of DOT. The revised net appropriation for data analytics is $3,800,000 in each year of the biennium.	$3,800,000	NR	$3,800,000	NR

		FY 17-18		FY 18-19	
49	**Department of Public Instruction (DPI)** **Fund Code:** N/A Provides funding to DPI to administer a new charter school pilot grant program to reimburse a portion of eligible student transportation costs. The revised net appropriation for this transfer is $2,500,000 in FY 2017-18 and $0 in FY 2018-19.	$2,500,000	NR		
50	**Fire Protection Grant Funds** **Fund Code:** 0878 This item continues the transfer of funding for fire protection of DOT buildings across the State. These funds are allocated to local fire districts for fire protection of State government buildings. This continues the transfer of $158,000 from DOT to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is $158,000 in each year of the biennium.	$158,000	R	$158,000	R
51	**Global TransPark** **Fund Code:** 0869 Provides funding for the development of a strategic plan, contracted marketing services, and operating support. The revised net appropriation for the Global TransPark is $1,685,000 in FY 2017-18 and $1,150,000 in FY 2018-19.	$400,000	NR	$400,000	NR
52	**Global TransPark - Relocate Highway Division 2 Division Office** **Fund Code:** 0869 Provides funding to move the Highway Division 2 Division Office to Building #5 at the Global TransPark. Renovations to Building #5 will include reconfiguring office space, addressing restroom accessibility issues, adding audio visual equipment and the DIT phone system. Moving expenses are included. The revised net appropriation for the Global TransPark is $1,685,000 in FY 2017-18 and $1,150,000 in FY 2018-19.	$535,000	NR		
53	**State Ports Authority** **Fund Code:** 1288 Eliminates the Highway Fund appropriation to the North Carolina State Ports Authority and Fund Code 1288 and transfers remaining funds in the Highway Fund to the new State Ports Authority Fund established in the Highway Trust Fund.	($35,000,000)	R	($35,000,000)	R
Total Legislative Changes		**$137,199,249**	R	**$217,741,764**	R
		$44,944,262	NR	**$24,910,707**	NR
Total Position Changes		22.00		22.00	
Revised Budget		**$2,190,963,770**		**$2,251,497,688**	

Department of Transportation
Budget Code 84290

Highway Trust Fund Budget				
		FY 2017-18		FY 2018-19
Base Budget				
Requirements	$	1,371,280,000	$	1,371,280,000
Receipts	$	-	$	-
Net Appropriation	$	1,371,280,000	$	1,371,280,000
Legislative Changes				
Requirements	$	175,848,291	$	214,544,162
Receipts	$	-	$	-
Net Appropriation	$	175,848,291	$	214,544,162
Revised Budget				
Requirements	$	1,547,128,291	$	1,585,824,162
Receipts	$	-	$	-
Net Appropriation	$	1,547,128,291	$	1,585,824,162

Highway Trust Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of Highway Trust Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84290		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(8,851,361)		(8,851,361)	42,934,603	-	42,934,603
6006	Bond Interest	9,226,265	-	9,226,265	-	-	-	9,226,265	-	9,226,265
6008	Turnpike Authority	49,000,000	-	49,000,000	-	-	-	49,000,000	-	49,000,000
6012	Transfer to Visitor Center	400,000	-	400,000	-	-	-	400,000	-	400,000
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000	-	45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211	-	1,221,071,211	139,699,652	-	139,699,652	1,360,770,863	-	1,360,770,863
Total		**$ 1,371,280,000**		**$ 1,371,280,000**	**$ 175,848,291**	**$ -**	**$ 175,848,291**	**$ 1,547,128,291**	**$ -**	**$ 1,547,128,291**

Summary of Highway Trust Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation										
Budget Code 84290		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(10,975,777)		(10,975,777)	40,810,187	-	40,810,187
6006	Bond Interest	9,226,265	-	9,226,265	-	-	-	9,226,265	-	9,226,265
6008	Turnpike Authority	49,000,000	-	49,000,000	-	-	-	49,000,000	-	49,000,000
6012	Transfer to Visitor Center	400,000	-	400,000	-	-	-	400,000	-	400,000
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000	-	45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211		1,221,071,211	180,519,939	-	180,519,939	1,401,591,150	-	1,401,591,150
Total		$ 1,371,280,000		$ 1,371,280,000	$ 214,544,162	$ -	$ 214,544,162	$ 1,585,824,162	$ -	$ 1,585,824,162

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,371,280,000**		**$1,371,280,000**	
Legislative Changes				
Adjustment to Availability				
54 Certificate of Title Fees **Fund Code:** N/A Restores the transfer of $0.20 of the fee collected per certificate of title transaction to the Mercury Pollution Prevention Fund in the Department of Environmental Quality, decreasing Highway Trust Fund availability by $486,538 in FY 2017-18 and $496,154 in FY 2018-19.				
Construction				
55 Strategic Transportation Investments **Fund Code:** 9075 Modifies funding to the Strategic Transportation Investments (STI) Program. The revised net appropriation for STI is $1,360,770,863 in FY 2017-18 and $1,401,591,150 in FY 2018-19.	$139,699,652	R	$180,519,939	R
Debt Service				
56 Adjustment for Debt Service Payment **Fund Code:** 6005 Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule. The revised net appropriation for debt redemption is $42,934,603 in FY 2017-18 and $40,810,187 in FY 2018-19.	($8,851,361)	R	($10,975,777)	R
Transfers				
57 State Ports Authority **Fund Code:** N/A Establishes a new State Ports Authority Fund and provides funds for modernization initiatives. The revised net appropriation for the State Ports Authority is $45,000,000 in each year of the biennium.	$45,000,000	R	$45,000,000	R

	FY 17-18		FY 18-19	
Total Legislative Changes	$175,848,291	R	$214,544,162	R
Total Position Changes				
Revised Budget	**$1,547,128,291**		**$1,585,824,162**	

Turnpike Authority

Budget Code: 64208

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$0**		**$0**	
Recommended Budget				
Requirements	**$107,913,848**		**$107,913,848**	
Receipts	**$107,913,848**		**$107,913,848**	
Positions	**13.00**		**13.00**	
Legislative Changes				
Requirements:				
Adjustment to Debt Service Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	$3,452,000 $0 0.00	R NR	$7,375,000 $0 0.00	R NR
Subtotal Legislative Changes	**$3,452,000** **$0** 0.00	R NR	**$7,375,000** **$0** 0.00	R NR
Receipts:				
Debt Service Adjustment Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	$3,452,000 $0	R NR	$7,375,000 $0	R NR
Subtotal Legislative Changes	**$3,452,000** **$0**	R NR	**$7,375,000** **$0**	R NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$111,365,848	$115,288,848
Revised Total Receipts	$111,365,848	$115,288,848
Change in Fund Balance	$0	$0
Total Positions	13.00	13.00
Unappropriated Balance Remaining	$0	$0

Reserves, Debt Service, and Other Adjustments Section L

Statewide Reserves
Budget Code Multiple

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$728,872,213	$728,872,213
Receipts	$18,653,595	$18,653,595
Net Appropriation	$710,218,618	$710,218,618
Legislative Changes		
Requirements	$203,873,707	$270,301,305
Receipts	$0	$0
Net Appropriation	$203,873,707	$270,301,305
Revised Budget		
Requirements	$932,745,920	$999,173,518
Receipts	$18,653,595	$18,653,595
Net Appropriation	$914,092,325	$980,519,923

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Statewide Reserves										
Budget Code Multiple		Base Budget			Legislative Changes			Revised Budget		
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19001	Contingency and Emergency Fund	5,000,000	-	5,000,000	(5,000,000)	-	(5,000,000)	-	-	-
19004	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
19048	Workers' Compensation Settlement Reserve	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
19068	General Fund Reserve- Pending Legislation	500,000	-	500,000	99,650,000	-	99,650,000	100,150,000	-	100,150,000
19082	Film and Entertainment Grant Fund Reserve	-	-	-	15,000,000	-	15,000,000	15,000,000	-	15,000,000
19420	General Debt Service	721,756,833	18,653,595	703,102,238	24,064,101	-	24,064,101	745,819,934	18,653,595	727,166,339
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
Undesignated Items										
N/A	Classification and Compensation System	-	-	-	3,900,000	-	3,900,000	3,900,000	-	3,900,000
N/A	Enterprise Resource Planning Project	-	-	-	3,000,000	-	3,000,000	3,000,000	-	3,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	-	-	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	9,688,494	-	9,688,494	9,688,494	-	9,688,494
N/A	Public Schools ADM Reserve	-	-	-	-	-	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	46,571,112	-	46,571,112	46,571,112	-	46,571,112
Total		$728,872,213	$18,653,595	$710,218,618	$203,873,707	$0	$203,873,707	$932,745,920	$18,653,595	$914,092,325

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Statewide Reserves										
Budget Code Multiple		Base Budget			Legislative Changes			Revised Budget		
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19001	Contingency and Emergency Fund	5,000,000	-	5,000,000	(5,000,000)	-	(5,000,000)	-	-	-
19004	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
19048	Workers' Compensation Settlement Reserve	-	-	-	-	-	-	-	-	-
19068	General Fund Reserve- Pending Legislation	500,000	-	500,000	-	-	-	500,000	-	500,000
19082	Film and Entertainment Grant Fund Reserve	-	-	-	31,000,000	-	31,000,000	31,000,000	-	31,000,000
19420	General Debt Service	721,755,833	18,653,595	703,102,238	67,356,498	-	67,356,498	789,112,331	18,653,595	770,458,736
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
Undesignated Items										
N/A	Classification and Compensation System	-	-	-	7,800,000	-	7,800,000	7,800,000	-	7,800,000
N/A	Enterprise Resource Planning Project	-	-	-	10,000,000	-	10,000,000	10,000,000	-	10,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	11,000,000	-	11,000,000	11,000,000	-	11,000,000
N/A	Pay Plan Reserve	-	-	-	-	-	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	48,410,289	-	48,410,289	48,410,289	-	48,410,289
N/A	UNC System Growth Reserve	-	-	-	94,734,518	-	94,734,518	94,734,518	-	94,734,518
Total		$728,872,213	$18,653,595	$710,218,618	$270,301,305	$0	$270,301,305	$999,173,518	$18,653,595	$980,519,923

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		Base	Legislative Changes		Revised
Budget Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19001	Contingency and Emergency Fund	-	-	-	-
19004	Salary Adjustment Fund	-	-	-	-
19048	Workers' Compensation Settlement Reserve	-	-	-	-
19068	General Fund Reserve- Pending Legislation	-	-	-	-
19082	Film and Entertainment Grant Fund Reserve	-	-	-	-
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Enterprise Resource Planning Project	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
					-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		Base	Legislative Changes		Revised
Budget Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19001	Contingency and Emergency Fund	-	-	-	-
19004	Salary Adjustment Fund	-	-	-	-
19048	Workers' Compensation Settlement Reserve	-	-	-	-
19068	General Fund Reserve- Pending Legislation	-	-	-	-
19082	Film and Entertainment Grant Fund Reserve	-	-	-	-
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Enterprise Resource Planning Project	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
Total FTE		-	-	-	-

Statewide Reserves

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$710,218,618**		**$710,218,618**	
Legislative Changes				
A. Salaries and Benefits				
1 Classification and Compensation System **Budget Code:** N/A Provides funding to be used to implement the new Classification and Compensation system for State employees. These funds are to increase salaries for any net appropriation supported salary to the minimum of their salary range under the new System.	$3,900,000	R	$7,800,000	R
2 Pay Plan Reserve **Budget Code:** N/A Creates a new Reserve to fill any shortfall in salary and benefits appropriations for positions compensated pursuant to an eligible pay plan. The revised net appropriation to the Reserve in FY 2017-18 is $9.7 million.	$9,688,494	NR		
3 Workers' Compensation Settlement Reserve **Budget Code:** 19048 Provides nonrecurring funding to the Office of State Human Resources to close existing workers' compensation claims.	$2,000,000	NR		
4 Salary Adjustment Fund **Budget Code:** 19004 Provides $5 million in recurring funds to provide additional compensation to positions that are difficult to recruit or retain. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$5,000,000	R	$5,000,000	R

	FY 17-18		FY 18-19	
B. Debt Service				
5 Debt Service Adjustment **Budget Code:** 19420 Increases the General Fund debt service funding to pay increased costs anticipated for the Connect NC Bond. The revised net appropriation for debt service in FY 2017-18 is $727,166,339. The revised net appropriation for debt service in FY 2018-19 is $770,458,736.	$24,064,101	R	$67,356,498	R
C. Other Reserves				
6 Pending Legislation (Supplemental Disaster Recovery Funds) **Budget Code:** 19068 Provides funds for pending legislation that would address unmet needs related to the disasters covered by the Disaster Recovery Act of 2016 (S.L. 2016-124). The revised net appropriation for the Pending Legislation Reserve (Reserve), net of all changes made in this section, is $100,150,000 in FY 2017-18 and $500,000 in FY 2018-19. The revised net appropriation for disaster recovery over a 2-year period is increased from $210.9 million to $310.9 million.	$100,000,000	NR		
7 Pending Legislation (Base Budget) **Budget Code:** 19068 Reduces funding for the Pending Legislation Reserve on a nonrecurring basis in FY 2017-18 only. The revised net appropriation for the Reserve, net of all changes made in this section, is $100,150,000 in FY 2017-18 and $500,000 in FY 2018-19.	($350,000)	NR		
8 Pending Legislation (Competitive Energy Solutions for NC) **Budget Code:** 19068 Reserves $150,000 in FY 2017-18 only to support the requirements of House Bill 589, Competitive Energy Solutions for NC, from funds appropriated to the Pending Legislation Reserve. The revised net appropriation for the Reserve, net of all changes made in this section, is $100,150,000 in FY 2017-18 and $500,000 in FY 2018-19.				

		FY 17-18		FY 18-19	
9	**Film and Entertainment Grant Fund** **Budget Code:** 19082 Provides funds for the Film and Entertainment Grant Fund program established in G.S. 143B-437.02A to encourage the production of motion pictures, television shows, and commercials and to develop the filmmaking industry within the State. The revised net appropriation for the program is $15 million in FY 2017-18 and $31 million in FY 2018-19. Total funds available to the program in FY 2017-18 are $33.6 million, including a projected unencumbered fund balance of $18.6 million at the end of FY 2016-17.	$15,000,000	R	$31,000,000	R
10	**Contingency and Emergency Fund** **Budget Code:** 19001 Eliminates the recurring appropriation for the Contingency and Emergency Fund. A $1.8 million balance remains in the Fund.	($5,000,000)	R	($5,000,000)	R
11	**Public Schools Average Daily Membership (ADM)** **Budget Code:** N/A Provides additional funds for projected increases in allotted ADM in FY 2018-19. There are projected to be an additional 8,239 students in FY 2018-19 as compared to FY 2017-18. Total allotted ADM for FY 2018-19 is 1,560,877. Funding for increased ADM in FY 2017-18 is provided in the Department of Public Instruction budget in the Education section of the Committee Report.			$48,410,289	R
12	**University of North Carolina System Growth Reserve** **Budget Code:** N/A Provides funds for enrollment increases for the University of North Carolina system, to be held in a reserve under the control of the Office of State Budget and Management, and to be distributed to the campuses upon verification of actual enrollment changes.	$46,571,112	R	$94,734,518	R
13	**NC Promise Tuition Plan** **Budget Code:** N/A Establishes a reserve for NC Promise, which sets tuition at $500 per semester for North Carolina residents and $2500 per semester for non-residents at three UNC institutions (G.S. 116-143.11). This reserve will be used to support increased enrollment at each institution. After this reserve is distributed in FY 2018-19, the revised net appropriation for NC Promise would be $51 million.			$11,000,000	R

	FY 17-18		FY 18-19	
14 Enterprise Resource Planning **Budget Code:** N/A Provides funds for the creation of an Enterprise Resource Planning (ERP) system. The revised net appropriation for the ERP system is $3 million for FY 2017-18 and $10 million for FY 2018-19.	$3,000,000	NR	$10,000,000	NR
Total Legislative Changes	**$89,535,213**	R	**$260,301,305**	R
	$114,338,494	NR	**$10,000,000**	NR
Total Position Changes				
Revised Budget	**$914,092,325**		**$980,519,923**	

Capital
Section M

General Fund Supported Capital Improvements
Budget Code 19600

General Fund Budget		
	FY 2017-18	FY 2018-19
Enacted Budget		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Legislative Changes		
Requirements	$78,349,000	$1,917,993
Receipts	$23,641,000	$0
Net Appropriation	$54,708,000	$1,917,993
Revised Budget		
Requirements	$78,349,000	$1,917,993
Receipts	$23,641,000	$0
Net Appropriation	$54,708,000	$1,917,993

General Fund FTE		
Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

General Fund Supported Capital Improvements Budget Code 19600		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Environmental Quality									
	Water Resources Development Projects	-	-	-	39,289,000	23,641,000	15,648,000	39,289,000	23,641,000	15,648,000
	Department of Natural and Cultural Resources									
	Civil War Museum	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
	Fort Fisher New Museum and Visitor Center	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
	Department of Public Safety									
	Greenville Office Building and Garage	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
	Joint Forces HQ Helipad	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
	Youth Development Center	-			13,200,000		13,200,000	13,200,000		13,200,000
	DuPont Forest Training Center	-	-	-	100,000	-	100,000	100,000	-	100,000
	Stonewall Jackson Center Fence	-	-	-	200,000	-	200,000	200,000	-	200,000
	Community College System									
	Cleveland Community College	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
	Brunswick Community College	-	-	-	60,000	-	60,000	60,000	-	60,000
	Stanly Community College	-	-	-	500,000	-	500,000	500,000	-	500,000
	Department of Agriculture and Consumer Services									
	Emergency Programs Warehouse	-	-	-	500,000	-	500,000	500,000	-	500,000
	University of North Carolina									
	Fayetteville State University	-	-	-	5,500,000	-	5,500,000	5,500,000	-	5,500,000
	Chapel Hill	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Undesignated Items										
Total		$0	$0	$0	$78,349,000	$23,641,000	$54,708,000	$78,349,000	$23,641,000	$54,708,000

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

General Fund Supported Capital Improvements Budget Code 19600		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Public Safety									
	Greenville Office Building and Garage	-	-	-	1,917,993	-	1,917,993	1,917,993	-	1,917,993
Undesignated Items										
Total		$0	$0	$0	$1,917,993	$0	$1,917,993	$1,917,993	$0	$1,917,993

Capital

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	**$0**	**$0**

Legislative Changes

Community College System

1 Cleveland Community College Center for Advanced Manufacturing
Fund Code: 19600 — $5,000,000 NR

Provides $5,000,000 for the Cleveland Community College Center for Advanced Manufacturing to be used for capital. The revised net appropriation for the Center is $5,000,000.

2 Brunswick Community College
Fund Code: 19600 — $60,000 NR

Provides $60,000 to Brunswick Community College for gym renovations. The revised net appropriation for this project is $60,000.

3 Stanly Community College
Fund Code: 19600 — $500,000 NR

Provides $500,000 to Stanly Community College to design and construct a facility for the culinary arts program. The revised net appropriation for this project is $500,000.

Department of Agriculture and Consumer Services

4 Emergency Programs Warehouse
Fund Code: 19600 — $500,000 NR

Provides $500,000 to construct a warehouse to store foam sprayers used by the Department of Agriculture to respond to potential avian influenza outbreaks. The revised net appropriation for this project is $500,000.

	FY 17-18		FY 18-19
Department of Environmental Quality			
5 Water Resources Development Projects **Fund Code:** 19600 Provides the State's share of Water Resources Development Projects. State funds will match $14.1 million in federal funds and $8.4 million in local funds. The Department will also utilize $1.1 million in carry-forward funds. The revised net appropriation for Water Resources Development Projects is $15.6 million.	$15,648,000	NR	
Department of Natural and Cultural Resources			
6 Civil War Museum **Fund Code:** 19600 Provides $2,500,000 to the Department of Natural and Cultural Resources to begin the process of converting the Museum of the Cape Fear into a Civil War museum. There is an additional $2,500,000 appropriated to the Department upon verification of $2,500,000 in private donations towards the project. The revised net appropriation for this project is $5,000,000.	$5,000,000	NR	
7 Fort Fisher New Museum and Visitor Center **Fund Code:** 19600 Provides $5,000,000 to Fort Fisher to construct a new museum and visitor center. The revised net appropriation for this project is $5,000,000.	$5,000,000	NR	
Department of Public Safety			
8 Youth Development Center **Fund Code:** 19600 Provides $13,200,000 to the Department of Public Safety to construct a new youth development center in Rockingham County in response to Raise the Age. The revised net appropriation for the new facility is $13,200,000.	$13,200,000	NR	
9 Helipad Site Construction **Fund Code:** 19600 Provides $1,000,000 to the North Carolina National Guard to construct a helipad at the Joint Forces Headquarters in Raleigh. These funds will match $1,000,000 in federal funds. The revised net appropriation for this project is $1,000,000.	$1,000,000	NR	

	FY 17-18		FY 18-19	
10 Greenville Office Building and Garage				
Fund Code: 19600	$2,000,000	NR	$1,917,993	NR
Provides the General Fund portion of the State Highway Patrol (SHP)/Division of Motor Vehicles office building and SHP garage. The General Fund portion is $2,000,000 in FY 2017-18 and $1,917,993 in FY 2018-19. The revised net General Fund appropriation for this project is $3,917,993.				
11 DuPont Forest Training Center				
Fund Code: 19600	$100,000	NR		
Provides $100,000 to the North Carolina National Guard for the Joint Use Training Center in DuPont Forest. The site is a collaboration with the Department of Agriculture and Consumer Services. The revised net appropriation for this project is $100,000.				
12 Stonewall Jackson Youth Development Center Fence				
Fund Code: 19600	$200,000	NR		
Provides $200,000 to the Department of Public Safety to build a fence around Stonewall Jackson Youth Development Center. The revised net appropriation for this project is $200,000.				
Fayetteville State University				
13 Health and Wellness Facility				
Fund Code: 19600	$5,500,000	NR		
Provides $5,500,000 to Fayetteville State University to construct a new health and wellness facility. The revised net appropriation for this project is $5,500,000.				
University of North Carolina - Chapel Hill				
14 New Business School Building				
Fund Code: 19600	$1,000,000	NR		
Provides $1,000,000 for the advanced planning of a new business school building at the University of North Carolina - Chapel Hill. The revised net appropriation for the advanced planning is $1,000,000.				
Total Appropriation to Capital	**$54,708,000**	NR	**$1,917,993**	NR
Revised Budget	**$54,708,000**		**$1,917,993**	

Receipt Supported Capital Improvements
Budget Code N/A

General Fund Budget		
	FY 2017-18	FY 2018-19
Enacted Budget		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Legislative Changes		
Requirements	$22,115,300	$5,200,000
Receipts	$22,115,300	$5,200,000
Net Appropriation	$0	$0
Revised Budget		
Requirements	$22,115,300	$5,200,000
Receipts	$22,115,300	$5,200,000
Net Appropriation	$0	$0

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Receipt Supported Capital Improvements										
Budget Code N/A		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Natural and Cultural Resources									
	Museum of Art	-	-	-	915,300	915,300	-	915,300	915,300	-
	Wildlife Resources Commission									
	Land Acquisition	-	-	-	7,000,000	7,000,000	-	7,000,000	7,000,000	-
	Infrastructure Repair/Renovation	-	-	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-
	Setzer Hatchery Building Replacement	-	-	-	750,000	750,000	-	750,000	750,000	-
	Boating Access	-	-	-	900,000	900,000	-	900,000	900,000	-
	Setzer Hatchery Raceways Replacement	-	-	-	4,500,000	4,500,000	-	4,500,000	4,500,000	-
	Burnsville Depot	-	-	-	500,000	500,000	-	500,000	500,000	-
	Butner Lab & Storage Building	-	-	-	500,000	500,000	-	500,000	500,000	-
	Bolivia Depot	-	-	-	750,000	750,000	-	750,000	750,000	-
	New Shooting Ranges	-	-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
	Department of Public Safety									
	Nash Correctional Field Ministry	-	-	-	3,800,000	3,800,000	-	3,800,000	3,800,000	-
Undesignated Items										
Total		$0	$0	$0	$22,115,300	$22,115,300	$0	$22,115,300	$22,115,300	$0

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Receipt Supported Capital Improvements Budget Code N/A		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Wildlife Resources Commission									
	Land Acquisition		-	-	3,000,000	3,000,000	-	3,000,000	3,000,000	-
	Boating Access		-	-	900,000	900,000	-	900,000	900,000	-
	Outer Banks Education Center Air Handlers		-	-	300,000	300,000	-	300,000	300,000	-
	New Shooting Ranges		-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
Undesignated Items										
							-			
Total		$0	$0	$0	$5,200,000	$5,200,000	$0	$5,200,000	$5,200,000	$0

Information Technology Section N

Department of Information Technology
Budget Code 14660

General Fund Budget		
	FY 2017-18	**FY 2018-19**
Base Budget		
Requirements	$51,279,650	$51,279,650
Receipts	$0	$0
Net Appropriation	$51,279,650	$51,279,650
Legislative Changes		
Requirements	$220,931	$367,195
Receipts	$0	$0
Net Appropriation	$220,931	$367,195
Revised Budget		
Requirements	$51,500,581	$51,646,845
Receipts	$0	$0
Net Appropriation	$51,500,581	$51,646,845

General Fund FTE		
Base Budget	99.75	99.75
Legislative Changes	(4.50)	(4.50)
Revised Budget	95.25	95.25

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Information Technology										
Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	-	-	-	8,016,651	-	8,016,651
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	-	-	-	1,013,619	-	1,013,619
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	250,000	-	250,000	8,081,272	-	8,081,272
1735	FirstNet	136,935	-	136,935	50,000	-	50,000	186,935	-	186,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	250,000	-	250,000	1,747,734	-	1,747,734
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	2,241,941	-	2,241,941	11,960,777	-	11,960,777
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,082,979)	-	(2,082,979)	18,630,754	-	18,630,754
Undesignated Items										
N/A	Vacant Position Eliminations	-	-	-	(708,962)	-	(708,962)	(708,962)	-	(708,962)
N/A	Compensation Reserve	-	-	-	124,910	-	124,910	124,910	-	124,910
N/A	State Retirement Contributions	-	-	-	74,863	-	74,863	74,863	-	74,863
N/A	State Health Plan	-	-	-	21,158	-	21,158	21,158	-	21,158
Total		$51,279,650	$0	$51,279,650	$220,931	$0	$220,931	$51,500,581	$0	$51,500,581

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Information Technology Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	-	-	-	8,016,651	-	8,016,651
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	-	-	-	1,013,619	-	1,013,619
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	250,000	-	250,000	8,081,272	-	8,081,272
1735	FirstNet	136,935	-	136,935	300,000	-	300,000	436,935	-	436,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	241,941	-	241,941	1,739,675	-	1,739,675
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	2,000,000	-	2,000,000	11,718,836	-	11,718,836
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,082,979)	-	(2,082,979)	18,630,754	-	18,630,754
Undesignated Items										
N/A	Vacant Position Eliminations	-	-	-	(708,962)	-	(708,962)	(708,962)	-	(708,962)
N/A	Compensation Reserve	-	-	-	124,910	-	124,910	124,910	-	124,910
N/A	State Retirement Contributions	-	-	-	197,451	-	197,451	197,451	-	197,451
N/A	State Health Plan	-	-	-	44,834	-	44,834	44,834	-	44,834
Total		$51,279,650	$0	$51,279,650	$367,195	$0	$367,195	$51,646,845	$0	$51,646,845

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	FirstNet	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
Undesignated Items					
N/A	Vacant Position Eliminations	-	(6.00)	-	(6.00)
Total FTE		**99.75**	**(4.50)**	**-**	**95.25**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	FirstNet	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
Undesignated Items					
N/A	Vacant Position Eliminations	-	(6.00)	-	(6.00)
Total FTE		**99.75**	**(4.50)**	**-**	**95.25**

Information Technology

GENERAL FUND

	FY 17-18		FY 18-19	
	$51,279,650		**$51,279,650**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for an across-the-board salary increase of $1,000. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$124,910	R	$124,910	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.9 billion in FY 2018-19, an increase of $81.3 million for FY 2017-18 and $214.3 million for FY 2018-19.	$74,863	R	$197,451	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$21,158	R	$44,834	R

	FY 17-18		FY 18-19	
Department Wide				
4 Vacant Positions **Fund Code:** Department Wide Eliminates the following 6 positions that have been vacant for more than 260 days: 60090522 IT Executive I (1 FTE) 65011709 Applications Systems Analyst (1 FTE) 60087391 IT Enterprise Planning Analyst (1 FTE) 65020673 IT Enterprise Planning Analyst (1 FTE) 65025075 Privacy and Security Officer (1 FTE) 65019452 IT Architect (1 FTE)	($708,962) -6.00	R	($708,962) -6.00	R
Enterprise Project Management Office				
5 Operations and Maintenance **Fund Code:** 1740 Provides funds for the ongoing operations and maintenance of the project management system Touchdown. The revised net appropriation for this fund is $1,747,734 for FY 2017-18 and $1,739,675 for FY 2018-19.	$241,941 $8,059	R NR	$241,941	R
FirstNet				
6 FirstNet Federal Grant Replacement **Fund Code:** 1735 Provides funds to replace the expiring federal grant for FirstNet. The funds will continue the work to provide a wireless broadband network for public safety officials. The revised net appropriation for this fund code is $186,935 for FY 2017-18 and $436,935 for FY 2018-19.	$50,000	R	$300,000	R
Government Data Analytics Center				
7 Enterprise Data Management **Fund Code:** 1795 Provides support for additional consulting services for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within the Government Data Analytics Center (GDAC). The revised net appropriation for GDAC is $11,960,777 for FY 2017-18 and $11,718,836 for FY 2018-19.	$241,941	NR		

		FY 17-18		FY 18-19	
8	**Budget Transfer** **Fund Code:** 1795 Transfers $2 million from fund code 1990 IT Fund Reserves and Transfers to fund code 1795 Government Data Analytics Center. The revised net appropriation for GDAC is $11,960,777 for FY 2017-18 and $11,718,836 for FY 2018-19.	$2,000,000	R	$2,000,000	R
	Reserves and Transfers				
9	**Budget Transfer** **Fund Code:** 1990 Transfers $2 million to fund code 1795 Government Data Analytics Center. The revised net appropriation for this fund code is $18,630,754 in both years of the biennium.	($2,000,000)	R	($2,000,000)	R
10	**Transfer Reduction** **Fund Code:** 1990 Reduces the amount transferred from fund 1990 to budget code 24667 Information Technology Reserve Fund by $82,979. The revised net appropriation for this fund code is $18,630,754 in both years of the biennium.	($82,979)	R	($82,979)	R
	Staffing and Strategic Projects				
11	**Broadband Infrastructure Office** **Fund Code:** 1725 Provides funds to support the Broadband Infrastructure Office. The Department of Information Technology will use a portion of the funds to restore a 0.5 FTE IT Manager position to the office and hire 1 FTE as an Industrial Development Representative. The revised net appropriation for this fund code is $8,081,272 in both years of the biennium.	$250,000 1.50	R	$250,000 1.50	R
	Total Legislative Changes	**($29,069)** **$250,000**	R NR	**$367,195**	R
	Total Position Changes	-4.50		-4.50	
	Revised Budget	**$51,500,581**		**$51,646,845**	

Information Technology Reserve Fund

Budget Code: 24667

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$23,414,388**		**$17,773,350**	
Recommended Budget				
Requirements	**$20,724,463**		**$20,724,463**	
Receipts	**$20,724,463**		**$20,724,463**	
Positions	**25.50**		**25.50**	
Legislative Changes				
Requirements:				
Government Transparency Initiative Provides $1,000,000 of the fund balance to support the full implementation of the government transparency initiative created by Section 7.17 of S.L. 2015-241.	$0 $1,000,000 0.00	R NR	$0 $0 0.00	R NR
Risk and Vulnerability Assessment Provides $2,000,000 of the fund balance to support the full implementation of the risk and vulnerability assessment.	$0 $2,000,000 0.00	R NR	$0 $0 0.00	R NR
Grant Management System Provides $100,000 to purchase a grant management system for the Department of Military and Veterans Affairs.	$0 $100,000 0.00	R NR	$0 $0 0.00	R NR
Background Checks Provides $200,000 to perform background checks on employees transitioned into DIT and other employees.	$0 $200,000 0.00	R NR	$0 $0 0.00	R NR
Consulting Services Provides $258,059 to fund additional consulting services support for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within GDAC.	$0 $258,059 0.00	R NR	$0 $0 0.00	R NR

	FY 2017-18		FY 2018-19	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$3,558,059	NR	**$0**	NR
	0.00		0.00	

Receipts:

Budget Transfer Adjusts receipts to accurately reflect changes made to fund code 1990 IT Fund Reserves and Transfers.	($2,082,979)	R	($2,082,979)	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**($2,082,979)**	R	**($2,082,979)**	R
	$0	NR	**$0**	NR

Revised Total Requirements	**$24,282,522**	**$20,724,463**
Revised Total Receipts	**$18,641,484**	**$18,641,484**
Change in Fund Balance	**($5,641,038)**	**($2,082,979)**
Total Positions	**25.50**	**25.50**
Ending Unreserved Fund Balance	**$17,773,350**	**$15,690,371**

NUMERICAL INDEX TO HOUSE AND SENATE BILLS

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2017 REGULAR SESSION

"Ratified Number" refers to the Session Law number except when preceded by an R, in which case it refers to the Resolution number.

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26	124	198	81	402	163
27	96	208	24	406	36
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55	34	224	101	426	55
56	209	225	31	434	181
57	28	228	23	436	138
58	71	229	102	440	164
59	39	236	158	445	60
75	R6	239	7	447	61
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89	178	245	72	454	27
95	97	248	103	462	165
98	89	252	130	464	115
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111	20	258	131	467	11
115	125	268	48	469	166
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120	154	275	132	486	155
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135	126	294	134	498	56
138	194	299	135	501	137
140	205	310	159	504	62
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55	188	260	47	569	153
62	29	261	84	577	45
63	64	265	79	578	90
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69	105	289	85	599	189
74	106	312	67	600	94
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105	76	384	176	686	R12
107	145	388	147	687	R11
119	107	391	120	688	R13
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Suggestions for Use: Local legislation appears under the name of the particular county, municipality, or Local Government. Legislation that amends or repeals another session law appears under "Laws Amended or Repealed" and under the particular subject. General appropriations appear under "Appropriations". Specific appropriations or earmarks appear under the particular agency, entity, or subject. Committees, Commissions, Councils, and Boards appear as main entries. Numbers are alphabetized as spelled (i.e., 9 is listed alphabetically as "nine"). Session Law numbers (locators) are shown in standard citation format with the word "Section" replaced by the section symbol (§). Thus, "Session Law 145 Section 6A.10 subsection (a) through subsection (p)" would appear as "145§6A.10(a)-(p)", and "Session Law 145 Section 28.31 through Section 28.31A" would appear as "145§§28.31-28.31A". Noncontiguous Session Law sections are separated by a comma. Complete Session Law citations are separated by a semicolon.

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