

# **SUMMARIES OF SUBSTANTIVE RATIFIED LEGISLATION**

**2015 SESSION**



**RESEARCH DIVISION  
N.C. GENERAL ASSEMBLY**

# 2015 Summaries of Substantive Ratified Legislation

## Agriculture and Wildlife

See full summary documents for additional detail

### **H97 - 2015 Appropriations Act, Sec. 13.7: Spay/Neuter Program Revisions (SL 2015-241)**

Sec. 13.7 of S.L. 2015-241 makes the following revisions to the State's spay/neuter program:

Amends G.S. 19A-63, which specifies eligibility for reimbursement from State funds to city or county spay/neuter programs for low-income persons, as follows:

- Specifies that if the city or county chooses to contract with a third party for operation of a spay/neuter clinic, the third party must be a non-profit organization and the organization must contract with a local veterinarian (defined as a veterinarian practicing in the county or an adjacent county if no veterinarian is practicing in the county) to perform the spay/neuter procedures.
- Requires counties to provide an opportunity to participate in the spay/neuter program supported by State funds to all local veterinarians.
- Amends the definition of "low-income person" to 100% of the federal poverty level.
- Creates a new "Animal Shelter Support Fund" within the Animal Welfare Section of the Department of Agriculture and Consumer Services to reimburse local governments for expenses related to operation of a registered animal shelter upon the denial, suspension, or revocation of the shelter's registration or the occurrence of an unforeseen catastrophe at the shelter. Funding from the Animal Shelter Support Fund would have to be matched by a requesting local government with a match amount based on the economic development tier status of the county (a 1:3 match in tier one counties, a 1:2 match in tier two counties, and a 1:1 match in tier three counties).

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 13.8: Conservation Reserve Enhancement Program Report (SL 2015-241)**

Sec. 13.8 of S.L. 2015-241 directs the Department of Agriculture and Consumer Services to assess and report to the General Assembly on the activities of the Conservation Reserve Enhancement Program, including a five-year projection of the program's future funding requirements and an assessment of its effectiveness in reducing nonpoint source pollution in waterways. The Department must submit the report by April 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 13.2: Tennessee Valley Authority Settlement Funds (SL 2015-241)**

Sec. 13.2 of S.L. 2015-241 directs the Department of Agriculture and Consumer Services (Department) to apply for \$2.24 million from the Tennessee Valley Authority Settlement Agreement in compliance with the settlement terms. The funds must be allocated as follows:

- \$500,000 to WNC Communities to fund energy efficiency projects for public schools.
- \$740,000 to municipalities with a population of less than 1,000 located in counties within the Tennessee Valley Authority Service area that are classified as distressed by the Appalachian Regional Commission for higher efficiency upgrades to electrical transmission and distribution equipment and facilities.
- \$500,000 to the Agriculture Cost Share Program for Nonpoint Source Pollution Control for projects in the counties of Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and Yancey.
- \$500,000 to the Department's Bioenergy Development Program for projects in the counties of Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and Yancey.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 13.4: Drug Manufacturing Licensing and Registration Fees (SL 2015-241)**

Sec. 13.4 of S.L. 2015-241, as amended by Sec. 5.1 of S.L. 2015-268 and Sec. 32 of S.L. 2015-263, raises the annual registration fee for manufacturers, outsourcing facilities, and repackagers of prescription drugs from \$500 to \$1000 and for wholesalers of prescription drugs from \$500 to \$750. This section also raises the fee for an application for an initial license or a renewed license as a wholesale distributor for a manufacturer from \$500 to \$1000 and for any other person from \$350 to \$700.

This section became effective October 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 13.5: Food Manufacturer and Retailer Inspection Fees (SL 2015-241)**

Sec. 13.5 of S.L. 2015-241, as amended by Sec. 5.2 of S.L. 2015-268, raises the fees for inspection of ice cream factories, ice cream makers, cheese factories, and butter processing facilities. The fee increases from \$40 to \$100 for those facilities that dispose of its product at wholesale to retail dealers for resale in this State. The fee increases from \$10 to \$50 for any maker of the same product that disposes of its product at retail only.

This section became effective October 1, 2015.

## **H574 - Opossum Exclusion From Wildlife Laws (SL 2015-73)**

S.L. 2015-73 provides that no State or local statutes, rules, regulations, or ordinances related to wildlife apply to the Virginia opossum between December 29 and January 2 of each year.

This act became effective June 11, 2015.

## **H601 - Sale of Deer Skins (SL 2015-18)**

S.L. 2015-18 allows the sale of skins of deer lawfully taken by hunting, subject to tagging and reporting requirements and season limits set by the Wildlife Resources Commission.

This act became effective October 1, 2015, and applies to deer lawfully taken on or after that date.

## **H640 - Outdoor Heritage Act (SL 2015-144)**

S.L. 2015-144 makes the following changes to the wildlife laws of the State:

- Directs the Wildlife Resources Commission (WRC) and the Outdoor Heritage Advisory Council to study the establishment of the North Carolina Outdoor Heritage Trust Fund. The Trust Fund is to be used to provide for the expansion of outdoor opportunities for persons 16 years of age or younger, is to be funded through voluntary check-off donations of not more than \$2.00 on transactions processed through WRC, and is to be administered by the Outdoor Heritage Advisory Council established in this act.
- Establishes the Outdoor Heritage Advisory Council to advise State agencies and the General Assembly on the promotion of outdoor activities. This section became effective July 1, 2015.
- Directs the Legislative Research Commission to study the need for expanded access to public lands.
- Requires a two-year suspension of a hunting license for a person who receives a third or subsequent conviction for hunting on posted property.
- Allows hunting with firearms seven days a week on private property, subject to the following limitations:
  - Hunting with firearms between the hours of 9:30 A.M. and 12:30 P.M. on Sunday is prohibited.
  - Hunting migratory birds with firearms on Sunday is prohibited.
  - The use of a firearm to take deer that are run or chased by dogs on Sunday is prohibited.
  - Hunting on Sunday with a firearm within 500 yards of a place of worship or a residence not owned by the landowner is prohibited.
  - Hunting on Sunday with a firearm in a county having a population greater than 700,000 people is prohibited.

Beginning October 1, 2017, counties may prohibit hunting with firearms on Sunday by ordinance.

- Requires WRC to amend its rules to provide that cub bears are bears that weigh less than 75 pounds.

- Requires WRC to prohibit the use of dogs for fox hunting between April 1 and August 1, in Bladen Lakes State Forest Game Land. This section became effective June 1, 2015.
- Codifies a policy statement recognizing the importance of hunting with dogs to North Carolina's outdoor heritage and encouraging cooperative and neighborly agreements between landowners and hunters for the retrieval of hunting dogs, and provides that any landowner or lessee who grants a hunter permission to enter the land to retrieve hunting dogs owes that hunter the same duty of care that the landowner or lessee would owe a trespasser.

Except as otherwise provided, this act became effective October 1, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.32: Pigeon Hunting (SL 2015-286)**

Sec. 4.32 of S.L. 2015-286 exempts pigeons from the animal cruelty statutes and the Animal Welfare Act.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Secs. 4.33, 4.34, and 4.35: Wildlife Resources Commission Studies (SL 2015-286)**

Secs. 4.33, 4.34, and 4.35 of S.L. 2015-286 direct the Wildlife Resources Commission (WRC) to study several matters as follows:

- Section 4.33 directs the WRC to review the methods and criteria by which it adds, removes, or changes the status of animals on the State Protected animal list and compare these to federal regulations and the methods and criteria of other States in the region. This section also directs the WRC to review the State's policies for addressing introduced species and make recommendations for improving these policies. The WRC must report its findings to the Environmental Review Commission (ERC) by March 1, 2016.
- Section 4.34 directs the WRC to establish a coyote management plan to address the impacts of coyotes in this State and the threats that coyotes pose to citizens, industries, and populations of native wildlife species within the State. The WRC must report its findings and recommendations, including any proposed legislation to address overpopulation of coyotes, to the ERC by March 1, 2016.
- Section 4.35 directs the WRC to establish a pilot coyote management assistance program in Mitchell County to document and assess private property damage associated with coyotes; evaluate effectiveness of different coyote control methodologies, including lethal removal; and evaluate potential for a scalable statewide coyote assistance program. The WRC must submit an interim report on the progress of the pilot program to the ERC by March 1, 2016, and a final report by January 1, 2017.

These sections became effective October 22, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 4.36: Animal Welfare Hotline and Court Fee to Support the Investigation of Animal Cruelty Violations (SL 2015-286)**

Sec. 4.36 of S.L. 2015-286 directs the Attorney General to establish and publicize a hotline to receive reports of allegations of animal cruelty or violations of the Animal Welfare Act against animals under private ownership. An individual who makes a report to the hotline must disclose his or her name and telephone number, and any other information the Attorney General may require. When the Attorney General receives allegations of activity involving cruelty to animals under private ownership, the Attorney General's office must refer the allegations to the appropriate local animal control agency. When the Attorney General receives allegations of activity involving a violation of the Animal Welfare Act against animals under private ownership, the Attorney General's office must refer the allegations to the Department of Agriculture and Consumer Services. The Attorney General must maintain a record of the total number of reports received on the hotline and the number of reports received against any individual on the hotline.

This section becomes effective March 1, 2016.

## **H765 - Regulatory Reform Act of 2015, Sec. 4.39: Allow Alternate Disposal of Biodegradable Agricultural Plastics (SL 2015-286)**

Sec. 4.39 of S.L. 2015-286 allows burning of polyethylene agricultural plastic without an air quality permit, provided that the burning:

- Does not violate State or federal ambient air quality standards.
- Is conducted between an hour after sunrise and an hour before sunset.
- Is set back at least 250 feet from a paved public roadway and at least 500 feet from an occupied structure outside the property where the burning is conducted.
- Is conducted in a manner such that it does not constitute a public nuisance.
- Is conducted by any of the following means: (i) by professionally manufactured equipment solely for the purpose of plastic mulch burning or incineration and approved by the Commissioner of Agriculture; (ii) by a fire that is enclosed in a noncombustible container; or (iii) by a fire that is restricted to a pile no greater than eight feet in diameter on cleared ground.

The Department of Agriculture and Consumer Services is given authority to adopt rules to implement the provisions of this section.

This section is retroactively effective on January 1, 2015.

## **H765 - Regulatory Reform Act of 2015 (SL 2015-286)**

[For summaries of other provisions of this act, please see other subject areas.]

### **S313 - Industrial Hemp (SL 2015-299)**

S.L. 2015-299: (i) creates the North Carolina Industrial Hemp Commission to establish and oversee a program to license growers to cultivate industrial hemp for commercial purposes and to promote the use of industrial hemp products; (ii) requires the Commission to obtain funding from non-State sources of \$200,000 before meeting or undertaking any of its statutory powers or duties; and (iii) decriminalizes the production and use of industrial hemp upon the completion of permanent rulemaking by the Board of Agriculture of rulemaking proposals made by the Commission pertaining to supervision of the planting, cultivation, harvesting, and use of industrial hemp under license issued by the Commission.

The decriminalization of industrial hemp cultivation, sale, and possession becomes effective only after permanent rules governing the cultivation, production, and sale are adopted by the Board of Agriculture. The remainder of this act became effective October 31, 2015.

### **S513 - North Carolina Farm Act of 2015 (SL 2015-263)**

[For summaries of other provisions of this act, please see the ENVIRONMENT, NATURAL RESOURCES, AND ENERGY, FINANCE, HEALTH AND HUMAN SERVICES, and TRANSPORTATION subject areas.]

#### **S513 - North Carolina Farm Act of 2015, Sec. 2: Conform Compensation Paid to an H-2A Agricultural Worker to Federal Wage Withholding Standards (SL 2015-263)**

Sec. 2 of S.L. 2015-263 provides that an employer does not have to withhold State income tax on compensation paid to an H-2A agricultural worker if the employer is not required to withhold federal income tax on that compensation. Since calendar year 2011, an employer must report compensation of \$600 or more paid to an H-2A agricultural worker on Form W-2, but the employer is not required to withhold federal taxes on the compensation unless the worker fails to provide the employer with either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). In the case of an H-2A agricultural worker who fails to provide a SSN or ITIN, the employer must withhold and remit 28% of the compensation and continue withholding this amount until the worker furnishes the employer the SSN or ITIN.

This section is effective for taxable years beginning on or after January 1, 2015.

#### **S513 - North Carolina Farm Act of 2015, Sec. 1: Revise Horse Industry Promotion Act to Increase Caps on Duration and Amount of an Assessment (SL 2015-263)**

Sec. 1 of S.L. 2015-263 increases the North Carolina Horse Council assessment from \$2.00 to \$4.00 per ton of commercial horse feed, and provides that the assessment is levied for a period of 10 years, up from 3 years. By statute, the Council must use these funds to promote the interests of the horse industry.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 3: Establish Policy Supporting Sound Science in Agriculture (SL 2015-263)**

Sec. 3 of S.L. 2015-263 establishes a policy supporting sound science in agriculture in the State. The term "sound science in agriculture" is defined in this section.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 14: Transfer Captive Cervid Program to the Department of Agriculture and Consumer Services (SL 2015-263)**

Sec. 14 of S.L. 2015-263 transfers the captive cervid program from the jurisdiction of the Wildlife Resources Commission (WRC) to the Department of Agriculture and Consumer Services (DACS). DACS is responsible for regulating the production, sale, possession, and transportation, including importation and exportation, of farmed cervids. This includes any cervid species that is held in captivity and produced, bought, or sold for commercial purposes, including white-tailed deer, elk, fallow deer, and red deer.

DACS is authorized to issue new captivity licenses and permits for farmed cervid facilities that will hold cervids that are not susceptible to Chronic Wasting Disease (CWD). Until the USDA has adopted an approved method of testing for CWD in living cervids, CWD-susceptible deer may not be imported into this State. After a live CWD test is developed, DACS would be authorized to issue new captivity licenses or permits for farmed cervid facilities that will hold cervids susceptible to CWD only if the CWD-susceptible source animals are from a certified herd in accordance with USDA Standards from an existing licensed facility. However, DACS would not be authorized to issue an importation permit for any farmed cervid from a CWD-positive, -exposed, or -suspect farmed cervid facility.

All free-ranging cervids must be removed from any new captive cervid facility before stocking the facility with farmed cervids. Hunt facilities are prohibited.

Local governments may not adopt any ordinance inconsistent with or more restrictive than the provisions of this section.

Live farmed cervids may only be transported on a public road if the cervid has an official form of identification and the appropriate transportation, importation, or exportation permit issued by DACS. Any live farmed cervid transported on a public road is subject to inspection by a wildlife law enforcement officer to ensure that the farmed cervid has the required official identification and permits.

WRC retains jurisdiction over the possession and transportation, including importation and exportation, of non-farmed cervids, including game carcasses and parts of game carcasses extracted by hunters and carcasses and parts of carcasses imported from hunt facilities as defined by USDA Standards.

This section became effective September 30, 2015.



**S513 - North Carolina Farm Act of 2015, Sec. 24: Amend the Holding and Advertising Period for Unclaimed Livestock (SL 2015-263)**

Sec. 24 of S.L. 2015-263 reduces, from 50 days to 13 days, the holding and advertising period for unclaimed livestock. This section also replaces archaic language in the notification procedure.

This section became effective September 30, 2015, and applies to livestock impounded on or after that date.

**S513 - North Carolina Farm Act of 2015, Sec. 25: Modify Department of Agriculture Reporting Requirements (SL 2015-263)**

Sec. 25 of S.L. 2015-263 repeals the Department of Agriculture and Consumer Services' reporting requirement for the North Carolina Dairy Stabilization and Growth Program and changes the reporting date for revenues and expenditures of the Spay/Neuter Account from February to March of each year.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 26: Prescribed Burning Act Modifications (SL 2015-263)**

Sec. 26 of S.L. 2015-263 allows the North Carolina Forest Service to accept a prescribed burner certification from another state or other entity.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 27: Modify Penalty for Failure to Guard a Fire by Watchman (SL 2015-263)**

Sec. 27 of S.L. 2015-263 reduces the penalty for failure to guard a fire by watchman from a Class 3 misdemeanor to an infraction.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 29: Clarify the Pesticide Board's Authority to Relicense and Recertify Licensees for Pesticide Dealers, Applicators, and Pest Control Consultants (SL 2015-263)**

Sec. 29 of S.L. 2015-263 allows the Pesticide Board to grant license renewal for pesticide dealers, pesticide applicators, and pest control consultants by completion of continuing certification credit requirements. Previously, license renewals could only be issued by re-examination.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 30: Clarify that Projects for the Purpose of Commercial Resale of Natural Gas or Propane Gas are not Eligible for the Expanded Gas Products Service to Agriculture Fund (SL 2015-263)**

Sec. 30 of S.L. 2015-263 clarifies that a project intended for the purpose of commercial resale of natural gas or propane gas is not an eligible project for the Expanded Gas Service to Agriculture Fund under the Department of Commerce.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 31: Limit the Personally Identifying Information that the Department of Agriculture and Consumer Services May Disclose About Its Animal Health Programs (SL 2015-263)**

Sec. 31 of S.L. 2015-264 makes a conforming change to clarify that all USDA-generated information received by the Department of Agriculture and Consumer Services (DACS) that is confidential under federal law must be held confidential. This section also provides that all information collected by DACS from farm owners or animal owners, including laboratory reports received or generated from samples submitted for analysis, that may be used to identify an individual or business subject to regulation by DACS may not be disclosed without the permission of the owner, unless necessary to prevent the spread of animal disease or implement animal health programs.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 33: Exemptions from Certain Department of Environmental and Natural Resources Permits and Waste Analysis During Imminent Threat of Contagious Animal Disease (SL 2015-263)**

Sec. 33 of S.L. 2015-263 clarifies the powers of the State Veterinarian to develop emergency measures to prevent and control the spread of a contagious animal disease by providing that emergency measures relating to the composting of dead domesticated animals are deemed permitted with respect to

Department of Environment and Natural Resources (DENR) water quality permits, and DENR is not required to issue permits. This section also provides that the State Veterinarian may temporarily suspend periodic testing of waste products from animal waste management systems and dry litter poultry facilities, in consultation with the Commissioner of Agriculture and the approval of the Governor, to the extent necessary to prevent and control an animal disease. During the suspension of waste analysis, the 1217 Interagency Committee must establish waste product nutrient content to be used for application of waste at no greater than agronomic rates.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 34: Clarify Construction of Farm Buildings on State Property (SL 2015-263)**

Sec. 34 of S.L. 2015-2643 clarifies that a "farm building," for purposes of the State Building Code, includes any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. This section also makes technical changes to the statute governing farm buildings.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 35: Wildlife Search and Seizure Modifications (SL 2015-263)**

Sec. 35 of S.L. 2015-263 provides that a wildlife inspector, protector, or other law enforcement officer may not inspect weapons or equipment possessed incident to an activity under the officer's jurisdiction unless the officer has a reasonable suspicion that a violation has been committed, except to check whether a shotgun is plugged or unplugged. This section provides that it is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect fish or wildlife for the purpose of ensuring compliance with bag limits and size limits. This section also prohibits officers from inspecting weapons, equipment, fish, or wildlife in the absence of a person in apparent control of the item to be inspected, with some exceptions.

This section directs the Wildlife Resources Commission (WRC) to report to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2016, and annually thereafter, on the number of complaints received against WRC officers, the subject matter of the complaints, and the geographic areas in which the complaints were filed.

The provisions of this section amending the law on search and seizure by wildlife inspectors, protectors, or other law enforcement officers became effective December 1, 2015, and apply to offenses committed on or after that date. The remainder of this section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 37: Allow Alternate Forms of Documentation for Participation in Certain Agricultural Cost-Share Programs (SL 2015-263)**

Sec. 37 of S.L. 2015-263 provides that an applicant for either the Agriculture Cost Share Program for Nonpoint Source Pollution Control or the Agricultural Water Resources Assistance Program (AgWRAP) may prove his or her eligibility for either program by showing one of the following forms of documentation, which are also used as evidence of bona fide farm status for zoning purposes:

- A farm sales tax exemption certificate issued by the Department of Revenue.
- A copy of the property tax listing showing that the property is eligible for participation in the present use value program.
- A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.
- A forest management plan.
- A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.

# Alcoholic Beverage Control

See full summary documents for additional detail

## H909 - Alcoholic Beverage Control Omnibus Legislation (SL 2015-98)

S.L. 2015-98 makes various changes to the Alcoholic Beverage Control (ABC) Commission laws as follows:

(1) Creates an antique spirituous liquor permit with a \$100 fee, which may be issued to a mixed beverage permittee and authorizes the sale of antique spirituous liquors at retail for use in mixed beverages for consumption on premises. Permittees may purchase antique spirituous liquor through the ABC Commission special order process.

(2) Makes it unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess powdered alcohol.

(3) Authorizes the Eastern Band of Cherokee Indians tribal alcoholic beverage control commission to issue:

- permits in compliance with G.S. 18B-603(f).
- wine shipper permits.
- commercial activity permits for commercial businesses that are located wholly on Indian Country lands.

This provision also grants the tribal ABC commission sole enforcement authority for those permittees to the extent the regulated conduct occurs on Indian Country lands. Both the Eastern Band of Cherokee Indians and the North Carolina ABC Commission are required to equally recognize any permit issued by the other entity. This provision also authorizes the issuance of "Tourism ABC Establishment" permits for restaurants and hotels that meet that definition between Mileposts 460 and 469 of the Blue Ridge Parkway. The Eastern Band of Cherokee Indians tribal alcoholic beverage commission is given exclusive authority to issue "Tourism ABC Establishment" permits to those restaurants and hotels that are located wholly on Indian Country lands.

(4) Allows the holder of a distillery permit to sell, in closed containers, liquor that is manufactured at the distillery to visitors who tour the premises for off-premises consumption. The sales are allowed only in a county where the establishment of a county or municipal ABC store has been approved by election, and are subject to the time and day restrictions as ABC stores.

The liquor must be listed as a code item for sale in the State and must be sold at the price set by the Commission by statute. Pursuant to Sec. 3 of S.L. 2015-262, distilleries must only remit the excise tax, and may keep the remainder of the price set by the Commission as profit. A sticker must be affixed to the bottle bearing the words "North Carolina Distillery Tour Commemorative Spirit."

Consumers are limited to purchasing no more than one of any North Carolina code item per 12-month period. A distillery must use a commonly adopted standard point of sale system to maintain searchable electronic records captured at the point of sale, to include the purchaser's name, driver's license number, and date of birth for at least one year from the date of purchase. The distillery is prohibited from selling any North Carolina code item to a customer who has purchased the code item in the last year.

This provision became effective October 1, 2015, the effective date of the ABC Commission's rules regulating the on-site sale of spirituous liquor at distilleries.

(5) Removes incorrect citations to rules regulating the filling of a growler with malt beverages, and allows the holders of both off premises and on premises unfortified wine permits to sell unfortified wine (including cider) for off premises consumption if dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off premises and that identifies the permittee and the date the container was filled or refilled.

(6) Provides that a brewery that enters into an "alternating proprietorship" arrangement with another brewery has not changed ownership and therefore does not lose its ABC permits. This provision authorizes alternating proprietorships between affiliated breweries, provided the contract brewing arrangement is not used to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit where either brewery would not otherwise qualify for the permit (i.e., because the brewery exceeds the 25,000 barrel cap).

(7) Provides that the holder of a brewery permit may sell malt beverages to a nonresident wholesaler, nonresident malt beverage vendor, bottler, or other similar party for resale in this State if the malt beverages are shipped from the brewery to wholesalers licensed under the ABC statutes.

This provision also allows the holder of a brewery permit to receive, in closed containers, and sell at the brewery, malt beverages produced inside or outside North Carolina under contract with a contract brewery. The contract brewery that manufactures the malt beverages is responsible for all aspects of manufacturing the product. The contract malt beverages are permitted to be sold at affiliated retail outlets of the brewery physically located on or adjacent to the brewery. Any malt beverages received from a contract brewery must be made available for sale by the brewery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the malt beverages were being imported by the brewery. This provision authorizes contract brewing between affiliated breweries, provided the contract brewing arrangement is not used to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit where either brewery would not otherwise qualify for the permit (i.e., because the brewery exceeds the 25,000 barrel cap).

(8) Allows the ABC Commission to issue a guest room cabinet permit to an 18-hole golf course that:

- holds a mixed beverages permit or that is located in a county where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved.
- has management contracts for the rental of living units.
- is located in a county with a population of more than 20,000 people according to the last federal census.

Except as otherwise provided, this act became effective June 19, 2015.

# Children and Families

See full summary documents for additional detail

## **H82 - Execution/Nonsecure Custody Order/Child Abuse (SL 2015-43)**

S.L. 2015-43 clarifies the manner in which a law enforcement officer may enter premises in order to take physical custody of a juvenile when there is a reasonable factual basis to believe the juvenile is abused, neglected, or dependent and a nonsecure custody order has been issued.

This act became effective June 2, 2015, and applies to orders issued on or after that date.

## **H134 - Soliciting Prostitution/Immunity for Minors (SL 2015-183)**

S.L. 2015-183 provides that a minor who is soliciting as a prostitute is immune from prosecution for the offense of solicitation of prostitution.

This act became effective August 5, 2015, and applies to violations occurring on or after that date.

## **H293 - Adoption Law Changes (SL 2015-54)**

S.L. 2015-54 makes various clarifying and technical changes under the laws pertaining to adoption. Among other things, the act provides that certain adoptions are subject to the Hague Adoption Convention, addresses jurisdictional requirements, modifies the times for taking certain actions, and provides that a preplacement assessment is not required in an independent adoption when a prospective adoptive parent is one of the specified relatives.

The provisions of this act that modify times for taking certain actions became effective June 4, 2015, and apply to proceedings filed after that date. The remainder of this act became effective June 4, 2015.

## **H465 - Women and Children's Protection Act of 2015 (SL 2015-62)**

[For a detailed summary of all of the provisions of this act, please see the CRIMINAL LAW AND PROCEDURE subject area.]

## **H669 - Juvenile Law Changes/Abuse/Neglect/Dependency (SL 2015-136)**

S.L. 2015-135, as amended by Sec. 34 of S.L. 2015-264, makes various changes to the juvenile laws pertaining to abuse, neglect, and dependency. Among other provisions, the act addresses a foster parent's standing to intervene in certain proceedings, authorizes a nonsecure custody order to be entered ex parte, requires certain notifications to persons with legal custody of a juvenile's siblings, specifies under what

circumstances a county department of social services need not make reasonable efforts for reunification, and adds new provisions relating to the court's adoption of a permanent plan for the juvenile.

The provisions of this act pertaining to ex parte nonsecure custody orders became effective July 2, 2015. The remainder of this act became effective October 1, 2015, and applies to actions filed or pending on or after that date.

#### **S114 - Custodial Parent/Party Cooperate with Child Support (SL 2015-51)**

S.L. 2015-51 requires the Division of Child Development and Early Education and the Division of Social Services in the Department of Health and Human Services to develop a plan to require a person with primary custody of a child receiving child care subsidy payments to cooperate with county child support services as a condition of receiving the subsidy payments. The Divisions are required to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This act became effective July 1, 2015.

#### **S119 - GSC Technical Corrections 2015, Sec. 44: Amendments to Courts of Competent Jurisdiction for Adoption (SL 2015-264)**

Sec. 44 of S.L. 2015-264 adds a new subsection to Chapter 48 of the General Statutes to clarify that the clerk of superior court, the district court, and the superior court are each courts of competent jurisdiction for the purposes of judicial proceedings accepting voluntary consents to adoption under federal regulations or state laws, and for making determinations as to whether there is good cause to deviate from regulatory placement preferences when accepting voluntary consents to adoption.

This section became effective October 1, 2015.

#### **S423 - Foster Care Family Act (SL 2015-135)**

S.L. 2015-135 modifies laws concerning foster care families by:

- Effective October 1, 2015, creating a reasonable and prudent parent standard in foster care.
- Providing liability insurance for foster parents.
- Effective October 1, 2015, reducing the barriers to obtain a driver's license by foster children.
- Directing the Department of Health and Human Services to study a Medicaid waiver for children with serious emotional disturbance and to report findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2015.

Except as otherwise provided, this act became effective July 2, 2015.



### **S488 - Amend Uniform Interstate Family Support Act (SL 2015-117)**

S.L. 2015-117 amends the Uniform Interstate Family Support Act (UIFSA) and makes changes to the administration of child support services in order to improve the effectiveness and efficiency of the collection and payment of child support to families.

This act became effective on June 24, 2015.

### **S519 - Amend Child Custody Laws (SL 2015-278)**

S.L. 2015-278 creates in statute a legislative policy concerning child custody determinations. The act encourages cooperation by parents and the courts in crafting agreements and practices that encourage both parents to participate in parenting responsibilities and to focus on the best interests of the child. The act also requires judges to make written findings of fact in custody orders, reflecting the consideration of specified factors.

This act became effective on October 20, 2015.

### **S578 - Transition Certain Abuse Investigations/Division of Child Development and Early Education (SL 2015-123)**

S. L. 2015-123 transitions abuse and neglect investigations in child care facilities to the Division of Child Development and Early Education (DCDEE) within the Department of Health and Human Services (DHHS).

This act becomes effective January 1, 2016.

# Civil Law and Procedure

See full summary documents for additional detail

## **H352 - Standard of Proof/Public Safety Dispatchers (SL 2015-71)**

S.L. 2015-71 requires a plaintiff's case to be proved by clear and convincing evidence in any civil action arising out of an act or omission by 911 or public safety telecommunicators or dispatchers pertaining to their job duties at a public safety answering point (PSAP) or at a public safety agency receiving 911 calls from a primary PSAP for dispatch.

This act became effective June 11, 2015, and applies to actions arising on or after that date.

## **H371 - Terror Claims/Damages/Liability for Support, Secs. 1, 1.5, and 2 (SL 2015-215)**

Secs. 1, 1.5, and 2 of S.L. 2015-215 permit any person whose property or person is injured by a terrorist to bring a civil action and, if successful, to recover three times his or her actual damages or \$50,000, whichever is greater, together with court costs and attorney's fees.

These sections became effective October 1, 2015, and apply to acts committed on or after that date.

[For summaries of other provisions of this act, please see the CRIMINAL LAW AND PROCEDURE and the STATE GOVERNMENT subject areas.]

## **H376 - Civil Procedure/Modernize Expert Discovery (SL 2015-153)**

S.L. 2015-153 amends the rules of civil procedure to modernize discovery of expert witnesses and to clarify expert witness costs in civil actions.

This act became effective October 1, 2015. The changes to expert discovery procedure apply to actions commenced on or after that date, and the changes to expert witness costs apply to motions or applications for costs filed on or after that date.

## **H651 - Appraisal Board Recordkeeping and Background Checks (SL 2015-200)**

S.L. 2015-200 establishes a statute of limitations for civil actions against a real estate appraiser and requires appraisal management companies that require real estate appraisers to submit criminal background checks as a condition of employment to accept criminal background checks performed within the preceding 12 months.

This act became effective October 1, 2015, and applies to contracts entered into, renewed, or amended on or after that date. Nothing in the act is to be construed as being applicable to or affecting any pending litigation.



# Commercial Law and Consumer Protection

See full summary documents for additional detail

## **H126 - Mortgage Origination Support Registration (SL 2015-293)**

S.L. 2015-293 amends the Secure and Fair Enforcement Mortgage Licensing Act to authorize the Commissioner of Banks to implement a registration system for persons engaged exclusively in the processing or underwriting of mortgage loans and not engaged in the mortgage business.

The provision authorizing the Commissioner of Banks to adopt temporary rules became effective October 29, 2015. The remainder of this act became effective November 1, 2015, and applies to all applications for registration as a mortgage origination support registrant filed on or after that date.

## **H511 - Credit Unions/Statutory Changes (SL 2015-93)**

S.L. 2015-93 does the following:

- Replaces the terms "insured bank or savings and loan association in North Carolina" with "federally insured depository institution lawfully doing business in this State."
- Provides an additional way that credit unions can invest their funds.
- Provides that certain officials of credit unions, in addition to necessary expenses, may be reimbursed for "reasonable" expenses incidental to the performance of the business and that such reimbursement may include the payment of expenses for one guest.

This act became effective June 19, 2015.

## **H607 - Allow Protected Consumer Security Freezes (SL 2015-193)**

S.L. 2015-193 requires a credit reporting agency to place a security freeze on a protected consumer's consumer report or file upon request of the protected consumer's authorized representative.

This act becomes effective January 1, 2016.

## **H765 - Regulatory Reform Act of 2015, Sec. 2.1: Exempt Small Business Entities Buying or Selling Entity-Owned Property (SL 2015-286)**

Sec. 2.1 of S.L. 2015-286 exempts from the real estate licensure requirement certain small businesses that are buying or selling entity-owned property. Current law prohibits a person or business entity from acting as a real estate broker without being licensed by the North Carolina Real Estate Commission. There are a number of exceptions to this requirement, such as for (i) businesses acting in the regular course of managing or investing property owned or leased by the business, including their officers and employees, general partners, and managers when those persons are engaged in acts for which the business entity would be exempt; (ii) certain services performed by an attorney; (iii) a trustee acting under the direction

of a trust agreement; and (iv) an individual owner who personally leases or sells the person's own property.

This section does two things with regard to the real estate licensure exemptions:

1) It provides that with regard to officers, employees, general partners, and managers of an exempt business entity, the exemption applies only to those individuals whose income is reported on IRS Form W-2 of the exempt corporation, partnership, or limited liability company.

2) It expands the exception for individuals associated with a business entity to include the following:

- Natural person owners of an exempt closely held business entity, defined as an LLC or a corporation that does not have more than two legal owners, at least one of whom is a natural person.
- Officers, employees, managers, and member-managers whose income is reported on IRS Form W-2 of a closely held business entity if the entity is owned by a natural person either (i) owning 50% or more ownership interest in the closely held business entity and the exempt business entity, or (ii) owning 50% or more of a closely held business entity that owns 50% or more ownership interest in the exempt business entity.

The provision further requires that a person conducting a real estate transaction under this exemption must provide written disclosure to all parties to the transaction.

This section became effective October 22, 2015.

### **S678 - Amend Debt Collection Statutes (SL 2015-177)**

S.L. 2015-177 modifies the requirements governing communications made by debt collectors who are not collection agencies to persons other than the debtor or the debtor's attorney, and clarifies that these debt collectors are not prohibited from collecting court costs actually incurred.

This act became effective on August 5, 2015.

### **S679 - North Carolina Consumer Finance Act Amendments (SL 2015-179)**

S.L. 2015-179 makes the following changes to the Consumer Finance Act:

- Allows for recovery of court costs by lenders in certain actions to recover loans.
- Makes clarifying changes to provisions pertaining to multiple loan contracts and repeals a separate statute limiting loans in multiple offices that refers to loan limits that no longer exist after the Act was amended in 2013.
- Makes clarifying changes to provisions that require additional notice and restrictions for borrowers who are military service members.
- Makes a conforming change to a provision on enforcement of loans made outside of the State to match the loan amounts allowed under the Act as amended in 2013.

This act became effective September 1, 2015.



# Constitution and Elections

See full summary documents for additional detail

## **H8 - Court of Appeals Election Modifications (SL 2015-292)**

S.L. 2015-292 requires candidates running in non-partisan races for Court of Appeals judge to have the candidate's party affiliation printed on the ballot.

This act became effective October 29, 2015, and applies to elections held on or after that date.

## **H222 - Retention Elections/Supreme Court (SL 2015-66)**

S.L. 2015-66 establishes a process for the initial contested election, and potential subsequent retention election, of justices of the North Carolina Supreme Court.

This act became effective June 11, 2015.

## **H373 - Elections (SL 2015-258)**

S.L. 2015-258 establishes procedures for all of the following:

- The conduct of the 2016 presidential preference primary, effective September 30, 2015.
- The conduct of the 2016 general primaries, effective September 30, 2015.
- The creation of affiliated party committees under the campaign finance regulations, generally effective October 1, 2015.

## **H836 - Election Modifications (SL 2015-103)**

S.L. 2015-103 amends various laws relating to local government and elections as follows:

- Clarifies a city's retention of right, title, or interest in any improvements or easements within a closed street to specifically state that the easement may include utility, drainage, pedestrian, landscaping, conservation, or other easements considered by the city to be in the public interest.
- Repeals the license requirement for (i) going out of business sales; (ii) sales of good, wares, or merchandise damaged by fire, smoke, water, or otherwise; and (iii) distress sales.
- Permits county boards of election to submit all executed absentee ballots lists electronically in a manner approved by the State Board of Election, as an alternative to mailing the lists.
- Creates an exception allowing an official ballot that does not otherwise include the elements of an official ballot, if that ballot was created and printed by a voting system in the voting enclosure and certain requirements are met.
- Repeals the definition of the term "paper ballot" and redefines the term "ballot" to include the definition of paper ballot. Effective January 1, 2018, the use of voting systems that do not use or produce a ballot (as that term is redefined) are explicitly prohibited. Counties authorized to use

direct-recording electronic voting machines (DRE) that used those machines on election day as of January 1, 2015, are permitted to continue using those DREs until September 1, 2019.

- Allows a city to hold a malt beverage or unfortified wine election if the county in which the city is located has held an unsuccessful malt beverage or unfortified wine election, the city has a population of 200 or more, and the county in which the city is located also contains three or more other cities that have previously voted to allow malt beverage and unfortified wine sales.
- Makes the following changes related to voter identification:
- Allows drivers' licenses and nonoperators' identification cards issued by the Division of Motor Vehicles to be expired for up to four years prior to being presented for voting.
- Requires voters who fail to present an eligible form of photo identification when voting at a one-stop voting location to be notified that until the deadline for submission of requests for absentee ballots, the voter has the option to complete a written request form for an absentee ballot at that one-stop voting location.
- Allows voters to vote a provisional ballot if the voter does not comply with the photo identification requirement due to a reasonable impediment that prevents the voter from obtaining photo identification. The voter must complete a reasonable impediment declaration form and present certain types of identification or provide the last four digits of the voter's social security number and the voter's date of birth.
- Removes the term limit requirement for members of the Alexander County Board of Education, effective January 1, 2016, and applies to elections conducted on or after that date.
- Broadens the authority of the State Board of Elections to certify voting systems.
- Requires electronic poll books to be certified by the State Board of Elections in order to be used in elections.

Except as otherwise provided, this act became effective June 22, 2015.



# Courts, Justice, and Corrections

See full summary documents for additional detail

## **H59 - Clarify Report Admissibility (SL 2015-173)**

S.L. 2015-173 clarifies the admissibility of reports of forensic and chemical analysis and provides that court reporting will not be provided for ex parte or emergency hearings on certain protective orders.

This act became effective July 31, 2015. The provisions regarding admissibility of reports apply to notices of intent to introduce a statement or report provided by the State on or after that date. The provisions regarding ex parte or emergency hearings apply to hearings conducted on or after that date.

## **H79 - Contempt for 50C/Scope of Stay for Appeals (SL 2015-25)**

S.L. 2015-25 clarifies that a knowing violation of a civil no-contact order is punishable by civil or criminal contempt, and amends the statutes to specify the circumstances under which further proceedings are stayed after an appeal is perfected.

The provision of the act that clarifies the punishment for a knowing violation of a civil non-contact order became effective October 1, 2015, and applies to orders entered on or after that date. The remainder of this act became effective May 21, 2015.

## **H97 - 2015 Appropriations Act, Subpart XVI-C: Division of Adult Correction (SL 2015-241)**

Subpart XVI-C of S.L. 2015-241 includes the following provisions pertaining to the Division of Adult Correction of the Department of Public Safety:

### Section 16C.4. Medical Costs for Inmates and Juvenile Offenders

Sec. 16C.4 of S.L. 2015-241 codifies the provisions for addressing adult inmate medical costs that were previously enacted in 2013, and amended in 2014, and extends those provisions to juvenile offenders. The statute requires the Department of Public Safety (DPS) to reimburse providers and facilities providing approved medical services to inmates and juvenile offenders outside the correctional or juvenile facility the lesser amount of either a rate of seventy percent (70%) of the provider's then-current prevailing charge or two times the then-current Medicaid rate for any given service. It also directs DPS to make every effort to contain medical costs for inmates and juvenile offenders by making use of its own hospital and health care facilities to provide health care services to inmates and juvenile offenders, and provides guidelines to be followed whenever the Department must utilize other facilities and services to provide health care services to inmates and juvenile offenders. Finally, it directs DPS to report quarterly to the Joint Legislative Oversight Committee on Justice and Public Safety (JPS Oversight) and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on several specific enumerated items regarding the medical costs of adult inmates and juvenile offenders.

This section became effective July 1, 2015.

#### Section 16C.11. Annual Report on Safekeepers

Sec. 16C.11 of S.L. 2015-241, codifies language originally enacted in 2013 to require DPS to report by October 1 of each year to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of JPS Oversight on safekeepers, the term used to describe county prisoners housed in the State prison system pursuant to safekeeping orders under G.S. 162-39. The statute provides that the report must include several specific enumerated items regarding numbers of safekeepers, facilities in which they are housed, average length of stay by safekeepers, the amount paid for housing and medical care of safekeepers, and counties that are in arrears for safekeeper payments.

This section became effective July 1, 2015.

#### Section 16C.12. Collection of Delinquent Safekeeper Reimbursements

Sec. 16C.12 of S.L. 2015-241 adds a new provision to the statute governing the Statewide Misdemeanant Confinement Fund to require the North Carolina Sheriffs' Association, upon notification from the Division of Adult Correction that an amount owed by a county for safekeeper reimbursements is more than 120 days overdue, to withhold funds from any reimbursement due to that county from the Fund and transmit those funds to the Division until the overdue reimbursement is satisfied.

This section became effective July 1, 2015.

#### Section 16C.13A. Evaluation Requirement for Electrical Devices

Sec. 16C.13A of S.L. 2015-241 amends the statutes pertaining to the safety of goods to provide that electrical devices, appliances, and equipment used by the Division of Adult Correction in DPS in institutional kitchens, as well as manufacturing equipment used by Correction Enterprises, are exempt from required safety and suitability evaluation for intended use in accordance with nationally recognized standards conducted by a qualified testing laboratory.

This section became effective July 1, 2015.

#### Section 16C.13B. Inmate Grievance Resolution Board Changes

Sec. 16C.13B of S.L. 2015-241 amends the statute pertaining to the appointment, salary, and authority of the Executive Director and inmate grievance examiners to change the procedure for appointing the Executive Director of the Grievance Resolution Board of the Division of Adult Correction of DPS. Instead of the Board itself appointing the Executive Director and grievance examiners after consultation with the Secretary of Public Safety, this section provides for the Board, in consultation with the Secretary, to provide the Governor with at least three nominees, and for the Governor to appoint the Executive Director from those nominees. This section also provides that the Executive Director serves at the pleasure of the Governor and that the Board appoints the grievance examiners. This section also removes language that previously gave a grievance examiner who was removed from his or her position for other than just cause priority for any position that becomes available for which that examiner was qualified. Lastly, this section directs DPS and the Board to report by October 1 of each year to JPS Oversight and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on several specific enumerated items regarding the grievance process and the number and type of grievances received.

This section became effective July 1, 2015.

#### Section 16C.14. Parole Eligibility Report

Sec. 16C.14 of S.L. 2015-241 codifies the language from recent appropriations acts that direct the Post-Release Supervision and Parole Commission, with the assistance of the North Carolina Sentencing and Policy Advisory Commission and DPS, to (i) analyze the amount of time each inmate who is eligible for parole on or before July 1 of the previous fiscal year has served compared to the time served by offenders under Structured Sentencing for comparable crimes and (ii) determine whether the person has served more time in custody than the person would have served if sentenced to the maximum sentence under the statutes governing structured sentencing of persons convicted of crimes.

This section became effective July 1, 2015.

#### Section 16C.15. Study Management and Utilization of Probation and Parole Vehicles

Sec. 16C.15 of S.L. 2015-241 directs JPS Oversight to study the management and utilization of probation and parole vehicles and to report its findings and recommendations to the General Assembly by May 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Subpart XVIII-A: Judicial Department (SL 2015-241)**

Subpart XVIII-A of S.L. 2015-241 includes the following provisions pertaining to the Judicial Department:

#### Section 18A.3. Annual Report on Criminal Court Cost Waivers

Sec. 18A.3 of S.L. 2015-241 codifies language from recent appropriations acts directing the Administrative Office of the Courts (AOC) to maintain records of all cases in which a judge makes a finding of just cause to grant a waiver of criminal court under statute and to report on those waivers to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety (JPS Oversight) by February 1 of each year. The directive provides for the reports to aggregate the waivers by the district in which the waiver or waivers were granted and by the name of each judge granting a waiver or waivers. The provision also directs the AOC to make the necessary modifications to its information systems to maintain the records required under the newly codified statute.

This section became effective July 1, 2015.

#### Section 18A.9. Report on Dismissals Due to Delay in Analysis of Evidence

Sec. 18A.9 of S.L. 2015-241 requires each district attorney to report to the Conference of District Attorneys on any dismissal of a criminal case that is the direct result of a delay in the analysis of evidence by the State Crime Laboratory, including the facts surrounding the dismissal. This section directs the Conference to compile any such reports of dismissals and, in coordination with the State Crime Laboratory, report them quarterly starting October 30, 2015, to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and to the chairs of JPS Oversight.

This section became effective July 1, 2015.

#### Section 18A.16. Innocence Inquiry Commission

Sec. 18A.16 of S.L. 2015-241 transfers the Innocence Inquiry Commission, which was originally established as an independent commission housed within the Judicial Department, to the oversight of the AOC, and directs the AOC to conduct an annual audit of the Commission.

This section became effective July 1, 2015.

#### Section 18A.17. Transfer Office of Indigent Defense Services to the Administrative Office of the Courts

Sec. 18A.17 of S.L. 2015-241, as amended by Sec. 6.3 of S.L. 2015-268, transfers the Office of Indigent Defense Services, which includes the Commission on Indigent Defense Services, to the AOC, and specifically provides that the budget of the Office of Indigent Defense Services must be part of the budget of the AOC. The Office of Indigent Defense Services was originally established as an independent agency within the Judicial Department, and though it received assistance from the Director of the AOC in preparing the Office's budget, the Commission on Indigent Defense Services had final authority with respect to preparation of the budget and representation of matters pertaining to the Office that were before the General Assembly. This section removes that independence and also directs the AOC to conduct an annual audit of the Office of Indigent Defense Services.

This section became effective July 1, 2015.

#### Section 18A.18. Study Future of Indigent Defense Services Commission and Innocence Inquiry Commission

Sec. 18A.18 of S.L. 2015-241 directs JPS Oversight to (i) study the Office of Indigent Defense Services and determine whether changes should be made to the ways in which appropriated funds are used to provide legal assistance and representation to indigent persons; and (ii) study the North Carolina Innocence Inquiry Commission and determine whether changes should be made to the way in which the Commission investigates and determines credible claims of factual innocence made by criminal defendants. The Committee must report its findings and recommendations, including any proposed legislation, to the 2015 General Assembly when it reconvenes in 2016.

This section became effective July 1, 2015.

#### Section 18A.19. Abolish Three Special Superior Court Judgeships

Sec. 18A.19 of S.L. 2015-241 abolishes three existing superior court judgeships upon the occurrence of vacancies in those judgeships. This section also requests the Chief Justice of the Supreme Court to exercise the statutory authority granted to the Chief Justice to designate special superior court judges as business court judges in such a manner as to maintain at least five business court judgeships in the State.

This section became effective July 1, 2015.

#### Section 18A.21. E-Courts Information Technology Initiative/Strategic Plan/Advisory Committee/Pilot Program for Online Collection of Court Costs

Sec. 18A.21 of S.L. 2015-241 directs the AOC to establish a strategic plan for the design and implementation of its e-Courts information technology initiative by February 1, 2016. The e-Courts initiative will provide for the automation of all court processes, including the electronic filing, retrieval, and processing of documents. This section sets forth specific requirements for the strategic plan, and

directs the AOC to report quarterly, beginning November 1, 2015, to the JPS Oversight Committee and the Joint Legislative Oversight Committee on Information Technology on the development, implementation, and specific costs of the strategic plan and on any changes in the projected costs for implementing the e-Courts system or the schedule for implementation. The report must also provide an accounting of the use of funds appropriated in the budget act for development of the e-Courts initiative.

This section also directs the AOC to establish an e-Courts advisory committee consisting of clerks of superior court, judges, district attorneys, public defenders, and representatives of the State Bar in order to ensure that, in the development and implementation of the strategic plan, it has the input and advice of those stakeholders in the e-Courts system and the benefit of the various stakeholders' expertise on the information technology needs of the courts. The advisory committee is to be guided by an executive steering committee.

Upon completion of the strategic plan, the AOC must issue a Request for Information (RFI) for a contractor to provide the e-Courts system as outlined in the strategic plan. The AOC is directed to evaluate the responses to the RFI before issuing a Request for Proposals (RFP) for the e-Courts system.

Finally, as a precursor to the implementation of its e-Courts initiative, the AOC is directed to establish a pilot program in New Hanover County for the online collection and payment of court costs, fines, and related fees, with the potential for expanding the program statewide at the conclusion of a successful pilot, with the costs incurred by the programs to be borne by vendors selected by the AOC. The Administrative Office of the Courts must report by March 1, 2016, to the chairs of the JPS Oversight Committee and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on this pilot program and its plans to expand the program statewide.

This section became effective July 1, 2015.

#### Section 18A.24. Clarify Authorization to Contract for the Provision of Remote Access to Court Records

Sec. 18A.24 of S.L. 2015-241 amends the statute that authorizes the Director of the AOC to enter into contracts with third parties to provide remote access to court records to the public, by clarifying that the records referred to are more specifically "electronic data processing records or any compilation of electronic court records or data of the clerks of superior court...." The clarification also provides that neither the Director nor the Administrative Office of the Courts is the custodian of those records.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Subpart XVIII-B: Office of Indigent Defense Services (SL 2015-241)**

Subpart XVIII-B of S.L. 2015-241 includes the following provisions pertaining to indigent defense and the Office of Indigent Defense Services:

#### Section 18B.3. Reports on Criminal Case Information System

Sec. 18B.3 of S.L. 2015-241 amends the implementation date and reporting requirements of a provision from previous appropriations acts directing the Administrative Office of the Courts (AOC), in consultation with the Office of Indigent Defense Services, to develop or acquire and to implement a component of its criminal case information system for use by public defenders. This section changes the

date for final implementation of the system component from February 1, 2015, to February 1, 2016, adds a requirement for quarterly reports on the development and implementation of the system, including costs, milestones and performance measures, and changes the date for a final report on the completed implementation of the system from July 1, 2015, to July 1, 2016.

This section became effective June 30, 2015.

Section 18B.4. Study Efficiency of Establishing a System of Automated Kiosks in Local Confinement Facilities to Allow Attorneys Representing Indigent Defendants to Consult with Their Clients Remotely

Sec. 18B.4 of S.L. 2015-241 directs the AOC, in conjunction with the Office of Indigent Defense Services and the North Carolina Sheriffs' Association, to study and determine whether savings can be realized through the establishment of a system of fully automated kiosks in local confinement facilities to allow attorneys representing indigent defendants to consult with their clients remotely. The system would incorporate technology through which meetings between attorneys and their clients cannot be monitored or recorded, would provide for end-to-end message encryption, and would have scheduling software integrated into the system. This section directs the AOC to report its findings and recommendations, including recommendations for at least two potential pilot sites for the proposed system, to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety (JPS Oversight Committee) by February 1, 2016.

This section became effective July 1, 2015.

Section 18B.5. Study Fee Schedules Used by Office of Indigent Defense Services

Sec. 18B.5 of S.L. 2015-241 directs the JPS Oversight Committee to study the creation and implementation of fee schedules to be used by the Office of Indigent Defense Services to compensate private assigned counsel representing indigent defendants and to report its findings and recommendations in its report to the 2015 General Assembly when it reconvenes in 2016.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 16A.7: Clarify Administration and Organization of the Law Enforcement Functions of the Department of Public Safety (SL 2015-241)**

Sec. 16A.7 of S.L. 2015-241, as amended by Sec. 6.2 of S.L. 2015-268, makes the following changes related to the organization of the Department of Public Safety:

- The State Bureau of Investigation is removed from the Division of Law Enforcement, is required to operate and maintain the Information Sharing and Analysis Center, and is authorized to hire its own legislative liaison.
- The State Capitol Police is removed from the Division of Law Enforcement and relocated as a section within the State Highway Patrol.
- The Law Enforcement Division of the Department of Public Safety is effectively abolished.
- Various conforming changes are made to the General Statutes.

This section became effective on July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 16B.3: GANGNET Report and Recommendations (SL 2015-241)**

Sec. 16B.3 of S.L. 2015-241 codifies a requirement that the State Highway Patrol, in conjunction with the State Bureau of Investigation and the Governor's Crime Commission, develop recommendations concerning gang prevention and report those recommendations to the chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety by March 1 of each year.

This section became effective on July 1, 2015.

## **H215 - Procedure for Waiver of Jury Trial (SL 2015-289)**

S.L. 2015-289 establishes the procedure for waiver of the right to a jury trial in criminal cases in superior court. See the full summary for details of those procedures.

This act became effective October 1, 2015, and applies to defendants waiving their right to trial by jury on or after that date.

## **H224 - Administrative Office of the Courts-Omnibus Changes (SL 2015-40)**

S.L. 2015-40 amends laws related to the Administrative Office of the Courts as follows: (i) allows State agencies and other organizations to opt for no hard copies or fewer hard copies of the appellate reports; (ii) authorizes the clerk of superior court to transfer no longer needed acts of the General Assembly or the appellate reports to State Surplus; (iii) requires all clerks of superior court to report the names of persons granted a dismissal upon completion of a conditional discharge to the Administrative Office of the Courts (effective December 1, 2015); (iv) clarifies that Community Corrections may supervise the probation of any conditional discharge or deferred prosecution; (v) eliminates various reports; and (vi) provides that the Office of State Budget and Management has the duty to calculate the limitation on damages for non-economic losses in medical malpractice actions.

Except as otherwise provided, this act became effective July 1, 2015.

## **H284 - Civil Contempt/Jury Duty (SL 2015-210)**

S.L. 2015-210 clarifies that imposition of a fine is not an allowable sanction for civil contempt and permits excused jury duty for students attending postsecondary schools out-of-state.

The provision pertaining to civil contempt became effective October 1, 2015, and applies to civil contempt orders entered on or after that date. The provisions pertaining to jury duty became effective on August 11, 2015, and apply to requests for excusal from jury service made on or after that date.

### **H295 - Juvenile Media Release. (SL 2015-41)**

S.L. 2015-41 permits the Division of Juvenile Justice of the Department of Public Safety to determine whether it is appropriate to release certain information about an escaped delinquent juvenile.

This act became effective May 29, 2015.

### **H446 - Amend Statutes Governing Bail Bondsmen (SL 2015-180)**

S.L. 2015-180 makes the following changes to the laws governing bail bondsmen:

- Increases the minimum age to qualify for licensure as a bail bondsman or a runner from 18 to 21 years of age.
- Lengthens the time within which a bondsman is required to return collateral after termination of liability on the bond from 72 hours to 15 days.
- Directs the Commissioner to return the portion of the security deposit in excess of that required to secure outstanding bond liability in the event of death, permanent incapacitation, or other circumstance resulting in the return of a bondsman's license.
- Grants bondsmen access to the Administrative Office of the Court's civil records.

This act became effective August 5, 2015, and applies to applications for licenses filed on or after that date.

### **H570 - Facilitate Successful Reentry (SL 2015-48)**

S.L. 2015-48 requires law enforcement, upon confinement, and the courts, prior to entry of an order, to determine if there are any outstanding warrants against the defendant; and directs the Department of Public Safety's Division of Adult Correction (DOC) to develop a policy for identifying any outstanding criminal warrants at intake and before release to resolve an inmate's outstanding warrants while in custody.

The act became effective October 1, 2015.

### **H595 - Military Experience/Law Enforcement Officer Certification Requirements (SL 2015-49)**

S.L. 2015-49, as amended by Sec. 37 of S.L. 2015-264, establishes procedures to be followed by the Criminal Justice Education and Training Standards Commission in certifying current or former military police officers, and increases the Commission's membership from 31 to 34 voting members by adding the SBI Director, the State Highway Patrol Commander and a juvenile justice officer appointed by the Governor.



This act became effective June 3, 2015

### **H597 - Mediated Settlement Agreements (SL 2015-57)**

S.L. 2015-57 requires mediated settlement agreements to be signed by the parties against whom enforcement is sought in order to be enforceable.

This act became effective July 1, 2015, and applies to agreements entered into on or after that date.

### **H879 - Juvenile Code Reform (SL 2015-58)**

S.L. 2015-58 makes various changes to the juvenile code in regard to due process protections, reentry of juveniles in the delinquency system, and confinement of juveniles. See the full summary for details of the provisions.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **S60 - No-Contact Order/No Expiration (SL 2015-91)**

S.L. 2015-91 allows a victim (or a competent adult on behalf of a minor victim or incompetent person) of a sexual offense to obtain a permanent civil no-contact order against the person convicted of committing the offense, establishes the procedure for obtaining such an order, clarifies the penalties for violations of protective orders, and allows an extension of orders entered in street gang nuisance abatement cases after a court hearing. The provisions pertaining to permanent civil no-contact order orders became effective October 1, 2015. The provision on penalties for violations of protective orders became effective December 1, 2015, and applies to offenses committed on or after that date.

Except as otherwise provided, this act became effective June 19, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 32.5: Reciprocal Attorneys' Fees Provisions in Business Contracts (SL 2015-264)**

Sec. 32.5 of S.L. 2015-264 amends application of the phrase "sign by hand" in business-to-business contracts containing reciprocal provisions for reimbursement of attorneys' fees so that certain electronic signatures qualify. It also resolves an apparent conflict between two provisions dealing with a cap on awards of attorneys' fees.

This section became effective October 1, 2015.

### **S161 - Supreme Court Sessions in Morganton (SL 2015-89)**

S.L. 2015-89 authorizes sessions of the North Carolina Supreme Court to be held in the City of Morganton not more than twice per year.

This act became effective June 19, 2015.

### **S183 - Eliminate Confinement in Response to Violation for Misdemeanants (SL 2015-191)**

S.L. 2015-191 eliminates confinement in response to violation for misdemeanants sentenced under Structured Sentencing.

This act became effective December 1, 2015, and applies to persons placed on probation on or after that date.

### **S185 - Clarify Credit for Time Served (SL 2015-229)**

S.L. 2015-229 clarifies credit for time served, as recommended by the North Carolina Sentencing and Policy Advisory Commission.

This act became effective December 1, 2015.

### **S192 - Citations/Sheriffs Accept Faxes (SL 2015-176)**

S.L. 2015-176 requires law enforcement agencies to accept receipt of copies of protective and civil no-contact orders and 122C custody orders issued by clerks of court by electronic or facsimile transmission. This act also requires the Administrative Officer of the Courts to solicit input from clerks of courts regarding use of the term "costs" rather than "court costs" on citations and make appropriate changes based on the input.

This act became effective August 5, 2015.

### **S199 - Funds Deposited with Clerk of Court (SL 2015-216)**

S.L. 2015-216 increases the amount of funds in a single account on deposit with the Clerk of Superior Court above which the excess must be invested pursuant to statutory requirements from \$2,000 to \$10,000.

The act became effective September 1, 2015.

### **S596 - Protection Against Unconstitutional Foreign Judgments (SL 2015-107)**

S.L. 2015-107, as amended by Section 32 of S.L. 2015-264, clarifies the existing law regarding the enforcement of foreign-country judgments by stating that foreign-country judgments obtained by foreign governments to compensate for the expenditure of public funds for government programs must not be recognized in North Carolina. It also provides that the recognition of a judgment that is based on a foreign statute or rule of law which, as applied by the foreign court, would have been contrary to either the United States Constitution or the North Carolina Constitution must be denied unless the recognition is reasonable under the circumstances.

The act became effective June 24, 2015, and applies to recognition of foreign-country judgments on or after that date regardless of when the judgment was entered.

### **S675 - Limit Parole Review Frequency (SL 2015-228)**

S.L. 2015-228 limits the frequency of parole review for inmates convicted of sexually violent offenses.

This act became effective October 1, 2015, and applies to parole reviews conducted on or after that date.

# **Criminal Law and Procedure**

**See full summary documents for additional detail**

## **H55 - Public Exhibit of Fireworks/North Carolina State University (SL 2015-124)**

S.L. 2015-124 exempts North Carolina State University (NCSU) from being required to obtain approval from the board of county commissioners to host pyrotechnic events on campus. This exemption is identical to The University of North Carolina's (UNC) exemption in current law for University-owned lands and buildings in Orange County. Just like UNC, NCSU must obtain a State permit from the State Fire Marshal for pyrotechnic events, as this act only exempts NCSU from also having to get permission from the board of county commissioners to host a pyrotechnic event in Wake County.

This act became effective June 29, 2015.

## **H97 - 2015 Appropriations Act, Sec. 17.3: Collect DNA/All Violent Felony Arrests (SL 2015-241)**

Sec. 17.3 of S.L. 2015-241 expands the list of criminal offenses for which a DNA sample must be obtained for testing and analysis upon arrest to include additional violent felonies and requires a study of expanding the requirement to include all arrests for all felony offenses.

The expansion of offenses in this section became effective December 1, 2015, and applies to arrests occurring on or after that date. The provision directing the study became effective July 1, 2015.

## **H113 - Protect Our Students Act (SL 2015-44)**

S.L. 2015-44 increases the criminal penalty for the commission of certain sex offenses committed against a student by a person who is school personnel and establishes a procedure for institutions of higher education to obtain a list of students and employees at the institution who are registered as sex offenders.

This act became effective December 1, 2015.

## **H173 - Omnibus Criminal Law Bill (SL 2015-247)**

S.L. 2015-247 amends various criminal laws by doing the following:

- Extending the period of time to avoid the court costs for failure to pay.
- Directing the Administrative Office of the Courts to report on certain orders of remand from superior court.
- Revising the law authorizing a chief district court judge to designate certain magistrates to appoint counsel, and authorizing magistrates to perform certain functions.
- Clarifying the law pertaining to probation revocation appeals.

- Conforming State law with United States Supreme Court decisions relating to individuals with intellectual disability.
- Making a conforming change to petition for judicial review.
- Providing that expunction information may be transmitted electronically or by facsimile.
- Providing that doubling of bond is permissive rather than mandatory for certain defendants.
- Amending statutory provisions pertaining to disposition of certain physical evidence that may contain biological evidence.
- Amending the rules of evidence to allow certification by the custodian of a business record to show the authenticity of the record.
- Amending laws relating to bail bond continuing education.

This act has various effective dates; please see the full summary for more detail.

### **H273 - Clarify Conditional Discharge Law/No Driving While Impaired Expunction (SL 2015-150)**

S.L. 2015-150, as amended by Sec. 39 of S.L. 2015-264, clarifies that the provisions regarding deferred prosecution and conditional discharge for convictions of H and I felonies and misdemeanors under Structured Sentencing do not apply to convictions of impaired driving and that offenses involving impaired driving cannot be expunged.

The provision relating to deferred prosecution and conditional discharge became effective December 1, 2015, and applies to any order placing a person on probation on or after that date. The provisions pertaining to expunctions became effective July 1, 2015, and apply to petitions filed and pending on or after that date.

### **H294 - Prohibit Cell Phone/Delinquent Juvenile (SL 2015-47)**

S.L. 2015-47 makes it a criminal offense to provide a cell phone to a delinquent juvenile in custody of the Department of Public Safety.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H371 - Terror Claims/Damages/Liability for Support, Sec. 2.5: National Guard Concealed Weapons (SL 2015-215)**

Sec. 2.5 of S.L. 2015-215 exempts members of the North Carolina National Guard who have been designated in writing by the Adjutant General, who have a concealed handgun permit, and who are acting in the discharge of their official duties from the general prohibition against carrying a concealed weapon.

This section became effective August 18, 2015.

### **H383 - Clarify Statutory Scheme/Sex Offenses (SL 2015-181)**

S.L. 2015-181 reorganizes, renames, and renumbers various sexual offenses to make them more easily distinguishable from one another, as recommended by the North Carolina Court of Appeals in a published opinion. The act also clarifies that to be guilty of statutory rape or statutory sexual offense with a person who is 15 years of age or younger, the defendant must be at least 12 years old.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H397 - Clarify Protections/Exploitation of Elders (SL 2015-182)**

S.L. 2015-182 clarifies the procedures to be followed when a defendant is convicted for exploitation of an older adult or disabled adult and seized assets are used to satisfy the defendant's restitution obligation as ordered by the court. The act specifies the procedures for serving the order, freezing or seizing the assets, and satisfying the order of restitution if the defendant pleads guilty or no contest to the criminal charges.

This act became effective October 1, 2015, and applies to offenses committed on or after that date.

### **H465 - Women and Children's Protection Act of 2015 (SL 2015-62)**

S.L. 2015-62 modifies certain criminal laws pertaining to sexual crimes and offenders; permits electronic filing of documents in specified domestic violence and civil no-contact proceedings; makes administrative changes to improve child support collection and payment; and establishes a Maternal Mortality Review (MMR) Committee within the Department of Health and Human Services; and makes various changes to North Carolina's abortion laws.

Section 1 changes the offense of statutory rape to apply to engaging in a sexual act with a person who is 15 years old or younger, rather than with someone who is 13, 14, or 15 years old. This section became effective December 1, 2015, and applies to offenses committed on or after that date.

Section 2 makes administrative changes to improve collection and payment of child support to families. This section became effective June 5, 2015.

Section 3 permits electronic filing of certain documents in Chapter 50B and 50C cases under local rules approved by the Administrative Office of the Courts or under any uniform State rules adopted by the North Carolina Supreme Court. Sections 3.(b) through 3.(e) became effective December 1, 2015, and apply to documents filed and hearings held on or after that date; Section 3.(a) directing the establishment of rules became effective June 5, 2015.

Section 4 makes the following statutory amendments, effective December 1, 2015, and applies to offenses committed on or after that date:

- Section 4.(a) provides an aggravating sentencing factor for knowingly committing an offense that is seen or heard by a minor who is not an accomplice to the offense.

- Section 4.(b) clarifies that an assault is committed "in the presence of a minor" when the minor can see or hear the assault.
- Section 4.(c) permits the court to impose conditions of pretrial release in domestic violence cases to protect persons the defendant is dating or has dated.

Section 5 extends the prohibition against certain sex offenders being on premises frequented by minors to sex offenders committed of federal crimes or crimes in other states that are substantially similar to sex offenses under State law. This section became effective December 1, 2015, and applies to offenses committed on or after that date.

Section 6 establishes the Maternal Mortality Review Committee within the Department of Health and Human Services. The Committee is directed to reduce maternal mortality in North Carolina by conducting multidisciplinary maternal death reviews and developing recommendations for the prevention of future maternal deaths. This section became effective December 1, 2015.

Section 7 makes various changes to North Carolina's abortion laws. (Please see the full summary for more detail.) The substantive provisions regarding abortion laws become effective January 1, 2016, and apply to abortions performed or attempted on or after that date; the remainder of this Section became effective October 1, 2015, and applies to abortions performed or attempted on or after that date.

Except as otherwise provided, this act became effective June 5, 2015.

### **H552 - Graffiti Vandalism (SL 2015-72)**

S.L. 2015-72 creates the criminal offense of graffiti vandalism for anyone who unlawfully writes, scribbles on, marks, paints, defaces, or besmeares the walls of any real property, any public building or facility, or any statue or monument situated in a public place. The offense is a Class 1 misdemeanor with a mandatory fine of \$500, but may be elevated to a Class H felony under certain circumstances.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H560 - Assault Emergency Workers/Hospital Personnel (SL 2015-97)**

S.L. 2015-97 makes it a felony to assault hospital personnel and licensed healthcare providers who are providing or attempting to provide health care services to a patient in a hospital.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H562 - Amend Firearm Laws (SL 2015-195)**

S.L. 2015-195, as amended by Sec. 2 of S.L. 2015-267, amends various firearm laws. Please see the full summary for an explanation of the changes and the corresponding effective dates.

### **H566 - Amend Eyewitness Identification/Show-Up (SL 2015-212)**

S.L. 2015-212 amends the Eyewitness Identification Reform Act to clarify that law enforcement officers may be eyewitnesses; to set minimum standards for show-ups; and to require the North Carolina Criminal Justice Education and Training Standards Commission to develop additional policies on the conduct of show-ups. The policies required to be adopted by the North Carolina Criminal Justice Education and Training Standards Commission must be adopted by August 1, 2016, and become applicable to all law enforcement on August 1, 2016.

Except as otherwise provided, this act became effective December 1, 2015, and applies to eyewitness identifications and show-ups conducted on or after that date.

### **H659 - Controlled Substances/Update Precursor List (SL 2015-32)**

S.L. 2015-32 updates the list of methamphetamine precursor chemicals, and clarifies what constitutes certain drug offenses involving methamphetamine.

This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

### **H691 - Assault on National Guard Member (SL 2015-74)**

S.L. 2015-74 makes it a felony to commit the following types of assaults on a member of the North Carolina National Guard who is discharging or attempting to discharge official duties: (i) assault inflicting serious bodily injury; (ii) assault inflicting physical injury; (iii) assault with a firearm.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 1.1: Repeal Obsolete Statutes (SL 2015-286)**

Sec. 1.1 of S.L. 2015-286 repeals obsolete provisions in the criminal law related to using profane or indecent language on public highways and refusing to relinquish a party telephone line in an emergency.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Secs. 3.3 and 3.4: Good Samaritan Expansion (SL 2015-286)**

Secs. 3.3 and 3.4 of S.L. 2015-286 expand the Good Samaritan exception to allow entering of certain types of property in order to provide emergency assistance.



These sections became effective December 1, 2015, and apply to offenses committed on or after that date and causes of action arising on or after that date.

### **H774 - Restoring Proper Justice Act (SL 2015-198)**

S.L. 2015-198 authorizes a medical professional other than a physician to monitor lethal injection for death penalty executions and clarifies that matters relating to executions are not subject to rulemaking.

This act became effective August 5, 2015.

### **H792 - Privacy/Protection From Revenge Postings (SL 2015-250)**

S.L. 2015-250 makes the following changes:

- Creates a criminal offense and a civil cause of action for knowingly disclosing with the intent to cause certain harms certain images of intimate parts or depicting sexual conduct in which there is a reasonable expectation of privacy.
- Requires the Joint Legislative Oversight Committee on Justice and Public Safety to study improper disclosure of images of people superimposed onto other images exposing intimate parts or depicting sexual conduct.
- Creates three new criminal offenses related to exposure of private parts on private premises.

This act became effective December 1, 2015, and applies to offenses committed on or after that date and to actions initiated on or after that date.

### **S78 - Off-Duty Correctional Officers/Conceal Carry (SL 2015-5)**

S.L. 2015-5 allows State correctional officers to carry a concealed weapon when off-duty. If the concealed weapon is a handgun, the officer must meet departmental firearms training standards.

This act became effective December 1, 2015.

### **S83 - Criminal Law/Filing False Document (SL 2015-87)**

S.L. 2015-87 amends the law to specify the procedures to be followed by registers of deeds and clerks of court when they suspect that a document presented for filing or recording is false.

This act became October 1, 2015, and applies to all filings on or after that date.

## **S154 - Clarifying the Good Samaritan Law (SL 2015-94)**

S.L. 2015-94 does the following:

- Imposes additional statutory requirements that must be met before a person can receive immunity from criminal prosecution when seeking medical attention for someone suffering from a drug- or alcohol- related overdose.
- Prohibits arresting a person or revoking a person's pretrial release, probation, parole or post-release based on an offense for which that person is entitled to statutory immunity.
- Grants immunity from civil liability to law enforcement officers who, in good faith, arrest or charge persons later found to be entitled to statutory immunity.
- Provides that nothing in G.S. 90-96.2 bars admission of evidence of crimes by a person not entitled to immunity, limits seizure of evidence or contraband otherwise permitted by law, limits a law enforcement officer's authority to detain or take into custody a person during an arrest for or investigation of offenses other than those for which limited immunity is provided in G.S. 90-96.2, or limits a probation offer's authority to conduct drug testing on persons on pretrial release, probation, or parole.
- Amends the statutes governing the treatment of overdose with opioid antagonist to authorize pharmacists to dispense an opiate antagonist prescribed to a person at risk of experiencing an opiate-related overdose or to a family member, friend, or other person in a position to assist that person, and to grant pharmacists immunity from civil and criminal liability for dispensing an opiate antagonist pursuant to this authority.

This act became effective August 1, 2015, and applies to offenses committed on or after that date.

## **S212 - Handgun Standards for Retired Sworn Law Enforcement Officer (SL 2015-105)**

S.L. 2015-105, as amended by Sec. 36 of S.L. 2015-264, allows successful completion by a retired sworn law enforcement officer of the handgun qualifications for active sworn law enforcement officers to be sufficient for purposes of obtaining a concealed handgun permit.

This act became effective October 1, 2015.

## **S233 - Automatic Expunction/Mistaken Identity (SL 2015-202)**

S.L. 2015-202 provides for the automatic expunction of certain records of a person when the charge or charges against the person are dismissed as a result of identity theft or mistaken identity.

This act became effective December 1, 2015, and applies to charges filed on or after that date.

### **S238 - Stalking by GPS/Criminal Offense (SL 2015-282)**

S.L. 2015-282 provides that a person commits the offense of cyberstalking if the person knowingly installs or places a tracking device without consent and uses the device to track an individual's location, unless one of 11 exceptions are met.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **S286 - Regulate the Sale of E-Liquid Containers (SL 2015-141)**

S.L. 2015-141 creates a new statute to: (i) make it unlawful to sell e-liquid containers without child-resistant packaging; (ii) prohibit the sale of an e-liquid product containing nicotine unless the packaging states that the product contains nicotine; (iii) provide that violation of each of the foregoing prohibitions is a Class A1 misdemeanor; (iv) and provide that any person, firm, or corporation would be liable for damages as a result of selling e-liquid containers without child-resistant packaging and any required labeling. The new statute defines the following terms: 'child-resistant packaging;' 'e-liquid;' 'e-liquid container;' and 'vapor product.'

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **S446 - Dealer Loaners/Unmanned Aircraft/Brunswick County, Part II: Unmanned Aircraft Systems Changes (SL 2015-232)**

Part II of S.L. 2015-232 clarifies that agents or agencies of the State or a political subdivision of the State have the authority to procure and operate unmanned aircraft systems upon approval of the State Chief Information Officer, and modifies State regulation of unmanned aircraft systems to comply with federal guidelines.

This part became effective August 25, 2015.

# Education

See full summary documents for additional detail

## **H13 - Amend School Health Assessment Requirement (SL 2015-222)**

S.L. 2015-222 requires each child entering the public schools for the first time to submit proof of a health assessment to the school principal within 30 calendar days of the child's first day of attendance. The health assessment results must be submitted on a statewide standardized health assessment transmittal form developed by the Department of Health and Human Services (DHHS) and the Department of Public Instruction (DPI) and the form must only include those items specifically listed in the act. Information on the form is not a public record. If the health assessment transmittal form is not presented on or before the child's first day of attendance, the principal will issue a deficiency notice indicating that the form must be submitted within the specified timeframe or the child will not be permitted to attend school. Local board of education policies must state that absences due to failure to submit the health assessment are not suspensions and a student absent due to the lack of a health assessment form must have the opportunity to: take a textbook and school-furnished digital device home; receive missed assignments upon request; and take missed exams. DHHS and DPI must develop a health assessment transmittal form for the 2016-2017 school year and report on or before December 1, 2015, to the Joint Legislative Oversight Committee on Health and Human Services and Joint Legislative Education Oversight Committee.

This act became effective August 18, 2015, and applies to children enrolling in the public schools for the first time beginning with the 2016-2017 school year.

## **H97 - 2015 Appropriations Act, Sec. 31.13: Debt Affordability Study for The University of North Carolina (SL 2015-241)**

Sec. 31.13 of S.L. 2015-241 directs the Board of Governors of The University of North Carolina to engage in a debt affordability study process that is similar to the process engaged in by the Debt Affordability Advisory Committee for the rest of State government. Specifically, the Board must study the estimated debt capacity of The University and report its findings to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the State Treasurer, and The University of North Carolina General Administration annually by February 1.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 8.27: Investing in Innovation Grant (SL 2015-241)**

Sec. 8.27 of S.L. 2015-241, as amended by Sec. 3.1 of S.L. 2015-268, allows certain local school administrative units (LEAs) to enroll tenth grade students in one community college course if the LEA is participating in the federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools (Grant). Grant funds are to be used to pay for all costs incurred, including the community college FTE. Community colleges do not earn budget FTE for students enrolled under this Grant unless the student is otherwise enrolled in a program that allows high school students to take community college courses.

The North Carolina New Schools Project must report on the implementation of the Grant by March 15, 2016, and annually thereafter until the end of the Grant period to the State Board of Education, the State Board of Community Colleges, the Office of the Governor, and the Joint Legislative Education Oversight Committee.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.12: Competency-Based Learning (SL 2015-241)**

Sec. 8.12 of S.L. 2015-241 establishes the General Assembly's intent that the State transition to a system of testing and assessments for public school students that uses competency-based learning assessments to measure student performance and student growth when practicable. This competency-based student assessment system must provide that:

- Students advance upon mastery.
- Competencies are broken down into explicit and measurable learning objectives.
- Assessment is meaningful for students.
- Students receive differentiated support based on their learning needs.
- Learning outcomes emphasize competencies that include the application and creation of knowledge.

This section encourages the State Board of Education (SBE) to evaluate the feasibility of integrating competency-based assessments for use in local school administrative units and as part of the statewide testing system for measuring student performance and student growth. The SBE may examine competency-based assessments in other states, including potential benefits and obstacles to implementing similar systems in North Carolina, along with the relationship between competency-based assessments and innovative teaching methods used in the State's schools such as blended learning models and digital teaching tools.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.41: Modify Educator Preparation Program Approval Process (SL 2015-241)**

Sec. 8.41 of S.L. 2015-241, as amended by Sec. 3.7 of S.L. 2015-268, reorganizes and recodifies all of the statutes related to educator preparation programs (EPPs). This section clarifies that all EPPs in the State must meet State approval standards or be nationally accredited in order for their graduates to be eligible for initial licensure. In addition, the section requires the State Board of Education (SBE) to include the following components for State EPP approval:

- Adoption of rules for granting State approval to EPPs that mirror national accreditation in order to maintain the same level of quality across programs.
- A State peer review process that includes highly qualified and trained members to review EPPs across the State.
- Technical assistance to EPPs in order to:
  - Improve education quality and educator preparation program performance.

- Inform programs about the approval process as a part of EPP performance based on outcome data.
- Assist with State and federal reporting processes.
- Assist with building and maintaining partnerships between schools and EPPs.

The SBE may place an approved EPP provider on probationary status and require a plan for improvement on any unmet standards. The SBE may revoke program approval for reasons including: failure to report required information to the SBE; offering misleading or false information about approved EPPs; accepting students into EPPs that have not been approved; failing to comply with the EPP review process; and failing to meet standards for approval.

This section requires that State approved EPPs cannot admit an undergraduate student into the program unless the student has earned a minimum cumulative grade point average of at least 2.7. Approved EPPs must ensure that the minimum cohort grade point average for each entering cohort to an EPP is least a 3.0.

Finally, this section requires that the SBE adopt rules for EPPs that require at least the following:

- Establishment and maintenance of collaborative formalized partnerships with elementary and secondary schools that are focused on student achievement, continuous school improvement, and the professional development of elementary and secondary educators, as well as those preparing educators.
- Memorandums of understanding with local school administrative units (LEAs) where students are placed that:
  - Define the collaborative relationship between the EPP and the LEA and how this partnership will focus on continuous school improvement and student achievement.
  - Adopt a plan for collaborative teacher selection, orientation, and student placement.
  - Determine how information will be shared and verified between the EPP and the LEA.
- Clinical educators who supervise students in residencies or internships must meet the following requirements:
  - Be professionally licensed in the field of licensure sought by the student.
  - Have a minimum of three years of experience in a teaching role.
  - Have been rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation System and have met expectations as part of student growth in the field of licensure sought by the student.
- In all programs leading to initial licensure, field experiences must include organized and sequenced engagement of students in settings that provide them with opportunities to observe, practice, and demonstrate knowledge and skills. The experiences must be systematically designed and sequenced to increase the complexity and levels of engagement with which students apply, reflect upon, and expand their knowledge and skills.
- Clinical practice must be required in the form of residencies or internships in those fields for which they are approved by the SBE. These residencies or internships must be a minimum of 16 weeks. Residencies and internships may be over the course of two semesters and must, to the extent practicable, provide student experiences at both the beginning and ending of the school year.
- EPPs with a clinical practice component must require, in addition to a content assessment, a nationally normed and valid pedagogy assessment to determine clinical practice performance. Passing scores and mastery criteria must be determined by the SBE.

This section became effective July 1, 2015. EPPs approved by the SBE on or before July 1, 2015, must meet the new standards established by the SBE no later than July 1, 2017. EPPs seeking approval by the SBE after July 1, 2015, must meet the new standards at the time the approval is sought. The SBE may not require students enrolled in EPPs that require a nationally normed and valid pedagogy assessment to determine clinical practice performance to provide scores for a pedagogy assessment based on multiple choice or constructed responses.

### **H97 - 2015 Appropriations Act, Sec. 8.45: Repeal Extracurricular Duties Restriction for Teachers with 27 or More Years of Experience (SL 2015-241)**

Sec. 8.45 of S.L. 2015-241 repeals the prohibition on teachers with 27 or more years of experience being assigned extracurricular activities unless they request the assignments in writing. This section also repeals the requirement that other non-instructional duties assigned to these teachers be minimized.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8A.1: Legislative Findings (SL 2015-241)**

Sec. 8A.1 of S.L. 2015-241 states that the General Assembly finds that some local boards of education (local boards) have failed to comply with the requirements of the judiciary's decisions in Leandro vs State of North Carolina to provide all public school students the opportunity to receive a sound basic education. Even though there has been a history of adequate State and local funding and legislatively granted flexibility in administration, management, and employment at the local level to provide tools to facilitate compliance with Leandro, some local boards have failed to take actions sufficient to:

- Prevent education bureaucracies from interfering with and overriding accountability measures and education reforms required by State law.
- Properly administer the public schools.
- Provide high quality principals in every school and high quality teachers in every classroom.

The section further states that it is the intent of the General Assembly to provide additional direction, authority, and resources to local boards and to the State Board of Education to enable them to correct these deficiencies.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8A.5: State Board Authority to Consolidate Contiguous County School Administrative Units (SL 2015-241)**

Sec. 8A.5 of S.L. 2015-241 authorizes the State Board of Education (SBE) to consolidate and merge contiguous county school administrative units or a group of county school administrative units in which each county unit is contiguous with at least one other county unit in the group. The SBE must have a written plan that sets out the conditions of the merger. Any merger of county units or reorganization of

county units will not have the effect of abolishing any special taxes that have been approved in the affected units.

A merger ordered by the SBE becomes effective on July 1 immediately following the earlier of the 31st legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the SBE approved the merger. If a bill specifically disapproving the merger is introduced in either house of the General Assembly before the 31st legislative day of that session, the merger becomes effective on the July 1 immediately following the earlier of either the day an unfavorable final action is taken on the bill or the day that the General Assembly adjourns without ratifying a bill that specifically disapproves the merger. A merger that is specifically disapproved by a bill enacted into law before the merger becomes effective does not become effective.

A bill specifically disapproves a merger if it contains a provision that refers to the written plan of the merger and states that the merger is disapproved. Any member of the General Assembly can introduce a bill during the first 30 legislative days of any regular session to disapprove a merger that has been approved by the SBE and that has not become effective.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 11.19: Education Opportunities for Students with Disabilities (SL 2015-241)**

Sec. 11.19 of S.L. 2015-241 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Division) in the Department of Health and Human Services (DHHS), with the assistance of the Division of Vocational Rehabilitation and Division of Social Services in DHHS, the Department of Public Instruction, The University of North Carolina, and the North Carolina Community College System, and in consultation with the North Carolina Postsecondary Education Alliance, community stakeholders, and other interested parties, to do the following:

- Assess gaps and system needs to support transitions of people with disabilities to adulthood.
- Develop a program and fiscal policies to expand and sustain postsecondary education and employment opportunities for people with disabilities.
- Plan and implement approaches to public awareness about postsecondary education and employment for people with disabilities.
- Plan and implement joint policies and common data indicators for tracking the outcomes of people with disabilities after leaving high school.
- Consider options for technology to link agency databases.

The Division must report on the implementation of this section to the Joint Legislative Education Oversight Committee (Ed Oversight Committee) and the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight Committee) by November 15, 2015, and annually thereafter through November 15, 2017.

The State Education Assistance Authority (SEAA) must study strategies for ensuring that the State system of financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based, approved university programs developed for them and report to the Ed Oversight Committee and the HHS Oversight Committee by March 15, 2016, on the results of this study.



This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 10.4: Extend Agricultural and Transportation Classes to Freshmen and Sophomores (SL 2015-241)**

Sec. 10.4 of S.L. 2015-241 allows qualified high school freshmen and sophomores who are participating in academic transition pathways that lead to career technical education certificates or diplomas in agriculture and natural resources or transportation technology to take community college courses.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 10.13: Career- and College-Ready Graduates (SL 2015-241)**

Sec. 10.13 of S.L. 2015-241 directs the State Board of Community Colleges (SBCC), in consultation with the State Board of Education (SBE), to create a program of community college developmental courses in (i) mathematics and (ii) reading and English in the high school senior year through cooperation with community college partners. The purpose of the program is to provide opportunities for college remediation for students before graduation from high school.

The SBCC and SBE must report progress on statewide program implementation to the Joint Legislative Education Oversight Committee by March 15, 2016. The program must be implemented beginning with the 2016-2017 school year.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 11.9: Transforming Principal Preparation (SL 2015-241)**

Sec. 11.9 of S.L. 2015-241 establishes a competitive grant program for the preparation of school principals. The State Education Assistance Authority (SEAA) is directed to administer the program through an agreement with a private nonprofit corporation.

By November 1, 2015, the SEAA must issue a Request for Proposal (RFP) for a private, nonprofit corporation (that meets several requirements articulated in this section) to contract with the SEAA for the administration of the program, including making recommendations for the award of grants.

By January 15, 2016, the SEAA must select a nonprofit corporation (selected nonprofit) with which to enter into a contract and report to the Joint Legislative Education Oversight Committee (JLEOC) on the selection by February 1, 2016.

The selected nonprofit must issue, no later than March 1, 2016, an initial RFP with guidelines and criteria for the grants and in their response to the RFP, applicants must submit certain information. The selected

nonprofit must evaluate the grant applicants by giving priority to those with a record of preparing principals that demonstrates:

- Improvement in student achievement.
- Placing school leaders in eligible schools.
- A proposed focus on, and if applicable, a record of serving high-need schools, high-needs local school administrative units, or both.
- A detailed plan and commitment to share lessons learned and to improve the capacity of other entities in reaching similar outcomes.

The selected nonprofit must recommend grant recipients to the SEAA by June 1, 2016, and the use of the grant funds is limited.

The selected nonprofit must recommend to the SEAA the duration and renewal of grants. However, grants may not be more than five years in duration and a grant renewal may be based upon performance.

Grant recipients must submit an annual report to the selected nonprofit, beginning in the third year of the grant, with any information requested by the selected nonprofit. Whenever practicable, grant recipients should make all materials developed as part of the program and with grant funds publically available.

By June 1, 2016, the State Board of Education (SBE) must adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the SBE of successful completion of a principal preparation program selected for a grant pursuant to this section.

The selected nonprofit must provide to the SBE the required collected data annually. By September 15, 2021, the SBE must revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected by the grant recipients. By November 15, 2021, the SBE must report to the JLEOC on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.34: Study on Juvenile Literacy Program (SL 2015-241)**

Sec. 8.34 of S.L. 2015-241 directs the Joint Legislative Education Oversight Committee to study the results of the Juvenile Literacy Center program (program) in Wake County, North Carolina and report the results of the study and any recommendations on the expansion of the program, including proposed legislation, to the 2015 General Assembly upon the convening of the 2016 Regular Session.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 8.11: Study North Carolina Virtual Public Schools Alternative Funding Formula (SL 2015-241)**

Sec. 8.11 of S.L. 2015-241 directs the State Board of Education (SBE) to study implementation of an alternative funding formula for the North Carolina Virtual Public School (NCVPS) in lieu of the funding formula previously adopted by the SBE. The study must consider the costs and benefits of (i) offering an alternative funding formula for local boards of education to select and (ii) replacing the current NCVPS formula with a new formula applicable to all local boards of education participating in NCVPS.

The SBE must report the results of the study and any legislative recommendations to the Joint Legislative Education Oversight Committee by January 15, 2016.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 8.26: School Safety/Statewide School Risk and Response Management System (SL 2015-241)**

Sec. 8.26 of S.L. 2015-241 makes a variety of clarifying, conforming, and substantive changes to the statutes governing school safety, including the following:

- Replaces the term and definition of "emergency response plans" with "School Risk Management Plans" (SRMP), and makes conforming statutory changes.
- Directs local boards to adopt SRMPs by March 1, 2017.
- Defines the terms "tabletop exercise" and "drill" in relation to school safety exercises.
- Directs each local school administrative unit (LEA) to require each school under its control to annually hold a school-wide tabletop exercise and drill based on procedures documented in its SRMP, including a practice school lockdown due to an intruder on school grounds. Schools are also encouraged to hold additional exercises and drills for other hazards.
- Requires the Division of Emergency Management (Division) in the Department of Public Safety (DPS), and the Center for Safer Schools (Center) to provide guidance and recommendations to LEAs on the hazards to plan and respond to, including intruders on school grounds.
- Creates a new Article (School Risk and Response Management System (SRRMS)) in the statutes pertaining to elementary and secondary education. DPS, the Division, and the Center are directed to construct and maintain this statewide system which should fully integrate and leverage existing data and applications that support school risk planning and exercise, monitoring, and emergency response, including the SRMP tool. All data and information acquired and stored in the SRRMS are not considered public records.
- Directs DPS, the Division, and the Center to implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.
- Directs DPS, the Division, and the Center to implement and maintain a statewide panic alarm system for the purposes of launching real-time 911 messaging to public safety answering points of internal and external risks to the school population, school buildings, and school-related activities.
- Provides that all data and information gathered and stored in the anonymous safety tip line application are not considered a public record. DPS must implement the anonymous tip line application and statewide panic alarm system by July 1, 2016.

- Clarifies that LEAs must provide, and update as needed, either keys to the main entrance of all school buildings or access to key storage devices.
- Encourages charter and regional schools to adopt SRMPs by March 1, 2017. In adopting an SRMP, a charter and regional school may utilize the SRRMS. Charter and regional schools are also encouraged to (i) hold an annual school-wide lockdown exercise and (ii) provide schematic diagrams and emergency response information to the Division. The schematic diagrams and emergency response information are not considered public records.
- Expands the powers and duties of the Division to include serving as the lead State agency for the implementation and maintenance of the SRRMS.
- Directs DPS, the Division, and the Center to report to the Joint Legislative Oversight Commission on Governmental Operations by February 1, 2016, on (i) the implementation of SRRMS and (ii) the anticipated annual cost to operate and maintain the system.

This section became effective July 1, 2015, and except as otherwise provided, applies beginning with the 2015-2016 school year.

### **H97 - 2015 Appropriations Act, Sec. 8.33: Textbooks and Digital Resources Allotment/Use of Funds (SL 2015-241)**

Sec. 8.33 of S.L. 2015-241 expands the list of items local school administrative units (LEAs) are required to annually publish on their Web sites by October 15 to include the following:

- A description of any transfer of funds from the textbooks and digital resources allotment into another allotment category, with an explanation of why the transfer was made to a different allotment category.
- A chart that clearly reflects how the LEA spent State funds.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.40: Department of Public Instruction Report on the Educator Licensure Processing System (SL 2015-241)**

Sec. 8.40 of S.L. 2015-241 provides that by October 15, 2016, the Department of Public Instruction must report to the Joint Legislative Education Oversight Committee regarding the operation of the educator licensure processing system, including implementation of the electronic processing of applications. The report must include at least the following information:

- The estimated processing time from receipt of application to issuance of license in each category of licensure, and comparative data related to the processing of licenses in each licensure category prior to August 1, 2015.
- The schedule of licensure fees and services, including any changes in the prior year made to the fee amounts or services for which fees are charged.
- Any backlog of the processing of applications existing at the time of the report, including the categories of licensure experiencing such backlog.
- Data from the prior year: (i) number of applications received and transactions completed; (ii) number of newly licensed educators; (iii) number of licensure renewals; (iv) demographic

information regarding currently licensed educators; (v) number of licenses issued by area and type of licensure; and (vi) number of initial licenses in specified areas.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.44: Change the Mandatory Training for Local Boards of Education to Every Two Years (SL 2015-241)**

Sec. 8.44 of S.L. 2015-241 modifies the training required for all members of local boards of education from 12 clock hours of training annually to 12 clock hours every two years. The 12 clock hours of training may be earned at any time during the two-year period.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.48: Reading Camps Offered to First and Second Grade Students (SL 2015-241)**

Sec. 8.48 of S.L. 2015-241 makes the following changes to the State's Read to Achieve Program:

- Expands the opportunity to attend reading camps to first and second grade students who demonstrate reading comprehension below grade level.
- Expands the class of teachers authorized to teach in reading camps to include licensed teachers selected based on demonstrated outcomes in improvement of difficulties with reading development.
- Encourages parents and guardians of first and second grade students demonstrating reading comprehension below grade level to enroll their student in a reading camp.
- Beginning in 2016, expands the list of required information local boards of education (local boards) must annually publish on the Web site maintained by the local board's respective local school administrative unit to include the number and percentage of both first and second grade students demonstrating and not demonstrating reading comprehension at grade level.
- Beginning in 2016, expands the requirements each local board must annually report to the State Board of Education (SBE) by September 1 to include the number of first and second grade students attending a reading camp offered by the local board.
- Beginning in 2016, requires the SBE to include in its annual October 15th report to the Joint Legislative Education Oversight Committee the new accountability measures for first and second grade students as reported by the local boards.
- Authorizes parents and guardians of first and second grade students demonstrating appropriate developmental abilities in reading comprehension to enroll their student in a reading camp. Parents may be charged an attendance fee, not to exceed \$825.
- Establishes priority enrollment in reading camps for (i) third grade students not demonstrating reading proficiency and (ii) first and second grade students demonstrating reading comprehension below grade level.

This section became effective July 1, 2015. Except as otherwise provided, this section is effective beginning with the 2015-2016 school year.

## **H97 - 2015 Appropriations Act, Sec. 8A.4: Identification of Low-Performing Schools and Units (SL 2015-241)**

Sec. 8A.4 of S.L. 2015-241 (i) repeals the directive that the State Board of Education (SBE) must consider incorporating into the School-Based Management and Accountability Program a character and civic education component which may include a requirement for student councils, (ii) redefines low-performing schools, and (iii) creates a new category of low-performing local school administrative units (LEAs).

### With respect to "low-performing schools:"

Redefines a "low-performing school" to mean a school that receives a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth."

Modifies the statutory process that should be used once a school is identified as low-performing that includes the following steps:

- A 30-day timeline for a superintendent to submit to a local board of education (local board) a preliminary plan designed to improve both the school performance grade and the school growth score.
- Within 30 days, the local board must approve, modify or reject the preliminary plan submitted by the superintendent. The preliminary plan must be made public prior to the local board's vote.
- The local board must submit a final plan to the SBE within five days of the local board's approval of the plan. The SBE must review the plan and may offer recommendations to modify the plan. The local board must then consider the SBE's recommendations and, if necessary, amend the plan and vote on approval of any changes.
- The local board must provide access to the final plan on the LEA's Web site. The SBE must provide access to each low-performing school plan on the Department of Public Instruction's (DPI) Web site.

Each school identified as a low-performing school must provide written notification to the parents and guardians of students attending the school within 30 days of the identification that includes at least the following information:

- A statement the school has received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" accompanied by an explanation of school performance grades and growth scores.
- The school performance grade and growth score of the school.
- Information about the preliminary plan and the availability of the final plan on the LEA's Web site.
- The meeting date for when the preliminary plan will be considered by the local board.
- A description of any additional steps the school is taking to improve performance.

### With respect to "low-performing LEAs:"

Defines a "low-performing LEA" as a low-performing unit in which the majority of the unit's schools have been identified as low-performing schools. The SBE is directed to identify low-performing LEAs on an annual basis.

Creates a statutory process to be used once a low-performing LEA is identified that includes the following steps:

- A 30-day timeline for a superintendent to submit to a local board a preliminary plan designed to improve both the school performance grade and the school growth score of each low-performing school in the unit.
- Within 30 days, the local board must approve, modify, or reject the preliminary plan submitted by the superintendent. The preliminary plan must be made public prior to the local board's vote.
- The local board must submit a final plan to the SBE within five days of the local board's approval of the plan. The SBE must review the plan and may offer recommendations to modify the plan. The local board must then consider the SBE's recommendations and, if necessary, amend the plan and vote on approval of any changes to the final plan.
- The local board of education must provide access to the final plan on the LEA's Web site. The SBE must provide access to each low-performing LEA's plan on the DPI's Web site.

Each LEA identified as low-performing must provide written notification to the parents and guardians of all students attending any school in the unit within 30 days of the identification that includes the following information:

- A statement that the SBE has found that a majority of the schools in the LEA have "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and have been identified as low-performing schools" accompanied by an explanation of the school performance grades and school growth scores.
- The percentage of schools identified as low-performing.
- Information about the preliminary plan and the availability of the final plan on the LEA's Web site.
- The meeting date for when the preliminary plan will be considered by the local board.
- A description of any additional steps the LEA and schools are taking to improve student performance.
- For notifications sent to parents and guardians of students attending a school that is identified as low-performing, a statement that the SBE has found that the school has received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school. This notification must also include the school performance grade and school growth score the school received and an explanation of the school performance grades and school growth scores.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 10.2: Basic Skills Plus (SL 2015-241)**

Sec. 10.2 of S.L. 2015-241 authorizes the State Board of Community Colleges (SBCC) to waive tuition and registration fees for courses providing employability skills, job-specific occupational or technical skills, or developmental education instruction to certain students who are concurrently enrolled in an eligible community college literacy course, in accordance with rules adopted by the SBCC. The SBCC may authorize a community college to use up to 20% of its allocated State Literacy Funds to provide this instruction to students concurrently enrolled in an eligible community college literacy class.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 10.11: Youth Career Connect Program (SL 2015-241)**

Sec. 10.11 of S.L. 2015-241, as amended by Sec. 3.4 of S.L. 2015-268, authorizes South Piedmont Community College (SPCC) to enroll Anson County Schools freshmen and sophomore students in community college courses associated with the federal Youth Career Connect Grant awarded to Anson County Schools for the 2014-2018 school years. Ninth and tenth grade students enrolled in curriculum courses at SPCC associated with this grant will not be charged tuition. SPCC will not earn budget FTE for student course enrollments under this grant, unless the student course enrollment is otherwise authorized by law.

This section became effective July 1, 2015, and expires June 30, 2018.

## **H97 - 2015 Appropriations Act, Sec. 11.7: North Carolina Guaranteed Admission Program (NCGAP) (SL 2015-241)**

Sec. 11.7 of S.L. 2015-241 provides that the General Assembly finds that the six-year graduation rate for students pursuing a baccalaureate degree from a constituent institution is too low and there are actions the constituent institutions may undertake to help students graduate in a more timely manner, including providing easier access to academic counseling. The Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges (SBCC) are directed to jointly study and evaluate how a deferred admission program, to be known as the North Carolina Guaranteed Admission Program (NCGAP), would best work to meet the needs of students who are identified as academically at risk.

NCGAP requires a student who satisfies the admission criteria of a constituent institution, but whose academic credentials are not as competitive as other students admitted to the institution, to receive deferred admission and enroll in a community college in this State and earn an associate degree prior to enrolling as a student at the constituent institution. A student who earns an associate degree from a community college in this State within three years from the date of the deferred acceptance is guaranteed admission at that constituent institution to complete the requirements for a baccalaureate degree. A constituent institution must hold in reserve an enrollment slot in the appropriate future academic year for any student who accepts a deferred admission. A constituent institution must also reduce its enrollment for each academic year by the number of deferred admissions granted for that academic year.

The BOG and the SBCC must report their findings and recommendations to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 1, 2016. The report must include an analysis of the fiscal impact NCGAP may have with regard to enrollment at constituent institutions of The University of North Carolina and at community colleges, the number of students who may participate in NCGAP, and its effect on FTEs.

Based on the analysis conducted by the BOG and the SBCC, each constituent institution must design a deferred admission program as part of NCGAP for implementation at the institution. The institution must design the program so that it may be implemented at the institution beginning with the 2016-2017 fiscal year and applied to the institution's admission process for the 2017-2018 academic year and each subsequent academic year.



The SBCC, in consultation with the BOG, must adopt rules to ensure that a student participating in NCGAP is provided counseling and assistance in selecting coursework that reflects the student's educational and career goals and that provides a smooth transition from the community college to the constituent institution.

NCGAP must be implemented at all constituent institutions and all community colleges beginning with the 2016-2017 fiscal year and applies to admissions policies at each constituent institution and community college beginning with the 2017-2018 academic year and each subsequent academic year.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 11.16: Early College Graduates/The University of North Carolina Admission Policy (SL 2015-241)**

Sec. 11.16 of S.L. 2015-241 directs the Board of Governors (BOG) of The University of North Carolina to adopt a policy to require each constituent institution to offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to a constituent institution the option of being considered for admission as a freshman or as a transfer student. The constituent institution must provide relevant information regarding each option to the student.

Beginning March 1, 2017, the BOG must report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying to a constituent institution.

This section became effective July 1, 2015, and applies to the 2016-2017 academic year and each subsequent academic year.

### **H97 - 2015 Appropriations Act, Sec. 11.25: Appalachian State University/Recruit Community College Students Pilot (SL 2015-241)**

Sec. 11.25 of S.L. 2015-241, (as enacted by Sec. 3.6 of S.L. 2015-268), provides that the funds appropriated to Appalachian State University for the 2015-2017 fiscal biennium for its College of Education to establish a pilot program to recruit and retain students as teachers for high-need licensure areas may be used to recruit and retain both undergraduate students and community college students for this pilot program. Funds may be used for personnel, marketing, programming, counseling, and advising.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.22: Twelve-Month Personnel Positions for Vocational Agricultural Teachers (SL 2015-241)**

Sec. 8.22 of S.L. 2015-241 prohibits local boards of education from reducing the term of employment in any future school year for any vocational agricultural teacher personnel position that was 12 calendar months for the 2014-2015 school year.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.39: Driver Education Training (SL 2015-241)**

Sec. 8.39 of S.L. 2015-241 requires local boards of education (local boards) to report to the State Board of Education (SBE) by December 15, 2015, on 15 data points related to administration of driver education programs offered by the local school administrative unit (LEA) during the 2012-2013 through 2015-2016 school years. These data points include information on how driver education is provided, cost of the program, fleet maintenance, student participation, outcomes, and fees. The SBE must report to the Joint Legislative Education Oversight Committee (Committee) on the local board information by February 15, 2016.

The Committee must study the provision of driver education by examining information provided from local boards of education to the State Board of Education, as well as certain national and State studies on North Carolina driver education programs. The Committee must make recommendations to the 2016 Regular Session of the 2015 General Assembly on issues related to the provision of driver education, including cost of delivery, fees, parental involvement, involvement of the Division of Motor Vehicles, Department of Transportation, and alternate providers.

Effective July 1, 2016, the purpose of the driver education program must be making available public education to all students on driver education safety and training. If a local board charges a fee for participation, a process for reduction or waiver of the fee must be provided for students unable to pay due to economic hardship. A local board may not transfer funds into the driver education allotment category. These requirements are repealed effective December 31, 2017.

Except as otherwise provided, this section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.43: Certain Cooperative Innovative High Schools Operating Without Additional Funds (SL 2015-241)**

Sec. 8.43 of S.L. 2015-241 authorizes, beginning with the 2015-2016 school year and subsequent school years, the following schools to operate as Cooperative Innovative High Schools (CIHSs), notwithstanding statutory requirements for authorization and funding of CIHSs:

- Academy at High Point Central.
- Academy at Ben L. Smith High School.
- STEM Early College at NC A&T State University.

- Middle College at the University of North Carolina at Greensboro.
- Vernon Malone College and Career Academy.
- Northeast Regional School of Biotechnology and Agriscience.

These schools are subject to the evaluation requirements for CIHSs.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.47: Teacher Assistant Allotment (SL 2015-241)**

Sec. 8.47(a) of S.L. 2015-241 prohibits local boards of education from transferring funds out of the teacher assistants' allotment category for other use.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8A.3: Class Size in Kindergarten Through Third Grade (SL 2015-241)**

Sec. 8A.3 of S.L. 2015-241 prohibits waivers to class size requirements in kindergarten through third grade (K-3) except under the following circumstances:

- Emergencies or acts of God impacting availability of classroom space or facilities.
- Unanticipated increases in student population of individual schools in excess of 2% of the average daily membership (ADM).
- Organizational problems in geographically isolated local school administrative units in which the ADM is less than one and one half per square mile.
- Classes organized for a solitary curricular area.
- Charter school closures.

The State Board of Education (SBE) is authorized to allot additional positions at any grade level within funds available when exceptions to class size requirements for K-3 or significant increases in class size at other grade levels are reported.

If the SBE determines that a local superintendent has willfully failed to comply with the statutory requirements for allocation of teachers and class size, no State funds can be allocated to pay that superintendent's salary while in noncompliance. The local board of education remains responsible for the terms of the superintendent's contract.

This section became effective July 1, 2015. The changes to class size requirements for K-3 do not apply to the 2015-2016 and 2016-2017 school years.

### **H97 - 2015 Appropriations Act, Sec. 9.5: No Pay Loss for Teachers Who Become Administrators or Assistant Principals Who Become Principals (SL 2015-241)**

Sec. 9.5 of S.L. 2015-241, as amended by Sec. 3.3 of S.L. 2015-268, applies the requirement to all teachers that a teacher who becomes an assistant principal without a break in service must be paid at least as much as that individual would earn as a teacher employed by that local school administrative unit. Previously, the requirement applied only to those individuals employed as an assistant principal on or after July 1, 2009. This change is not to be construed to modify the compensation of persons initially employed as assistant principals prior to July 1, 2009, for work performed prior to July 1, 2015.

The section also requires that an assistant principal who becomes a principal without a break in service must be paid at least as much as that individual would earn as an assistant principal employed by that local school administrative unit.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 11.23: Centralized Process to Determine Residency for Tuition Purposes (SL 2015-241)**

Sec. 11.23 of S.L. 2015-241 states the General Assembly's intent to establish a coordinated and centralized process for residency determination (centralized process). The State Education Assistance Authority (SEAA) is authorized to perform necessary functions for implementing a centralized process, to be functional for students enrolling after December 31, 2016, to determine residency for tuition purposes for students applying to a constituent institution of The University of North Carolina (UNC) or a North Carolina community college and for students applying for State-funded financial aid to attend eligible private postsecondary institutions. The SEAA must consult with UNC General Administration, the North Carolina Community College System (NCCCS), and the North Carolina Independent Colleges and Universities in implementing the centralized process.

UNC General Administration and the NCCCS must take necessary actions to facilitate the transition from a campus-based residency determination system to the centralized process. The following State agencies must expeditiously cooperate with the SEAA in verifying evidence for classification of an individual as a resident for tuition purposes:

- Division of Motor Vehicles of the Department of Transportation.
- Department of Public Instruction.
- Department of Commerce.
- Department of Health and Human Services.
- Department of Revenue.
- State Board of Elections
- State Chief Information Officer.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 10.6: Community Colleges Program Compliance Review Function (SL 2015-241)**

Sec. 10.6 of S.L. 2015-241 restores and modifies requirements related to accountability reviews for community colleges. The State Board of Community Colleges (SBCC) must maintain an accountability function that conducts periodic compliance reviews of each community college. The reviews must be used to ensure that data used to allocate State funding among community colleges is accurately reported, and that community colleges are charging and waiving tuition and registration fees consistent with law. Statistically valid samples must be used for reviews. Findings determined material must be forwarded to the college president, local college board of trustees, SBCC, and the State Auditor. The SBCC must adopt rules as to the frequency, scope, and standard of materiality for compliance reviews.

This section became effective July 1, 2015, and the requirements for compliance reviews apply beginning with the 2015-2016 academic year.

### **H97 - 2015 Appropriations Act, Sec. 11.2: Amend Regulation of The University of North Carolina Institutional Trust Funds and Funds of The University of North Carolina Health Care System (SL 2015-241)**

Sec. 11.2 of S.L. 2015-241 requires that institutional trust fund cash balances placed by a chancellor of a constituent institution of The University of North Carolina on deposit with a bank in the form of traditional demand or time deposits must be secured by deposit insurance, surety bonds, or investment securities satisfying the rules or regulations prescribed by the State Treasurer.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 11.12: Internships and Career-Based Opportunities for Students Attending Historically Black Colleges and Universities (SL 2015-241)**

Sec. 11.12 of S.L. 2015-241 expands an internship program for students attending historically black colleges and universities (HBCUs) to be offered to four or more HBCUs in the discretion of the Board of Governors (BOG) of The University of North Carolina (UNC), and clarifies that there is no requirement that Elizabeth City State University be a permanent participant in the program.

The BOG is required to conduct a competitive process to select HBCUs to participate in the internship program linking 60 students with North Carolina-based companies. The BOG must determine the number of institutions that may participate in the program, but at least two of the institutions must be private. State funding appropriated for the program may only be allocated to public or private institutions located in North Carolina. UNC may use up to 5% of the appropriated internship funds for administrative costs.

This section became effective July 1, 2015, and applies to the 2015-2016 fiscal year and each subsequent fiscal year.

## **H97 - 2015 Appropriations Act, Sec. 8.30: Department of Public Instruction Study/Improve Outcomes for Students with Disabilities (SL 2015-241)**

Sec. 8.30 of S.L. 2015-241 directs the Department of Public Instruction (DPI) to study and develop potential policy changes for improving outcomes for students with disabilities (SWD). DPI must do at least the following:

- Examine current individualized education program (IEP) requirements and develop reforms focused on outcome-based goals for SWDs.
- Solicit input and bring together interested parties to develop policies on transition services plans for SWDs between levels of education from elementary to postsecondary education and for employment opportunities and adult living options.
- Solicit input and bring together stakeholders to create ways for students with IEPs to access the Future Ready Core Course of Study in more significant numbers.
- Examine model programs that may be employed by local school administrative units aimed at increasing the graduation rate and school performance of SWDs.

DPI must report to the Joint Legislative Education Oversight Committee on the progress of developing and implementing these policy changes by November 15, 2015, and annually thereafter.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 8.46: Licensure for Retired Substitute Teachers with at Least Thirty Years of Teaching Experience (SL 2015-241)**

Sec. 8.46 of S.L. 2015-241 amends licensure renewal standards for retired teachers with 30 or more years of experience in North Carolina. These teachers may qualify for a continuing license if they:

- Have served as a substitute teacher at least once every three years since retirement.
- Have 640 hours of documented substitute teaching experience each renewal cycle.
- Participate in at least 8 hours of professional development approved by a local school administrative unit (LEA) each renewal cycle.

In the six months prior to the effective date of this section, if a substituting retired teacher's license has expired, that substitute must be paid as if the substitute held a current license if all of the following conditions are met:

- The individual has 30 or more years of teaching experience in North Carolina on the date of retirement and has served as a substitute teacher at least once every 3 years.
- The individual has served as a substitute teacher in the 6 months prior to the effective date of this section.
- The individual indicates to the LEA in which the substitute is employed that he or she is seeking to satisfy the professional development requirements for license renewal.

This section became effective September 18, 2015, and applies beginning with the 2015-2016 school year.

### **H97 - 2015 Appropriations Act, Sec. 8A.2: Duty of Local Boards of Education to Provide Students with Opportunities to Receive a Sound Basic Education (SL 2015-241)**

Sec. 8A.2 of S.L. 2015-241 replaces the requirement that local boards of education provide "adequate school systems" with the requirement that local boards of education now provide students with "the opportunity to receive a sound basic education." Local boards of education must make all policy decisions with the objective of providing all students with the opportunity to receive a sound basic education.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8A.6: Limit Local Boards of Education Waivers (SL 2015-241)**

Sec. 8A.6 of S.L. 2014-241 limits the waivers that the State Board of Education (SBE) may grant to local boards of education to those pertaining to class size and school calendar requirements in order to provide sufficient days to accommodate anticipated make up days for school closings.

By October 15 of each year, the SBE must report to the Joint Legislative Education Oversight Committee a list of specific waivers granted to each local board of education. The SBE may include any legislative recommendations in the report to the General Assembly for the repeal or modification of any laws.

This section became effective July 1, 2015, and applies beginning with the 2015-2016 school year.

### **H97 - 2015 Appropriations Act, Sec. 10.5: Colleges Earn Budget Full-Time Equivalent for Curriculum Courses Taught During the Summer Term (SL 2015-241)**

Sec. 10.5 of S.L. 2015-241 authorizes community colleges to teach curriculum courses at any time during the year, including summer, to earn budget monies for full-time equivalent students (FTE) as part of the State level funding formula. The State Board of Community Colleges must report to the Joint Legislative Education Oversight Committee by December 1, 2015, on FTE for the 2015 summer term.

This section became effective July 1, 2015, and applies beginning with the 2015 summer term.

### **H97 - 2015 Appropriations Act, Sec. 11.11: Special Education Scholarship Changes and Reevaluation Funds (SL 2015-241)**

Sec. 11.11 of S.L. 2015-241 amends the laws governing the special education scholarship grants for children with disabilities as follows:

- Increases the scholarship awards to eligible students from \$3,000 to \$4,000 per semester per student.

- Provides that funding will be disbursed for tuition twice per year by the State Education Assistance Authority (Authority) up to the maximum of the scholarship.
- Provides that scholarship funds are not to be provided for tuition of home schooled students.
- Directs the parent or guardian to endorse scholarship funds for tuition for deposit into the school account at the school site.
- Provides that failure to comply with applicable scholarship requirements will result in the loss of the scholarship with all scholarship funds being returned to the Authority.
- Directs the Authority to adopt rules for pro rata return of scholarship funds should a student be withdrawn from school prior to the end of the semester.

On an annual basis, the Authority and the Department of Public Instruction (DPI) must analyze past trends in scholarship data to determine if funds transferred to DPI are sufficient to cover actual cost requirements of reevaluations of eligible students.

This section became effective July 1, 2015, and applies beginning with the 2015-2016 school year.

**H97 - 2015 Appropriations Act, Sec. 11.20: Western Governors University Challenge Grant (SL 2015-241)**

Sec. 11.20 of S.L. 2015-241 authorizes \$2 million in nonrecurring funds appropriated to the Board of Governors of The University of North Carolina for the 2016-2017 fiscal year to be used as a challenge grant for Western Governors University. Western Governors University must raise \$5 million in private funds to receive the \$2 million allocation to establish a North Carolina campus.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 8.29: After-School Quality Improvement Competitive Grants (SL 2015-241)**

Sec. 8.29 of S.L. 2015-241 directs the State Board of Education (SBE) to use up to \$6 million of the funds appropriated for the At-Risk Student Services Alternative School Allotment for the 2015-2016 and 2016-2017 fiscal years for the After-School Quality Improvement Grant Program (Grant Program) to raise standards and increase student academic outcomes for students not at grade level on State assessments.

Grants may be for new or existing after-school programs for at-risk students in local school administrative units, charter schools, non-profits, and non-profits working with local school administrative units. Eligible participants may receive the grants for up to 2 years in amounts up to \$500,000. Participants receiving the grants will match \$1.00 in non-grant funds for every \$3.00 in grant funds. The Grant Program is to focus on:

- Use of an evidence-based model with a proven track record of success.
- Inclusion of performance measures to confirm grant effectiveness.
- Alignment with State performance measures, goals, and standards.
- Prioritization of programs to integrate science, technology, engineering, and mathematics (STEM) or reading proficiency.
- Minimizing class size during instruction.



- Expansion of student access to learning activities and support.
- Emphasizing the utilization of digital content.

Grant recipients must report to the Department of Public Instruction (DPI) on progress, matching, and Grant Program results in order to receive the second year of funding. DPI is directed to submit an interim report on the Grant Program to the Joint Legislative Education Oversight Committee by September 15, 2016, and to submit a final report by September 15, 2017. The final report must include final results of the Grant Program, recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.38: Local Boards of Education/Performance Based Reduction in Force (SL 2015-241)**

Sec. 8.38 of S.L. 2015-241 requires local boards of education (local boards) to adopt policies for implementing performance-based reductions in force that include criteria for determining which positions must be subject to reduction.

Local boards must consider structural and organizational needs in determining which teachers in similar positions are subject to reduction. In addition, consideration must also be given to work performance and teacher evaluations when identifying which teachers are to be subject to dismissal, demotion, or reduction (consideration of these requirements sunsets on June 30, 2018).

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 8.42: Access for Teachers to Education Value-Added Assessment System Data (SL 2015-241)**

Sec. 8.42 of S.L. 2015-241 directs each local school administrative unit to provide teachers with access to school-level value-added data, the teacher's own value-added data, and the teacher's evaluation dashboard in the Education Value-Added Assessment System (EVAAS). School principals must notify teachers annually when the data is updated to reflect the teacher's performance from the previous school year.

This section became effective July 1, 2015, and applies beginning with the 2015-2016 school year.

### **H97 - 2015 Appropriations Act, Sec. 8.14: Collaborative Procurement (SL 2015-241)**

Sec. 8.14 of S.L. 2015-241 directs the Department of Public Instruction (DPI) to work collaboratively with the Friday Institute for Educational Innovation of North Carolina State University (Friday Institute) to implement public school cooperative purchasing agreements for the procurement of information technology goods and services to support local school administrative units, regional schools, charter

schools, or a combination of these entities for collaborative or collective purchases to reduce costs. These cooperative purchasing agreements must be based on defined statewide information technology needs to support education, and must allow for equal access to technology tools and services.

By October 15, 2015, and annually thereafter, DPI and the Friday Institute must report on the establishment of the cooperative purchasing agreements and the savings from establishing these agreements to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 10.14: NC Works Career Coaches (SL 2015-241)**

Sec. 10.14 of S.L. 2015-241 establishes the NC Works Career Coach Program (Program). The purpose of the Program is to place community college career coaches in high schools to aid students in determining career goals and to help students identify community college programs that enable them to achieve their goals. In order to participate in the Program, a community college and local school administrative unit (LEA) must enter into a memorandum of understanding (MOU) for placement of career coaches.

The MOU must require the community college to provide:

- The hiring, training, and supervision of career coaches.
- The salary, benefits, and overall expenses of the career coach.
- The development of pedagogy and technologies needed to enhance the advising process.
- Criminal background checks on employees working directly with students.
- An agreement that, while on any LEA campus, the career coaches will obey all local board of education rules and be subject to the authority of the school building administration.

The MOU must require the LEA to provide:

- Access to student records to carry out the career coach's responsibilities.
- Office space, as appropriate for student advising.
- Information technology resources (telephone, Internet, copying).
- School orientation and integration into the staff community.
- Promotion of school-wide awareness of coach duties.
- Facilitation of the coach's access to individual classes and assemblies.

The board of trustees of the community college and the LEA within the service area of the community college may jointly apply for funding for the Program from the State Board of Community Colleges (SBCC). The SBCC must establish an advisory committee with members from the Department of Public Instruction, the North Carolina Community College System, the Department of Commerce, and the business community to review applications and make recommendations for funding to the SBCC. In applications for Program funding, the SBCC must require evidence of signed MOU that meets the requirements of this section and evidence that the funding request will be matched dollar-for-dollar with local funds. The SBCC must develop criteria for consideration in determining the award of funds that include: (i) the consideration of workforce needs of business and industry in the region; (ii) targeting resources to enhance the community college service area and surrounding counties; and (iii) the geographic diversity of awards.

The boards of trustees of community colleges that employ one or more career coaches must report annually to the SBCC on the implementation of the Program as follows:

- Number of career coaches employed.
- Number of LEAs served, and the names of the schools in which they are placed.
- Number of students counseled annually by the career coaches.
- Impact of career coaches on student choices, as determined by a valid measure selected by the SBCC.

The SBCC must report annually by October 1, to the Joint Legislative Education Oversight Committee on the following:

- A compilation of the report submitted annually to the SBCC from the boards of trustees of community colleges that employ career coaches.
- Number and names of partnership applicants for Program funding.
- Number, names, and amounts of those awarded Program funding.

The SBCC must begin accepting applications for funding for the Program by December 15, 2015, and must select initial recipients for the award of funds by February 22, 2016. Funds appropriated to the community college office for the 2015-2017 fiscal biennium must only be used for salary and benefits of career coaches.

This section became effective July 1, 2015.

### **H237 - Repeal Personal Education Plans/Modify Transition Plans (SL 2015-46)**

S.L. 2015-46 repeals personal education plans and modifies the development of transition plans for at risk students. Local boards of education must adopt and implement rules directing school improvement teams to develop transition plans for at risk students, to help those students make the transition between both the elementary and middle school years and middle and high school years.

The State Board of Education must report to the Joint Legislative Education Oversight Committee by November 15, 2016, on how at risk students are being identified and served through interventions to prevent academic failure.

This act became effective June 2, 2015, and applies beginning with the 2015-2016 school year.

### **H334 - Charter School and Other Education Laws Changes (SL 2015-248)**

S.L. 2015-248 makes a variety of changes to the charter school statutes and other education statutes, including:

#### The Charter School Advisory Board (Advisory Board)

- Adds a nonvoting member who is a member of the State Board of Education (SBE) and is appointed by the Chair of the SBE. The Chair of the SBE must make this appointment within 45 days of the effective date of the act.

- Prohibits the voting member of the Advisory Board appointed by the SBE from being a member of the SBE and requires that member to be a charter school advocate. The SBE must make this appointment within 45 days of the effective date of the act.
- Requires the Chair of the Advisory Board or the Chair's designee to advocate for the recommendations of the Advisory Board at meetings of the SBE upon the request of the SBE.

#### The North Carolina Office of Charter Schools

- Codifies the Office of Charter Schools (OCS) in the General Statutes and places it administratively in the Department of Public Instruction (DPI), but subject to the supervision, direction, and control of the SBE.
- Requires the Executive Director of the OCS be appointed by the SBE and report to and serve at the pleasure of the SBE.
- Authorizes various powers and duties for the OCS, including serving as staff to the Advisory Board, providing technical assistance and guidance to charter schools and nonprofits seeking to operate charter schools, and assisting in coordinating services between charter schools and DPI.
- All State agencies and departments are directed to cooperate with the OCS in carrying out its power and duties.
- The SBE must appoint an Executive Director of the OCS within 90 days of the effective date of this act. This initial appointment must be upon the recommendation of a search committee comprised of the Lieutenant Governor (the chair of the search committee), the vice-chair of the SBE, and one other member of the SBE appointed by the SBE.

#### Other Changes Related to Charter Schools

- Increases the minimum number of students a charter school may serve from 65 to 80.
- Clarifies that unless allowed by law or the mission of the charter school as set out in its charter, a charter school may not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, or disability. Under no circumstances may a charter school limit admission to students on the basis of race, creed, national origin, religion, or ancestry.
- Provides for weighted lotteries. A charter school applicant must set forth in its application the process it will use for conducting a weighted lottery that reflects the mission of the school if it wishes to use a weighted lottery for admission. The SBE must approve the process for the weighted lottery and the charter school could then conduct such a lottery in accordance with the procedure set forth in the charter and approved by the SBE.
- Requires the SBE and the Advisory Board to provide timely notification to charter applicants of format issues or incomplete information in the initial application and provide five business days for corrections. Equal consideration must then be given to the application if corrections are submitted within the time period. The Advisory Board or a committee of the Advisory Board must provide for an applicant or charter school board member to address the Advisory Board or committee if they are present at a meeting before action is taken regarding the charter school or charter applicant. The Advisory Board must make recommendations on guidance for implementing this requirement to the SBE and the SBE must develop the guidance by October 15, 2015.
- Requires the SBE to renew a charter upon the request of the chartering entity for a period of 10 years unless one of the following applies:
  - The charter school has not provided financially sound audits for the prior 3 years.
  - The charter school's student academic outcomes for the past 3 years have not been comparable to the academic outcomes of the students in the LEA in which the charter is located.

- The charter school is not, at the time of the request for renewal of the charter, substantially in compliance with State law, federal law, the school's own bylaws, or the provisions in the charter granted by the SBE.
- Modifies what is considered a material revision of a charter application for enrollment growth by eliminating the requirement the SBE must find it is appropriate to approve enrollment growth and instead requiring that the charter school be, at the time of the request for the enrollment increase, substantially in compliance with State and federal law, the charter school's own bylaws, and the provisions set forth in the charter granted by the SBE.
- By January 15, 2016, based upon written recommendations by the Advisory Board, requires the SBE to adopt a policy on the process for determining whether a charter school is in "substantial compliance." The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of this policy.
- Modifies the actions considered to be non-material revisions to provide that it is not a material revision and no SBE approval is needed for a charter school to expand one grade higher or lower than the school currently offers if the school has (i) operated for at least 3 years; (ii) has not been identified as having inadequate performance; and (iii) has been in financial compliance as required by the SBE.
- Effective March 1, 2016, boards of directors of charter schools are required to adopt a policy on conflict of interest and anti-nepotism that includes the following: (i) the requirements of Chapter 55A of the General Statutes related to conflicts of interest; (ii) a requirement that before any immediate family members of a member of the board of directors or an employee with supervisory authority can be employed, that proposed employment is disclosed to the board and approved in an open session meeting, with the burden of disclosure on the applicable board member or employee with supervisory authority; (iii) a requirement that the person is not disqualified from serving as a member of the school's board of directors because of the existence of a conflict of interest as long as the person's actions comply with the policy.
- Effective March 1, 2016, the board of directors may have members who reside outside of North Carolina but the SBE may require through policy that the majority of the board of directors and all officers reside within the State.
- Effective March 1, 2016, local boards of education are required to adopt policies that require disclosure to and approval by the local board of education in an open meeting before any immediate family of any board of education member or central office staff administrator is employed or contracted by the local board of education.
- If approved by the board of directors of the charter school, the school may establish fees for extracurricular activities. These fees cannot exceed the fees for the same extracurricular activities charged by the local school administrative unit in which 40% of the students enrolled in the charter schools reside.
- Charter schools that submitted applications or renewals of charters to the SBE on or after August 2, 2014, are required to have a fund of at least \$50,000 reserved for closure proceedings only if it has elected to participate in the North Carolina Retirement System.
- The SBE is directed to study and develop a proposed policy regarding the circumstances in which a charter school should be subject to the \$50,000 reserve funds requirement for payment of expenses related to closure. The SBE must consider whether total or partial waivers should be allowed and the eligibility for such waivers. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the study, proposed policy, and legislative recommendations.
- By January 15, 2016, and based on recommendations of the Advisory Board, the SBE must amend the process and rules for the replication of high-quality charter schools established in the State Board of Education's policy on fast track replication of high quality charter schools to authorize consideration for fast track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school in the State for at least one year, regardless of whether the board of directors has previously operated a

charter school within the State. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the amendment to the process and rules.

- The Advisory Board must study and make recommendations to the SBE on a process for allocating allotments to charter schools that increase enrollment not requiring the prior approval of the SBE. The SBE must review the recommendations and report to the Joint Legislative Education Oversight Committee by February 15, 2016, on recommended policy or proposed legislation.
- Upon recommendations of the Advisory Board, the SBE must adopt a policy on the submission of proposed rules and guidance related to charter schools for review by the Advisory Board and a requirement for the Advisory Board to provide recommendations to the SBE on covered matters. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the policy adoption.

#### Other Education Changes

- Requires that a student's continuing eligibility to receive a Special Education Scholarship for Students with Disabilities is assessed every three years by one of the following: (i) the local school administrative unit or (ii) a licensed psychologist with a school psychology focus who must assess if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the child would continue to benefit from the nonpublic school placement. References to "reevaluations" are replaced with "continuing eligibility assessments." This change applies to students required to be assessed on or after January 1, 2015.

This act has various effective dates. Except as otherwise provided, this act became effective September 23, 2015.

#### **H358 - School Performance Grade Scale (SL 2015-17)**

S.L. 2015-17 extends the use of the 15-point scale for assignment of A-F school performance grades for the 2014-2015 and 2015-2016 school years. The scale would be as follows:

- A school performance score of at least 85 is a school performance grade of A.
- A school performance score of at least 70 is a school performance grade of B.
- A school performance score of at least 55 is a school performance grade of C.
- A school performance score of at least 40 is a school performance grade of D.
- A school performance score of less than 40 is a school performance grade of F.

This act became effective May 14, 2015.

#### **H390 - Beaufort County Community College/Washington County (SL 2015-167)**

S.L. 2015-167 authorizes the appointment to the board of trustees of Beaufort Community College of an additional member elected by the board of commissioners of a county in which the main campus is not located that is within the administrative area of the community college.

Effective August 1, 2015, and applying to enrollment for the 2015 fall academic semester and beyond, the State Board of Community Colleges (SBCC) must review, at least every five years, service areas that include counties assigned to more than one community college to determine the feasibility of continuing to assign more than one community college to those counties. The first review and any revisions to service areas by the SBCC and a report to the Joint Legislative Education Oversight Committee must be completed no later than March 1, 2016.

This act became effective July 23, 2015.

### **H709 - North Carolina National Guard Tuition Assistance Benefit Amendment (SL 2015-298)**

S.L. 2015-298 extends eligibility for North Carolina National Guard tuition assistance to eligible North Carolina National Guard members enrolled in a program granting graduate certificates. An identical change was also made in Sec. 66 of S.L. 2015-264.

This act became effective October 30, 2015.

### **H878 - Expand Board of Trustees/School of Science and Mathematics (SL 2015-30)**

S.L. 2015-30 expands the membership of the Board of Trustees (Board) of the North Carolina School of Science and Math from 27 members to up to 30 members by adding the president of the student government as an ex officio nonvoting member and up to two additional nonvoting members selected at the discretion of the chancellor and the Board.

This act became effective July 1, 2015.

### **S37 - Waive Tuition/Fallen Officer Was Guardian (SL 2015-296)**

S.L. 2015-296 requires campuses of The University of North Carolina, and North Carolina community colleges to waive tuition for children whose legal guardians and legal custodians are law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers who are killed as a direct result of traumatic injury sustained in the line of duty or are permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty. The act also clarifies that the guardianship and custodian relationships must be verified by an order from a court proceeding.

This act became effective October 30, 2015, and applies beginning with the 2016 spring academic semester.

### **S97 - State Advisory Council on Indian Education (SL 2015-295)**

S.L. 2015-295 changes the composition of the State Advisory Council on Indian Education (Council) as follows:

- Clarifies that the two higher education appointments preferably be faculty members, one to be appointed by the Board of Governors of The University of North Carolina, and one to be appointed by the State Board of Community Colleges.
- Reduces the number of American Indian parents from eight to five, and clarifies that appointed parents must be of students enrolled in the K-12 public schools, including charter schools.
- Increases the number of American Indian K-12 public school educators from two to five and requires one member be a director or coordinator of a Title VII Indian Education program under the federal Elementary and Secondary Education Act. The act would define a K-12 educator to include a licensed North Carolina school administrator, classroom teacher, resource teacher, or school counselor.
- Recognizes three new tribes or organizations (Occaneechi Band of the Saponi Nation, Sappony, and Triangle Native American Society) that American Indian members of the Council must be broadly representative of, as well as tribes recognized by the United States Department of the Interior, Bureau of Indian Affairs.

Members currently serving on the Council will serve out the remainder of their terms. New members will be appointed under the changes set forth in this act when terms expire or vacancies occur. The act also clarifies references to "Indian" as someone who is an "American Indian."

This act became effective October 29, 2015.

### **S112 - Commercial Fishing Courses/Coastal Colleges (SL 2015-63)**

S.L. 2015-63 urges all of the coastal community colleges to offer courses on commercial fishing and aquaculture, and requires the North Carolina Community Colleges System Office to provide technical assistance and report to the Joint Legislative Education Oversight Committee on issues limiting the ability to offer such courses.

This act became effective June 11, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 56.5: Authority of Local Boards of Education to Establish Nonprofit Corporations (SL 2015-264)**

Section 56.5 of S.L. 2015-264 gives local boards of education the authority to establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. The nonprofit corporation does not have regulatory or enforcement powers and cannot engage in partisan political activity or policy advocacy. Any local board of education that establishes a nonprofit corporation must make a report annually to the Joint Legislative Education Oversight Committee.



This section became effective October 1, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 66: North Carolina National Guard Tuition Assistance (SL 2015-264)**

Sec. 66 of S.L. 2015-264 makes the following changes to the North Carolina National Guard Tuition Assistance Act (Act):

- Changes the definition of academic year to the annual enrollment period used by the State Education Assistance Authority.
- Repeals the term "business or trade school" and substitutes the term "proprietary school" throughout the Act. "Proprietary school" is defined as an educational institution that meets the statutory definition for a proprietary school, is licensed by the State Board of Community Colleges, and is listed by the North Carolina State Approving Agency for Veterans and Military Education as an approved proprietary school for purposes of tuition assistance.
- Extends eligibility under the Act for tuition assistance to eligible members of the North Carolina National Guard who are enrolled in a program granting a graduate certificate.

This section became effective October 1, 2015.

### **S315 - School Playgrounds Available to Public (SL 2015-64)**

S.L. 2015-64 authorizes local boards of education to make outdoor school property available to the public for recreational purposes, subject to terms and conditions each board deems appropriate, (i) when the property is not otherwise being used for school purposes and (ii) so long as such use is consistent with the proper preservation and care of the school property.

The act provides that liability does not attach to any board of education or any individual board member for personal injury suffered by reason of the use of school property.

This act became effective June 11, 2015.

### **S333 - Teacher Transition Data (SL 2015-126)**

S.L. 2015-126 amends the annual State Board of Education (SBE) report on the teaching profession to include data on the following:

- The number of teachers who left the profession without remaining in the field of education and the reasons for not remaining in the profession.
- The number of teachers who left the teaching profession to teach in other states.
- The number of teachers who left their employment to work in another school in North Carolina, including nonpublic and charter schools.
- The number of teachers who left a classroom position for another type of educational position.
- The number of teachers who left employment in hard-to-staff schools.

- The number of teachers who left employment in hard-to-staff subject areas either identified by the United States Department of Education, or in a subject area resulting in a long-term vacancy of 16 months or more at a particular school in a local school administrative unit.

The report must disaggregate the above data based on teacher effectiveness at a statewide level.

This act became effective June 29, 2015, and applies beginning with the annual report compiled in 2017 using data from the 2016-2017 school year. Beginning in 2016, the annual report will be titled "State of the Teaching Profession in North Carolina."

#### **S400 - School Access for Boy Scouts/Girl Scouts (SL 2015-249)**

S.L. 2015-249 directs local boards of education to give priority access in the use of school facilities outside of instructional time to youth groups identified under federal law as a patriotic society, such as the Boy Scouts and Girl Scouts, and requires reasons for denial of priority access to be given in writing. Charter schools and regional schools are also encouraged to facilitate access for those identified youth groups.

This act became effective September 25, 2015.

#### **S478 - In-State Tuition For Certain Veterans/Federal Program (SL 2015-116)**

S.L. 2015-116, as amended by Sec. 3.9 of S.L. 2015-268 and Sec. 65.5 of S.L. 2015-264, makes the following changes related to in-state tuition for veterans: (i) repeals requirements for constituent institutions and community colleges to participate in the Yellow Ribbon Program and (ii) provides that certain non-resident veterans and other individuals entitled to federal education benefits under the Montgomery GI Bill Active Duty Education Program or the Post-9/11 Educational Assistance Program are eligible for in-state tuition by waiving the 12-month residency requirement if certain conditions are met.

The 12-month residency requirement is waived for any veteran who meets the following criteria:

- Served active duty for at least 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and was discharged or released from service.
- Qualifies for admission to the institution of higher education.
- Enrolls within three years of the veteran's discharge or release.
- Qualifies for and uses federal educational benefits under either the Montgomery GI Bill Active Duty Education Program or Post-9/11 Educational Assistance.
- Abides in North Carolina.
- Provides the institution of higher education with a letter of intent to establish legal residence in North Carolina.

The 12-month residency requirement is waived for any other person who meets the following criteria:

- The person is the recipient of a veteran's federal educational benefits under either the Montgomery GI Bill Active Duty Education Program or Post-9/11 Educational Assistance.

- The person qualifies for admission and enrolls in an institution of higher education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.
- The person's abode is North Carolina.
- The person provides the institution of higher education with a letter of intent to establish legal residence in North Carolina.

The act also provides that, after the expiration of the 3-year period following discharge or death, any enrolled veteran or recipient of transferred federal educational benefits for whom the 12-month residency requirement was waived will continue to be eligible for the in-State tuition rate so long as the veteran or recipient remains continuously enrolled at that same institution of higher education.

This act became effective July 1, 2015, and applies to qualifying veterans and other individuals entitled to federal educational benefits under the Montgomery GI Bill Active Duty Education Program or Post-9/11 Educational Assistance who are enrolled or who enroll in institutions of higher education for any academic quarter, term, or semester that begins on or after that date.

### **S524 - Graduation Requirements/Sports Pilot (SL 2015-291)**

S.L. 2015-291 makes changes to the Founding Principles Act by directing the State Board of Education, rather than local boards of education, to require that a course on certain Founding Principles of the United States and North Carolina be taught. It also adds specific additional topics that must be covered in the course, including (i) Constitutional limitations on government power to tax and spend and prompt payment of public debt; (ii) strong defense and supremacy of civil authority over military; and (iii) peace, commerce, and honest friendship with all nations but no entangling alliances.

In addition, the act authorizes the Department of Public Instruction (DPI), out of the funds appropriated for the 2015-2017 fiscal biennium, to use up to \$300,000 each fiscal year to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades K-12. The pilot must:

- Be consistent with the "Dear Colleague" letter addressing equal access to extracurricular athletics for students with disabilities released by the U.S. Department of Education, Office for Civil Rights, on January 25, 2013.
- Include specific strategies to overcome barriers to the participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students.

The pilot may be conducted in one or more local school administrative units and provide for collaboration with universities, community colleges, and other community organizations to achieve the purposes of the program.

This act became effective October 29, 2015. The provisions of this act which makes changes to the Founding Principles Act applies beginning with students entering the 9th grade in the 2016-2017 school year. The provision of this act concerning the sports program pilot became effective July 1, 2015.

### **S597 - Repeal References to ABCs (SL 2015-65)**

S.L. 2015-65 makes conforming changes by repealing statutory references to the "ABCs" Program and related performance recognition no longer being used in the State.

This act became effective June 11, 2015.

### **S670 - Term Limits for Board of Governors Members (SL 2015-300)**

S.L. 2015-300 limits, beginning with elections held on or after January 1, 2017, individuals to no more than three full terms on the Board of Governors of The University of North Carolina (BOG) and clarifies that an election for a partial term to fill a vacancy does not count against the three-term limitation.

The act also requires the BOG, when conducting a search for a President of The University of North Carolina, to follow the following procedures:

- Submission of at least three final candidates to the full BOG for selection of the President.
- Selection of the President by a majority vote of the entire BOG.

The BOG may appoint an interim President without following the procedures for a Presidential search. The interim President must serve until the Board appoints a President using the required statutory procedures.

This act became effective October 31, 2015. Members of the BOG who are otherwise affected by this act must nevertheless complete the full term to which they were elected.

# Environment, Natural Resources, and Energy

See full summary documents for additional detail

## **H44 - Local Government Regulatory Reform 2015, Secs. 13.1 through 13.4: Riparian Buffer Reform (SL 2015-246)**

Secs. 13.1 through 13.4 of S.L. 2015-246 amend the laws governing riparian buffers as follows:

- Limit the ability of local governments to enact, implement, and enforce riparian buffers.
- Direct the Environmental Management Commission to examine ways to provide regulatory relief from riparian buffers.
- Amend how riparian buffers for coastal wetlands are measured.
- Direct the Environmental Management Commission to provide for modifications of riparian buffer requirements on a case-by-case basis.

These sections became effective October 1, 2015.

[The remaining sections of S.L. 2015-246 that amend various laws related to local government are summarized in the LOCAL GOVERNMENT chapter.]

## **H97 - 2015 Appropriations Act, Sec. 14.10: Shellfish Cultivation Leasing Reform (SL 2015-241)**

Sec. 14.10 of S.L. 2015-241 amends the statute governing shellfish cultivation leases, to allow the applicant for a lease to delineate the area proposed for leasing using coordinate information provided by a GPS-equipped device. Previously, applicants were required to provide a formal survey of the area proposed for leasing. The provision also extends the initial lease period for a shellfish cultivation lease from 5 to 10 years.

This section became effective July 1, 2015, and applies to shellfish lease applications received by the Department of Environment and Natural Resources on or after September 18, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.10A: Simplify Oyster Restoration Project Permitting (SL 2015-241)**

Sec. 14.10A of S.L. 2015-241, as amended by Sec. 5.2B of S.L. 2015-268, requires the Marine Fisheries Commission to amend its rules governing Scientific or Educational Activity Permits to allow the Permits to be issued to nongovernmental conservation organizations as well as scientific or educational institutions. The provision also directs the Divisions of Marine Fisheries and Coastal Management of the Department of Environment and Natural Resources to create, with input from nongovernmental organizations involved in oyster restoration, a new permitting process for oyster restoration projects to replace the major development permit under the Coastal Area Management Act currently required for such projects. The Department must report on the new process, including proposed legislation, by May 1, 2016.

This section became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 14.10B: Standard Commercial Fishing License Exemption from Employees of Leaseholder (SL 2015-241)**

Sec. 14.10B of S.L. 2015-241 amends the statute governing licenses for the taking of shellfish by North Carolina residents, to provide an exemption from the licensing requirement for the harvest of shellfish in an area leased for the cultivation of shellfish by employees of the leaseholder, so long as the leaseholder holds a valid Standard Commercial Fishing License (SCFL) and the employees provide an authorization letter with the leaseholder's signature and SCFL number.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 14.10C: Water Column Leasing Clarification (SL 2015-241)**

Sec. 14.10C of S.L. 2015-241, as amended by Sec. 5.6 of S.L. 2015-268, amends the statutes governing shellfish cultivation bottom leases and water column leases for aquaculture, to clarify that only a bottom lease is required to place devices or equipment for the cultivation and harvesting of shellfish or other marine resources on the leased bottom, provided that the devices or equipment do not extend more than 18 inches above the bottom. This provision also extends the duration of initial water column aquaculture leases from 5 years to 10 years, in conformity with the similar change for bottom leases enacted in Sec. 14.10 of this act.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 14.10D: Division of Marine Fisheries Recommendations for Shellfish Aquaculture (SL 2015-241)**

Sec. 14.10D of S.L. 2015-241 directs the Division of Marine Fisheries to report to the General Assembly, no later than March 1, 2016, its recommendations for policy and statutory changes necessary for the ecological restoration and economic stability of the shellfish aquaculture industry. The provision includes nine specific issues the Division must cover in its report, ranging from efforts to combat oyster disease to increased use of private oyster hatcheries to further actions to promote cultch planting. The provision also requires the Division to provide opportunities for stakeholders to review and comment on the report prior to its submission to the General Assembly.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.10I: Beach Erosion Study (SL 2015-241)**

Sec. 14.10I of S.L. 2015-241 directs the Division of Coastal Management to create a strategy for preventing, mitigating, and remediating the effects of beach erosion, including a review of best practices undertaken by other states and countries. The Division must report its study and proposed strategy to the General Assembly by February 15, 2016.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.11: Dynamic Pricing for State Parks and Attractions (SL 2015-241)**

Sec. 14.11 of S.L. 2015-241, as amended by Sec. 5.5 of S.L. 2015-268, makes a variety of changes to the laws governing the charging of admission and other fees by various State attractions managed by the Department of Agriculture and Consumer Services and the Department of Natural and Cultural Resources. This section includes the following provisions:

- Authorization for the Department of Natural and Cultural Resources (DNCR) to establish admission fees and related activity fees using a dynamic pricing strategy for State historic sites and museums administered by the Department of Cultural Resources prior to the reorganization set forth in this Act. With respect to the North Carolina Zoo, State parks, and the North Carolina Aquariums transferred to DNCR, the Department must issue new rules governing admission and other fees using a dynamic pricing strategy. The provision expressly withholds authorization for DNCR to charge new parking fees at these attractions, or to charge an admission fee at any site or facility not already charging an admission fee.
- Authorization for the Department of Agriculture and Consumer Services (DACS) to establish admission fees and related activity fees using a dynamic pricing strategy for State forests. However, the provision expressly withholds authorization for the Department to charge new parking fees at State forests.
- Exemption from rulemaking under the procedures set forth in the Administrative Procedures Act for the setting of operating hours, admission fees or activity fees by the Board of Agriculture, with respect to State forests and by DNCR with respect to the North Carolina Zoo, State parks, the North Carolina Aquariums, and the North Carolina Museum of Natural Sciences (except for a decision to eliminate all public operating hours for those sites and facilities).
- A definition of "dynamic pricing," which includes a goal of maximizing revenues from use of these State resources to the extent practicable to offset State appropriations
- Prohibition on charging admission fees for school groups visiting the North Carolina Zoo, State parks, or the North Carolina Aquariums.
- A report to the General Assembly by the DACS and the DNCR on implementation of the new pricing strategy by March 1, 2016 that also includes an evaluation of charging new entrance or admission fees at attractions where such fees are not already charged.
- A report to the General Assembly by the DNCR regarding the possibility of charging admission fees at the North Carolina Museum of History and the North Carolina Museum of Natural Sciences by April 1, 2016 that also includes the impact on receipts and attendance, the costs to implement a new admissions fee, and a comparison with state-supported museums in other states.

This section became effective July 1, 2015, and applies to admission fees or related activity fees charged on or after September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.13: Water Infrastructure Authority Revisions (SL 2015-241)**

Sec. 14.13 of S.L. 2015-241 makes a variety of changes to the statutes governing water infrastructure grants and loans administered by the Division of Water Infrastructure (Division) of the Department of Environment and Natural Resources. This section makes the following substantive changes:

- Adds new definitions for "Affordability," "Merger," and "Regionalization." The new affordability definition incorporates existing water and sewer rates, household income and poverty rates, and the community's past expenditures on water infrastructure improvements, compared to the capacity of the community for such improvements.
- Amends the statute "common criteria for loan or grant from Wastewater Reserve or Drinking Water Reserve," to provide more flexibility to the Division in considering the factors listed, and to replace the "high unit cost" factor with an "affordability" factor as defined above.
- Clarifies that the Division is responsible for administering the award of funds to local governments by the State Water Infrastructure Authority from the Community Development Block Grant program.
- Reorganizes the list of project funding options from the Wastewater Reserve and the Drinking Water Reserve. The allowable funding categories include the following five programs:
  - Loan.
  - Project grant. Replaces the former high-unit cost grant, and expanded to include stormwater quality projects as eligible projects for the Wastewater Reserve.
  - Merger/Regionalization feasibility grant. No funding is available in this category for any proposal that would result in a new interbasin water transfer. This is a new category, limited to \$50,000 over any three consecutive fiscal years.
  - Asset inventory and assessment grant. This is a new category, limited to \$150,000 over any three consecutive fiscal years.
  - Emergency loan.
- This section also requires the Division to report to the General Assembly regarding implementation of the new Affordability criteria within 30 days of the Division's adoption of the criteria.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.30: Consolidate All State Attractions within Department of Cultural Resources to Create the Department of Natural and Cultural Resources (SL 2015-241)**

Sec. 14.30 of S.L. 2015-241, as amended by Sec. 5.4 of S.L. 2015-268 and Sec. 54 of S.L. 2015-264, reorganizes the Department of Cultural Resources (DCR) and the Department of Environment and Natural Resources (DENR) by transferring the following divisions, programs, councils, and committees from DENR to DCR:

- Division of Parks and Recreation.



- State Parks System.
- North Carolina Aquariums Division.
- North Carolina Zoological Park.
- Museum of Natural Sciences.
- Clean Water Management Trust Fund.
- The Natural Heritage Program within DENR's Office of Land and Water Stewardship.
- North Carolina Parks and Recreation Authority.
- North Carolina Trails Committee.
- North Carolina Zoological Park Council.
- Advisory Committee for the North Carolina State Museum of Natural Sciences.
- Clean Water Management Trust Fund Board of Trustees.

DCR is renamed the Department of Natural and Cultural Resources (DNCR), and DENR is renamed the Department of Environmental Quality (DEQ).

The Secretary of DEQ must inventory and compile all written and stated policies related to the attractions and programs transferred under this section and provide that compilation to the Secretary of DNCR.

The Office of State Budget and Management must make an interim report by January 1, 2016, and a final report by April 1, 2016, to the General Assembly regarding its progress in implementing the reorganization, including the movement of position and funds and suggestions for additional changes needed to statutes amended or recodified by this section.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 14.31: Study Further Efficiencies in Organization of Department of Natural and Cultural Resources and Department of Environmental Quality (SL 2015-241)**

Sec. 14.31 of S.L. 2015-241 directs the Department of Environment and Natural Resources, the Department of Cultural Resources, and the Wildlife Resources Commission to jointly study and report to the General Assembly no later than April 1, 2016, on the potential for efficiency, cost savings, and alignment of core mission and values from transferring the following divisions or programs to the Department of Natural and Cultural Resources:

- Albemarle-Pamlico National Estuary Partnership.
- Coastal Reserves Program.
- Office of Land and Water Stewardship.
- All or a portion of the Office of Environmental Education and Public Affairs.
- Division of Marine Fisheries.
- Wildlife Resources Commission.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.5: Environmental Management of Impaired Water Bodies (SL 2015-241)**

Sec. 14.5 of S.L. 2015-241 extends the delay in implementation of the Jordan Lake Water Quality Rules by three years, based on a corresponding three year extension in the in-situ mitigation demonstration project ("Solar Bees") in Jordan Lake. This section also enacts the following directives pertaining to environmental management of impaired water bodies:

- Allocates \$1.5 million from the Clean Water Management Trust Fund for the in-situ water mitigation demonstration project extension.
- Directs the Department of Environment and Natural Resources and the Environmental Management Commission to study in situ strategies to determine what strategies are currently available, and the potential efficacy of those strategies in remediating other impaired water bodies and as a component of basinwide water quality management plans. The Department and Commission must report the results of the study to the Environmental Review Commission, the Fiscal Research Division, and the chairs of the Senate and House Appropriations Committees on Agriculture and Natural and Economic Resources by April 1, 2016.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.6.(c)-(g): Deep Draft Navigation Channel Dredging and Maintenance (SL 2015-241)**

Subsecs. 14.6(c) through (g) of S.L. 2015-241 enact various provisions regarding the dredging and maintenance of the deep draft navigation channels providing access to the State Ports facilities at Wilmington and Morehead City, as follows:

- Establishes the Deep Draft Navigation Channel Dredging and Maintenance Fund (Fund) to receive State and private funds for completion of projects improving navigational access to State Port facilities. Projects funded from the Fund must include a one to one cost share between State Ports Authority (SPA) and private funding.
- Directs the SPA and the Department of Environment and Natural Resources (DENR) to enter into a Memoranda of Agreement with the United States Army Corps of Engineers to allow for nonfederal funding of dredging and related studies at the State Ports (in the case of SPA) and for Oregon Inlet (in the case of DENR).
- Directs the Department of Administration to initiate negotiations with the federal government for acquisition of federal lands necessary for management of the deep draft navigation channel providing access to State Port facilities at Morehead City.
- Provides that a decision by the Secretary of Environment and Natural Resources to waive or modify the Fund cost-share requirement does not create a contested case subject to administrative review under the Administrative Procedures Act.

These sections became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.6.(a): Shallow Draft Fund Revisions (SL 2015-241)**

Sec. 14.6.(a) of S.L. 2015-241 amends the statutes pertaining to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund (Fund) as follows:

- Allows the Fund to receive monies from non-State sources.
- Eases the cost-share requirement for Fund projects located in areas of the State categorized as development tier one to require only a one to three match.
- Allows non-State entities contributing to the Fund to request return of the contribution if it is not spent or encumbered within two years.
- Adds Hatteras Inlet to the definition of "shallow draft navigation channel" eligible for projects funded by the Fund.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 14.6.(h): Cape Fear Estuarine Restoration (SL 2015-241)**

Sec. 14.6.(h) of S.L. 2015-241 provides that the General Assembly finds that New Inlet Dam (Dam) in the Cape Fear River (known locally as "The Rocks") constructed in the 19th century by the United States Army Corps of Engineers (Army Corps) impedes the natural hydrodynamic flow between the Cape Fear River and the Atlantic Ocean, and that the State should study the removal of the southern component of the Dam in order to reestablish that natural hydrodynamic flow between River and Ocean.

This section also directs the Department of Environment and Natural Resources (DENR) to do all of the following:

- Notify the Army Corps of the State's intent to study the removal of the Dam.
- Issue a Request for Information for a contractor to study the removal, including costs and benefits, permitting requirements, and a removal plan.
- Undertake the process of adjusting the boundaries of the Zeke's Island component of the National Estuarine Research Reserve to exclude the Dam and immediate surrounding area.
- Report regarding implementation of the requirements of this provision to the Environmental Review Commission, the Fiscal Research Division, and the chairs of the Senate and House Appropriations Committees on Agriculture and Natural and Economic Resources by April 1, 2016.

The section also specifies that neither DENR nor any other State agency may proceed with removal of the Dam until expressly authorized to do so by an act of the General Assembly.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.6.(n)-(o): Clarify Coastal County Authority Over Abandoned Vessels (SL 2015-241)**

Secs. 14.6.(n) and (o) of S.L. 2015-241 extend the authority over abandoned vessels to all 20 coastal counties covered by the Coastal Area Management Act. This authority had previously been granted to certain coastal counties under various local acts of the General Assembly. The provision also defines an abandoned vessel.

These sections became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.6.(p)-(r): Erosion Control Structures (SL 2015-241)**

Secs. 14.6.(p) through (r) of S.L. 2015-241 amend the statutes that limit erosion control structures to allow the Coastal Resources Commission to issue additional terminal groin permits for New River Inlet in Onslow County and Bogue Inlet between Carteret and Onslow Counties, and direct the Commission to amend its rules governing erosion control structures (structures) to provide for all of the following:

- Allow for the temporary placement of the structures on any property experiencing coastal erosion that is adjacent to a property that contains structures.
- Allow for the placement of structures on the entire shoreline boundary of a property without regard to proximity to an imminently threatened structure.
- Adjustment of expiration dates for all structure permits on the same property to the latest termination date of any of the permits.
- The replacement, repair, or modification of damaged structures placed under a currently valid permit or an expired permit being litigated by the property owner.

These sections became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.7: Use of Oyster Shells Prohibited in Commercial Landscaping (SL 2015-241)**

Sec. 14.7 of S.L. 2015-241 prohibits the use of oyster shells as a ground cover by landscape contractors, and charges the Marine Fisheries Commission with enforcement of the prohibition.

This section became effective October 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.16B: Noncommercial Tanks - Eliminate Initial Abatement Requirements (SL 2015-241)**

Sec. 14.16B of S.L. 2015-241 requires the Department of Environmental Quality ((DEQ), formerly the Department of Environment and Natural Resources) to amend rules governing initial abatement requirements associated with a discharge or release from a noncommercial underground storage tank to:

- Prohibit DEQ from requiring that a responsible party take immediate action or initial abatement actions until such time as DEQ has classified the risk posed by the discharge or release, except for those actions determined by DEQ to be necessary to protect public health, safety, and welfare and the environment, and to mitigate any fire, explosion, or vapor hazard.
- Require DEQ to notify the responsible party that no cleanup, no further cleanup, or no further action will be required by DEQ if the risk posed by a discharge or release from such a tank is determined by DEQ to be low risk, without requiring soil remediation. DEQ may, however, reclassify the risk if it later determines that the discharge or release poses an unacceptable risk or a potentially unacceptable risk to human health or the environment.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.16A: Phaseout of Noncommercial Leaking Underground Storage Tank Fund (SL 2015-241)**

Sec. 14.16A of S.L. 2015-241 phases out the Noncommercial Leaking Underground Storage Tank Fund (which has historically reimbursed individuals for reasonable and necessary costs directly related to the cleanup of a petroleum release from noncommercial underground storage tanks), by limiting reimbursement of claims against the Fund to only those claims associated with releases reported to the Department of Environmental Quality ((DEQ), formerly the Department of Environment and Natural Resources) prior to October 1, 2015, and where the claim for compensation is submitted to DEQ prior to July 1, 2016.

The provisions of this section that repeal the statutes associated with the Noncommercial Leaking Underground Storage Tank Fund become effective December 31, 2016, and the remaining provisions became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.20: Landfill Changes (SL 2015-241)**

Sec. 14.20 of S.L. 2015-241, as amended by Sec. 4.9 of S.L. 2015-286, extends the duration of permits for sanitary landfills and transfer stations to a facility's life-of-site (from the prior law allowing an option for a 5- or 10-year permit), unless revoked as otherwise provided under the statutes governing solid waste management or upon the expiration of any local government franchise required for the facility. The provision defines "life-of-site" to mean the period from the initial receipt of solid waste at the facility until the Department of Environmental Quality (formerly the Department of Environment and Natural Resources) approves final closure of the facility. The section also:

- Modifies the law governing franchise agreements to provide that these agreements must be granted for the life-of-site of the facility (persons who apply for a permit for a sanitary landfill are required to obtain, prior to application, a franchise from each local government having jurisdiction over any part of the land on which the facility is to be located). This provision is applicable to franchise agreements executed on or after October 1, 2015.
- Changes the fee structure applicable to solid waste management facilities.

Except as otherwise provided, this section becomes effective on July 1, 2016, and applies to new and existing facilities on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 14.26: Reform Civil Penalties Under the Sedimentation Pollution Control Act (SL 2015-241)**

Sec. 14.26 of S.L. 2015-241 amends the civil penalties under the Sedimentation Pollution Control Act as follows:

- Creates a process whereby the Sedimentation Control Commission (Commission) may make a determination on a request for civil penalty remission.
- Establishes factors that the Commission must consider in determining whether a civil penalty remission request will be approved.
- Provides that when a person is assessed a penalty for a violation for the first time and has abated continuing environmental damage resulting from the violation within 180 days, the maximum civil penalty that may be assessed is \$25,000.
- Directs the Department of Environmental Quality, local government, or other approving authority to offer assistance in developing corrective measures for persons who have not received a previous notice of violation under the Act.

This section became effective September 18, 2015, and applies to civil penalties assessed and notices of violation issued on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 14.21: Environmental Review Commission Studies (SL 2015-241)**

Sec. 14.21 of S.L. 2015-241 directs the Environmental Review Commission (ERC) to convene a stakeholder working group to study local government authority over solid waste management matters, including: (i) the authority to enact ordinances concerning collection and processing of solid waste generated within their jurisdictions; (ii) an examination of costs to local governments for providing solid waste collection and processing services to citizens; (iii) whether efficiencies and cost reductions could be realized through privatization of such services; (iv) and any other issues the ERC deems relevant.

The ERC must also study the use of new technologies and strategies, including the use of integrated mobile aerosolization systems, to dewater leachate and other forms of wastewater for the purpose of reducing the burden and cost of disposal at the site where it is generated.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.14A: Encourage Interconnection of Public Water Systems (SL 2015-241)**

Sec. 14.14A of S.L. 2015-241 directs the Department of Environment and Natural Resources (DENR) to identify public water supply systems that meet all of the following criteria: (i) the system is capable, as constructed or altered, of interconnectivity with another system located in the same river basin; (ii) the system has adequate capacity to expand; and (iii) interconnectivity of the system with other systems would promote public health, protect the environment, or ensure compliance with drinking water rules.

DENR must notify the identified systems and those systems may discuss options for potential interconnectivity. The Department must also notify the Local Government Commission and the Commission must assist the systems with any questions regarding liabilities of the systems and alterations to the operations of the systems. The Commission for Public Health may adopt rules to implement this section.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 14.24: Petition for Wetlands Mitigation Flexibility (SL 2015-241)**

Sec. 14.24 of S.L. 2015-241, as amended by Sec. 5.2C of 2015-268, directs the Department of Environment and Natural Resources (DENR) to petition the Army Corps of Engineers (Corps) to allow for greater flexibility to perform mitigation outside the eight-digit Hydrologic Unit Code (HUC) where the development requiring the mitigation occurs. DENR must make the petition no later than January 1, 2016, and must further request that the Corps review flexibility and the opportunities for mitigation by other Districts within the South Atlantic Division and nationwide.

DENR must report on its progress in petitioning the Corps to the Environmental Review Commission, the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division by March 1, 2016.

This section became effective July 1, 2015.

### **H157 - Amend Environmental Laws (SL 2015-1)**

S.L. 2015-1 amends various environmental laws, including provisions that:

- Authorize the Governor to send an official from the Department of Environmental Quality (DEQ) (formerly the Department of Environment and Natural Resources (DENR)) to act on the Governor's behalf at meetings of the Interstate Mining Commission.
- Make changes to the statues governing recycled and recovered materials
- Make several technical corrections and clarifications to the Coal Ash Management Act of 2014
- Change the name of the Ecosystem Enhancement Program within DEQ to the Division of Mitigation Services.
- Make various changes that pertain to the membership of the Energy Policy Council.
- Effective retroactively to July 2, 2012, clarify that the Environmental Management Commission is only required to adopt a rule on air toxics from drilling operations associated with oil and gas activities if it determines that the State's current air toxics program, and any applicable federal regulations adopted by the State by reference, are inadequate.

Except as otherwise provided, this act became effective March 16, 2015.

### **H186 - Cape Fear Water Resources Availability Study (SL 2015-196)**

S.L. 2015-196, as amended by Sec. 86.2 of S.L. 2015-264, (i) directs the Environmental Review Commission, with the assistance of the Department of Environment and Natural Resources, to study the availability of surface water and groundwater resources in or affecting the Cape Fear River Basin and (ii) authorizes the Rules Review Commission to retain private counsel under certain circumstances.

This act became effective August 5, 2015.

### **H339 - Add Fonta Flora Trail to State Parks System (SL 2015-113)**

S.L. 2015-113, as amended by Sec. 14.30(a) of S.L. 2015-241, authorizes the Department of Environment and Natural Resources to add the Fonta Flora Loop Trail to the State Parks System.

This act became effective June 24, 2015.

### **H634 - Stormwater/Built-Upon Area Clarification (SL 2015-149)**

S.L. 2015-149 provides that for purposes of implementing stormwater programs, "built-upon area" does not include (i) a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least 4" thick over a geotextile fabric or (ii) certain types of public trails.

This act became effective July 16, 2015.

### **H638 - Capitalize on Wetland Mitigation (SL 2015-194)**

S.L. 2015-194 directs the Department of Environmental Quality ((DEQ) (formerly the Department of Environment and Natural Resources)) to work in cooperation with the Wildlife Resources Commission (WRC) to take various actions to facilitate increased wildlife habitats and hunting opportunities in compensatory mitigation activities. In addition, the act requires that DEQ inventory all land holdings of its Office of Land and Water Stewardship to determine how many of those holdings are potential wildlife habitats, issue a request for proposal to all parties interested in purchase of the land, and dispose of the land if certain criteria are met concerning maintenance of management measures and provision of recreational access.

This act became effective August 5, 2015.



## **H705 - Amend Septic Tank Requirements (SL 2015-147)**

S.L. 2015-147 both (i) broadens the types of septic tank systems that may serve as a replacement system in the case of failure of the original system to include innovative and accepted systems that are approved by rule and subject to certain conditions, and (ii) directs the Commission for Public Health to amend discrete rules for sand lined trench systems and the daily design flow for Saprolite systems.

This act became effective July 13, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 4.1: Environmental Self-Audit Privilege and Limited Immunity (SL 2015-286)**

Sec. 4.1 of S.L. 2015-286 establishes a disclosure privilege for environmental audit reports that would generally prevent the use of the reports as evidence in civil or administrative proceedings. The provision also prohibits persons who conducted or participated in an audit or who significantly reviewed an audit report from being compelled to testify regarding the audit report or a privileged part of the audit, except in certain circumstances. In addition, the provision generally establishes immunity for owners and operators of facilities from imposition of civil and administrative penalties for a violation of environmental laws discovered through the conduct of an environmental audit and voluntarily disclosed to an enforcement agency in conformance with requirements established by the provision. The provision specifically provides, however, that waiver of penalties and fines must not be granted until the applicable enforcement agency has certified that the violation was corrected within a reasonable period of time (i.e., the enforcement agency retains discretion to assess penalties and fines for the violation until it is corrected). An owner or operator of a facility who makes a voluntary disclosure of a violation of environmental laws discovered through an audit is limited to exercising the privilege or immunity only once in a 2-year period, not more than twice in a 5-year period, and not more than three times in a 10-year period.

The provision does not apply to activities regulated under the Coal Ash Management Act of 2015.

The section requires the Department of Environmental Quality (formerly the Department of Environment and Natural Resources) to: (i) submit these environmental self-audit privilege and immunity provisions to the United States Environmental Protection Agency (USEPA) and request the USEPA's approval to implement the provisions in concert with the State's legal authority to continue administering delegated, approved, or authorized federal environmental programs within the State; and (ii) report to the Environmental Review Commission no later than December 1, 2015, and monthly thereafter, until approval to implement these provisions is received from USEPA.

This section would become effective upon the date such approval is received from USEPA.

## **H765 - Regulatory Reform Act of 2015, Sec. 4.2: Study Computer Equipment, Television, and Electronics Recycling Program (SL 2015-286)**

Sec. 4.2 of S.L. 2015-286 directs the Department of Environmental Quality (DEQ) (formerly the Department of Environment and Natural Resources (DENR)) to study, in consultation with various

stakeholders, the State's recycling requirements for discarded computer equipment and televisions, including the following issues: (i) the changing waste stream, including the transition from televisions containing cathode ray tubes to flat screen televisions; (ii) the current status of North Carolina's recycling system, including cost and financing issues, and options that may be available to reduce costs and establish sufficient funding to cover necessary costs; and (iii) opportunities for more efficient and effective recycling systems. DEQ must report its findings, including specific recommendations for legislative action, to the Environmental Review Commission by April 1, 2016.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Secs. 4.7 and 4.8: Amend Risk-Based Remediation Provisions (SL 2015-286)**

Secs. 4.7 and 4.8 of S.L. 2015-286 address the laws governing risk-based cleanup of contaminated sites by: (i) generally eliminating several criteria that limited eligibility of sites to enter the program; and (ii) requiring the Department of Environmental Quality (DEQ) (formerly the Department of Environment and Natural Resources) to develop coordinated processes to govern remediation of contaminated industrial sites using risk-based remediation that are consistent across all programs and requirements, and expand the use of registered environmental consultants for implementation and oversight of sites using risk-based remediation.

These sections became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.8A: Study Standards for Hexavalent Chromium and Vanadium (SL 2015-286)**

Sec. 4.8A of S.L. 2015-286 directs the Department of Environmental Quality (DEQ) (formerly the Department of Environment and Natural Resources), in conjunction with the Department of Health and Human Services, to study the State's groundwater standards, or State Interim Allowable Maximum Contaminant Levels (IMAC), as applicable, as well as State health screening levels, for hexavalent chromium and vanadium relative to other southeastern states' standards for these contaminants and the federal maximum contaminant levels (MCLs) for these contaminants under the Safe Drinking Water Act, in order to identify appropriate standards to protect public health, safety, and welfare; the environment; and natural resources. In addition, DEQ must evaluate background standards for these contaminants where they naturally occur in groundwater in the State. DEQ must submit an interim report no later than November 1, 2015, and a final report no later than April 1, 2016, to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services with any pertinent findings or recommendations, including any legislative proposals that it deems advisable.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.10: Amend the Definition for "Prospective Developer" Under the Law Governing Brownfields Development (SL 2015-286)**

Sec. 4.10 of S.L. 2015-286 amends the definition of "prospective developer" included in the statutes under the Brownfields Property Reuse Act (Act) of 1997, by eliminating a requirement that a prospective developer have a demonstrable intent to "buy or sell" a property.

This section became effective December 1, 2015, and applies to notices of Intent to Redevelop a Brownfields Property filed on or after that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.11: Eliminate Outdated Fees Related to Solid Waste Matters (SL 2015-286)**

Sec. 4.11 of S.L. 2015-286 repeals:

- A tax imposed on publishers of newsprint publications of \$15 per each ton by which the publisher's recycled content tonnage falls short of the tonnage of recycled postconsumer recovered paper needed to achieve the applicable minimum recycled content percentage as established in the statute
- A provision that allows the Department of Environmental Quality ((DEQ), formerly the Department of Environment and Natural Resources) to collect a fee for registration of persons transporting, collecting, or recycling used oil.

This section became effective October 22, 2015

### **H765 - Regulatory Reform Act of 2015, Sec. 4.9: Modify Effective Date for Life-of-Site Permits for Sanitary Landfills and Transfer Stations (SL 2015-286)**

Sec. 4.9 of S.L. 2015-286 amends Sec. 14.20 of S.L. 2015-241, by modifying language in the provision's effective date, and otherwise making clarifying, technical, and conforming changes to the provision. As to the effective date, the provision in S.L. 2015-241 provides that the section becomes effective on July 1, 2016, and applies to new and existing facilities on or after that date; Section 4.9 of S.L. 2015-286 clarifies that permittees are allowed, but not required, to apply for a life-of-site permit on that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.17: Contested Cases for Air Permits (SL 2015-286)**

Sec. 4.17 of S.L. 2015-286 amends the process for filing a contested case regarding an air quality permit decision of the Environmental Management Commission (EMC) by:

- Providing that the filing for a contested case by a permit applicant or permittee would stay the EMC's decision while the filing for a contested case by a person who is not the permit applicant or permittee would not automatically stay the EMC's decision.
- Limiting these contested case provisions to permit application decisions rather than other types of permit decisions, such as permit modification, suspension, or revocation.

This section also directs the Department of Environment and Natural Resources to study whether these changes to contested cases for air quality permits should be expanded into other programs administered by the Department. The Department will report the results of the study to the Environmental Review Commission by March 1, 2016.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.18: Amend Isolated Wetlands Law (SL 2015-286)**

Sec. 4.18 of S.L. 2015-286 makes the following changes to the regulation of isolated wetlands in the State:

- Provides that the only types of isolated wetlands the State will regulate are Basin Wetlands and Bogs and that the State will not regulate isolated man-made ditches or ponds constructed for stormwater management purposes or any other man-made isolated pond.
- Provides that the mitigation requirements for impacts to isolated wetlands apply only to the amount of impact that exceeds the current regulatory thresholds.
- Provides that impacts to wetlands that are not isolated wetlands will not be combined with impacts to isolated wetlands to determine whether the regulatory thresholds have been reached.
- Directs the Environmental Management Commission (EMC) to amend its rules by March 1, 2016, to establish a coastal region, piedmont region, and mountain region for purposes of regulating impacts to isolated wetlands. The regulatory thresholds for the three regions would be as follows: (i) less than or equal to one acre of isolated wetlands for the entire project in the coastal region; (ii) less than or equal to one-half acre of isolated wetlands for the entire project for the piedmont region; (iii) less than or equal to one-third acre of isolated wetlands for the entire project for the mountain region.

In no event could the regulatory requirements for impacts to isolated wetlands be more stringent than required under current law, which is less than or equal to one acre of isolated wetland for the entire project for areas east of Interstate 95 and less than or equal to one-third acre of isolated wetland for the entire project for areas west of Interstate 95.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.19: Study Coastal Water Quality and Coastal Stormwater Requirements (SL 2015-286)**

Sec. 4.19 of S.L. 2015-286 directs the Department of Environment and Natural Resources to evaluate the water quality of surface waters in the Coastal Counties, the impact of stormwater on this water quality,

and stormwater management measures. The Department will report the results of the study, including any recommendations, to the Environmental Review Commission by April 1, 2016.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Secs. 4.20 and 4.20A: Amend Stormwater Management Law (SL 2015-286)**

Secs. 4.20 and 4.20A of S.L. 2015-286 make the following changes to the regulation of stormwater in the State:

- Extend the deadline for the Environmental Management Commission (EMC) to adopt rules to implement fast-track permitting for stormwater management systems.
- Provide that the volume, velocity, and discharge rates of water associated with the one-year, 24-hour storm and the difference in stormwater runoff from the predevelopment and postdevelopment conditions for the one-year, 24-hour storm must be calculated using an acceptable engineering hydrologic and hydraulic method.
- Provide that development may occur within a vegetative buffer if the stormwater runoff from the development is discharged outside of the buffer and is managed so that it otherwise complies with all applicable State and federal stormwater management requirements.
- Provide that the requirements that apply to development activities within one-half mile of and draining to Class SA (shellfish) waters or within one-half mile of Class SA waters and draining to unnamed freshwater tributaries will not apply to development activities and associated stormwater discharges that do not occur within one-half mile of and draining to Class SA waters or are not within one-half mile of Class SA waters and draining to unnamed freshwater tributaries.
- Provide that no later than March 1, 2016, a State agency or local government that implements a stormwater management program must submit its current stormwater management program or a revised stormwater management program to the EMC and that no later than December 1, 2016, the EMC must review and act on each of the submitted stormwater management programs. The EMC may only approve a program if it finds that the standards of the program equal those of the EMC's model program.
- Direct the Environmental Review Commission (ERC), with the assistance of the Department of Environment and Natural Resources to review and consider reorganization of State statutes, session laws, rules, and guidance documents related to stormwater management. The ERC must submit any legislative recommendations to the 2016 Regular Session of the 2015 General Assembly.
- Extend the sunset on the provision that allows cluster mailboxes to be constructed without requiring a modification of a stormwater permit from December 31, 2015, to December 31, 2017.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.21: Study Exempting Linear Utility Projects from Certain Environmental Regulations (SL 2015-286)**

Sec. 4.21 of S.L. 2015-286 directs the Department of Environment and Natural Resources (DENR) to study whether and to what extent activities related to the construction, maintenance, or removal of linear

utility projects should be exempt from certain environmental regulations. DENR will report the results of the study to the Environmental Review Commission by March 1, 2016.

This section became effective October 22, 2015.

#### **H765 - Regulatory Reform Act of 2015, Sec. 4.25: Ambient Air Monitoring (SL 2015-286)**

Sec. 4.25 of S.L. 2015-286 directs the Department of Environment and Natural Resources (DENR) to review its ambient air monitoring network and request from the United States Environmental Protection Agency (EPA) the authority to remove any monitor not required by federal law that DENR has determined is not necessary to protect public health, safety, and welfare; the environment; and natural resources. This section also directs DENR, no later than September 1, 2016, to discontinue all ambient air monitors not required by federal law and for which EPA approval for discontinuance is not required if DENR has determined that the monitors are not necessary to protect public health, safety, and welfare; the environment; and natural resources. This section would not preclude DENR from installing temporary ambient air monitors as part of an investigation of a suspected air quality violation or in response to an emergency causing an imminent danger to human health and safety. DENR must report to the Environmental Review Commission on the status of the air monitoring network and its implementation of this section by November 1, 2016.

This section became effective October 22, 2015.

#### **H765 - Regulatory Reform Act of 2015, Sec. 4.27: Division of Air Quality Notice Requirements (SL 2015-286)**

Sec. 4.27 of S.L. 2015-286 reduces the notice period for consent orders related to air pollution from 45 days to 30 days and provides that notice of a consent order or a public meeting on a consent order must be given on the Department of Environment and Natural Resources' Web site rather than in a newspaper having general circulation in the county in which the air pollution originated.

This section became effective October 22, 2015.

#### **H765 - Regulatory Reform Act of 2015, Sec. 4.31: Prohibit the Requirement of Mitigation for Impacts to Intermittent Streams (SL 2015-286)**

Sec. 4.31 of S.L. 2015-286 provides that, except as required by federal law, the Department of Environment and Natural Resources cannot require mitigation for impacts to intermittent streams.

This section became effective October 22, 2015.

**H765 - Regulatory Reform Act of 2015, Sec. 4.12: Delete or Repeal Various Environmental and Natural Resources Reporting Requirements (SL 2015-286)**

Sec. 4.12 of S.L. 2015-286 repeals various reporting requirements of the Department of Environment and Natural Resources, the Marine Fisheries Commission, and the Wildlife Resources Commission.

This section became effective October 22, 2015.

**H765 - Regulatory Reform Act of 2015, Sec. 4.3: Prohibit Implementation and Enforcement of Federal Standards for Wood Heaters (SL 2015-286)**

Sec. 4.3 of S.L. 2015-286 prohibits the Environmental Management Commission from developing and adopting standards and plans to implement the federal air quality standards that limit emissions from wood heaters. This section also defines the term "wood heater."

This section became effective October 22, 2015.

**H765 - Regulatory Reform Act of 2015, Sec. 4.24: Repeal Department of Environment and Natural Resources Idling Rules (SL 2015-286)**

Sec. 4.24 of S.L. 2015-286 directs the Secretary of Environment and Natural Resources to repeal the "Heavy-Duty Vehicle Idling Restrictions" rule (15A NCAC 02D .1010) on or before March 1, 2016. This section further provides that until the effective date of the repeal of the rule, the Secretary, the Department of Environment and Natural Resources, the Environmental Management Commission, or any other political subdivision of the State cannot implement or enforce the Heavy-Duty Vehicle Idling Restrictions rule.

This section became effective October 22, 2015.

**H765 - Regulatory Reform Act of 2015, Sec. 3.9: Environmental Review Commission to Study Open and Fair Competition with Respect to Materials Used in Wastewater, Stormwater, and Other Water Projects (SL 2015-286)**

Sec. 3.9 of S.L. 2015-286 authorizes the Environmental Review Commission (ERC) to study whether to require public entities to consider all acceptable piping materials before determining which piping material should be used in the constructing, developing, financing, maintaining, rebuilding, improving, repairing, procuring, or operating of a water, wastewater, or stormwater drainage project. The ERC must report its findings and recommendations to the 2016 Regular Session of the 2015 General Assembly.

This section became effective October 22, 2015.

## **H795 - State Environmental Policy Act Reform (SL 2015-90)**

S.L. 2015-90 increases the thresholds for when the State Environmental Policy Act (SEPA) applies, increases the number of exemptions from the Act, and otherwise amends the Act.

The act became effective June 19, 2015, and applies to State agency action occurring on or after that date.

## **S14 - Academic Standards/Rules Review/Coal Ash/Funds, Secs. 7, 8, and 9 (SL 2015-7)**

Secs. 7, 8, and 9 of S.L. 2015-7 clarify the appropriation of funds from the Coal Combustion Residuals Management Fund and amends several dam safety provisions from the Coal Ash Management Act of 2014 as follows:

- Clarifies that 26.5% of the funds in the Coal Combustion Residuals Management Fund must be used by the Coal Ash Management Commission and that the remainder must be used by the Department of Environment and Natural Resources (DENR).
- Provides that up to 25, rather than exactly 25, positions are created in DENR to carry out the duties imposed by G.S. 130A-309.202. It also clarifies the amount of the appropriation to support the positions and provides that if there is a shortfall in the fund, appropriations to DENR and Department of Public Safety must be reduced in equal proportions.
- Effective retroactively to September 20, 2014, amends several dam safety provisions from the Coal Ash Management Act of 2014 to:
  - Provide that the downstream inundation map prepared as part of a dam Emergency Action Plan need not be prepared by a licensed professional engineer unless the dam is associated with a coal ash impoundment.
  - Change the date for submission of dam Emergency Action Plans for dams not associated with coal ash impoundments from March 1, 2015, to December 1, 2015.
  - Direct DENR to study whether and under what circumstances downstream inundation maps should be prepared by licensed professional engineers and to report the results of the study to the Environmental Review Commission no later than March 31, 2016.

Except as otherwise provided, these sections became effective July 1, 2014.

## **S119 - GSC Technical Corrections 2015, Sec. 15: Repeal North Carolina Land Policy Council (SL 2015-264)**

Sec. 15 of S.L. 2015-264 repeals the North Carolina Land Policy Council.

This section became effective October 1, 2015.



### **S119 - GSC Technical Corrections 2015, Sec. 56.2: Local Ordinances Regulating Energy Activities Invalid (SL 2015-264)**

Sec. 56.2 of S.L. 2015-264 amends the statute governing local regulation of oil and gas activities to prohibit local ordinances that regulate, or have the effect of regulating, oil and gas activities within a jurisdiction, and provides that ordinances that place any restriction or condition not placed by the statutes governing oil and gas activities and use of horizontal drilling or hydraulic fracturing for that purpose are invalid and unenforceable. Prior to enactment of this section of Senate Bill 119, the statute in question preempted local ordinances that prohibit, or have the effect of prohibiting, oil and gas activities within a jurisdiction. This provision is effective retroactively to June 4, 2014.

In addition, this section amends a statute that prohibits local ordinances that regulate, or have the effect of regulating, coal ash management activities, to clarify that such ordinances are "unenforceable," in addition to being invalid. This provision is effective retroactively to August 20, 2014.

### **S374 - Modify For-Hire License Logbook Requirement (SL 2015-201)**

S.L. 2015-201 repeals the requirement that for-hire coastal recreational fishing license holders maintain a logbook of catch and effort statistical data; requires the North Carolina Division of Marine Fisheries (Division) of the Department of Environment and Natural Resources to conduct a study of the reporting requirement, including forming a stakeholder advisory group; prohibits the Director of the Division (Fisheries Director) from entering into a Joint Enforcement Agreement (JEA) with the National Marine Fisheries Service (NMFS); and requires the Division to conduct a study on the advisability of reenacting authorization for the Division to enter into a JEA with the NMFS, including a 12-month process to seek input from stakeholders.

This act became effective August 5, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 11: Allow Shellfish Cultivation Leases in Areas Containing Submerged Aquatic Vegetation (SL 2015-263)**

Sec. 11 of S.L. 2015-263 directs the Secretary of Environment and Natural Resources, except as prohibited by federal law, not to exclude any area from shellfish cultivation leases solely on the basis that the area contains submerged aquatic vegetation. However, the policy of the Army Corps of Engineers, Wilmington District, prohibits shellfish leasing in areas with submerged aquatic vegetation, and this section is not enforceable until the Corps amends its policy.

This section became effective October 1, 2015, and applies to any new shellfish cultivation leases or renewals of existing shellfish cultivation leases issued on or after that date.

### **S513 - North Carolina Farm Act of 2015, Sec. 13: Procedure for Termination or Modification of Conservation Agreements (SL 2015-263)**

Sec. of S.L. 2015-263 provides that easements secured by the Agricultural Development and Farmland Preservation Trust Fund and any agricultural conservation easement secured in whole or in part with federal funds, and where at least one party is a public body of the State, must not be terminated or modified for the purpose of economic development. Prior to any modification or termination of a conservation agreement, the agency requesting the termination must conduct a conservation benefit analysis, and the termination or modification may only proceed if the analysis concludes that the modification or termination results in a greater benefit to conservation purposes. The analysis must be provided to the Council of State before the Council of State votes on the final decision to modify the agreement. However, this section does not apply to a condemnation action initiated by an entity condemning the property through eminent domain, as governed by Article 6 of Chapter 40A of the General Statutes.

This section also allows funds from the Agricultural Development and Farmland Preservation Trust Fund to be distributed to the Department of Agriculture and Consumer Services for the purchase of agricultural conservation easements or agreements to be held by the Department.

This section became effective September 30, 2015, and applies to conservation agreements or easements executed on or after that date.

### **S513 - North Carolina Farm Act of 2015, Sec. 16: Amend the Definition of "New Animal Waste Management System" and the Application of Swine Waste Management System Performance Standards (SL 2015-263)**

Sec. 16 of S.L. 2015-263 amends the implementation of animal waste management system regulations to provide that:

- A "new animal waste management system" does not include a system that has been abandoned or unused for a period of four years or more and is then put back into service.
- Certain swine waste management system performance standards do not apply to any facility that meets all the following conditions:
  - Has had no animals on site for five continuous years or more.
  - Notifies the Division of Water Resources (Division) in the Department of Environmental Quality in writing at least 60 days prior to bringing any animals back onto the site.
  - The system depopulated after January 1, 2005, and the system ceased operation no longer than 10 years prior to the current date.
  - At the time the system ceased operation, it was in compliance with an individual permit or a general permit.
  - The Division issues an individual permit or a certificate of coverage under a general permit for operation of the system before any animals are brought on the facility.
  - The permit for the animal waste management system does not allow production to exceed the greatest steady state live weight previously permitted for the system.
  - No component of the animal waste management system and swine farm, other than an existing swine house or land application site, may be constructed in the 100-year floodplain.

- The inactive animal waste management system was not closed using the expenditure of public funds and was not closed pursuant to a settlement agreement, court order, cost-share agreement, or grant condition.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 18: Modify Implementation of the Odor Control of Feed Ingredient Manufacturing Plants Rule (SL 2015-263)**

Sec. 18 of S.L. 2015-263 modifies implementation of the Odor Control of Feed Ingredient Manufacturing Plants Rule, which requires that various odor control measures be implemented at any facility that produces feed-grade animal proteins or feed-grade animal fats and oils. The Rule specifically provides that a person at such facilities must not cause or permit any raw material to be handled, transported, or stored, or to undertake the preparation of any raw material without taking reasonable precautions to prevent odors from being discharged. For purposes of the Rule, raw material is considered in storage after it has been unloaded at a facility or after it has been located at the facility for at least 24 hours.

Section 18 of the act modifies the implementation of the Rule to provide that:

- Raw material is considered in storage after it has been unloaded at a facility or after it has been located at the facility for at least 36 hours.
- A vehicle or container holding raw material, which has not been unloaded inside or parked inside an odor controlled area within the facility, must be unloaded for processing of the raw material prior to the expiration of the following time limits: (i) for feathers with only trace amounts of blood, such as those obtained from slaughtering houses that separate blood from offal and feathers, no later than 48 hours after being weighed upon arrival at the facility; (ii) for used cooking oil in sealed tankers, no later than 96 hours after being weighed upon arrival at the facility.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 19: Exempt Certain Wetlands Mitigation Activities from Requirements under the Sedimentation Pollution Control Act (SL 2015-263)**

Sec. 19 of S.L. 2015-263 exempts from the Sedimentation Pollution Control Act activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the federal Clean Water Act, and activities undertaken voluntarily to restore the wetland functions of converted wetlands.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 20: Clarify Reimbursement of Third-Party Claims From the Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds (SL 2015-263)**

Sec. 20 of S.L. 2015-263 provides guidance for the use of Commercial or Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds for payment of compensation to third parties for bodily injury and property damage in excess of \$100,000 per occurrence. There is, however, a rule (15A NCAC 02P .0403) that defines the terms "third-party bodily injury" and "third-party property damage." This section codifies the limitations of 15A NCAC 02P .0403 into statute, and makes other conforming changes.

This section became effective September 30, 2015, and applies to claims for reimbursement pending or submitted on or after that date.

**S513 - North Carolina Farm Act of 2015, Sec. 23: Amend Definition of Mining Relative to Agricultural Activities (SL 2015-263)**

Sec. 23 of S.L. 2015-263 amends the definition of mining to provide that mining does not include excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt from the requirements of the Sedimentation Pollution Control Act.

This section became effective September 30, 2015.

**S716 - Mountain Energy Act of 2015, Sec. 2: Modifications to Certain Requirements for Coal Ash Management at the Asheville Steam Electric Generating Plant (SL 2015-110)**

Sec. 2 of S.L. 2015-110 modifies certain requirements under the Coal Ash Management Act of 2014 for coal combustion residuals surface impoundments and electric generating facilities located at the Asheville Steam Electric Generating Plant located in Buncombe County, if certain criteria concerning construction of a gas-fired generating facility and cessation of coal-fired facilities at the site are met.

This section would become effective August 1, 2016, if, on or before that date, the North Carolina Utilities Commission has issued a certificate of public convenience and necessity to Duke Energy Progress for a new natural gas-fired generating facility, based upon written notice submitted to the Commission from Duke Energy Progress that it will permanently cease operations of all coal-fired generating units at the Asheville Steam Electric Generating Plant located in Buncombe County no later than January 31, 2020.

# Finance

**See full summary documents for additional detail**

## **H41 - Revenue Laws Technical Changes (SL 2015-6)**

S.L. 2015-6 makes technical, clarifying, and administrative changes to the revenue laws.

This act became effective April 9, 2015. Please see the full summary for more details.

## **H97 - 2015 Appropriations Act, Sec. 28.2: Modify Collection Assistance Fee Rules (SL 2015-241)**

Sec. 28.2 of S.L. 2015-241 modifies the use of collection assistance fees imposed on overdue tax debts by augmenting the allowable uses of the fees to include (i) applying the fee to costs of reducing the incidence of overdue tax debts, (ii) paying auditors responsible for identifying overdue tax debts, (iii) increasing the amount of proceeds that may be used for correspondence relating to collecting overdue tax debts from \$500,000 to \$750,000 per year, and (iv) to pay for upgrades to departmental computer systems for electronic filing of returns and issuance of refunds and for other mission-critical information technology tasks approved by the Office of State Budget and Management in consultation with the State Chief Information Officer.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 29.27B: Adjust Distribution of Revenue from Motor Fuel Excise Tax Rate (SL 2015-241)**

Sec. 29.27B of S.L. 2015-241 does the following:

- Amends the statutes that allocate revenue among various funds and accounts to adjust the amounts of motor fuel excise tax revenue allocated to the Highway Fund (from 75% to 71%) and the Highway Trust Fund (from 25% to 29%). This subsection became effective July 1, 2015, and applies to motor fuel excise tax revenue collected on or after that date.
- Effective June 30, 2016, amends the statutes that allocate revenue among various funds and accounts to repeal the amount of motor fuel excise tax revenue allocated to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

## **H97 - 2015 Appropriations Act, Sec. 2.2(b): General Fund Availability Statement (SL 2015-241)**

Subsec. (b) of Sec. 2.2 of S.L. 2015-241 repeals the reimbursement from the Highway Fund to the General Fund of the sales and use tax revenue not realized by the General Fund as a result of the statutory exemption for purchases by the Department of Transportation.

This subsection became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.34: Highway Use Tax Clarification (SL 2015-241)**

Sec. 29.34 of S.L. 2015-241 clarifies that the maximum tax for out-of-state vehicles only applies if the motor vehicle has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State.

This section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.34A: Adjust Maximum Highway Use Tax Imposed for Certain Motor Vehicles (SL 2015-241)**

Sec. 29.34A of S.L. 2015-241, as amended by Sec. 10.1 of S.L. 2015-268, increases the maximum highway use tax imposed for certain motor vehicles as follows:

- Class A or Class B Commercial Motor Vehicles. From \$1,000 to \$2,000.
- Recreational Vehicle. From \$1,500 to \$2,000.
- Out-of-State Motor Vehicles. From \$150 to \$250.

This section becomes effective January 1, 2016, and applies to sales made on or after that date, or for purposes of alternate tax for those who rent or lease motor vehicles, a lease or rental agreement entered into on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 32.18: Sales Tax Base Expansion (SL 2015-241)**

Sec. 32.18 of S.L. 2015-241, as amended by Sec. 10.1 of S.L. 2015-241, expands the sales tax base to include repair, maintenance, and installation of tangible personal property, effective March 1, 2016, as follows:

- Repeals the sales and use tax exemption applicable to installation charges when those charges are stated separately on the billing document.
- Imposes sales and use tax on the gross receipts derived from repair, maintenance, and installation services.
- Amends the definition of a "service contract" to include a contract where the obligor agrees to maintain or repair tangible personal property, regardless of whether the property is part of or becomes affixed to real property.

### **H97 - 2015 Appropriations Act, Sec. 32.19: Local Sales Tax Distribution (SL 2015-241)**

Sec. 32.19 of S.L. 2015-241, as amended by Sec. 10.1(e1) of S.L. 2015-268, carves out a portion of the local option sales tax revenue and distributes that amount to the counties whose revenue-raising capacity

from the local option sales taxes is less than it would be if the distribution of the revenue from the taxes was made on a per capita basis. The carve-out amount to be distributed in fiscal year 2016-2017 is \$84.8 million. This amount is to be adjusted each fiscal year thereafter based upon the annual percentage change in the 2-cent local option sales taxes collected in the previous fiscal year. Seventy-nine counties will receive an allocation from the distribution. A county's allocation percentage is set by statute. The amount allocated to a county must be shared with the municipalities in that county. The General Assembly must periodically review the allocation percentages.

This section becomes effective July 1, 2016, and applies to local option sales and use taxes collected on or after that date and distributed to counties and cities on or after September 1, 2016.

### **H97 - 2015 Appropriations Act, Secs. 32.13, 32.14, 32.14A, and 32.15: Corporate Income and Franchise Tax Changes (SL 2015-241)**

Secs. 32.13, 32.14, 32.14A, and 32.15 of S.L. 2015-241, as amended by Secs. 10.1 and 10.2 of S.L. 2015-268, make the following corporate income tax and franchise tax changes:

- Reduces the corporate income tax rate to 3%, effective for the taxable year that begins January 1 following the fiscal year in which the amount of net General Fund tax collected equals or exceeds \$20,975,000,000.
- Expands the corporate income tax base by eliminating antiquated, obsolete, and special tax deductions, effective for taxable years beginning on and after January 1, 2016.
- Phases-in single sales factor apportionment over three years, starting with taxable years beginning on or after January 1, 2016 and directs the Revenue Laws Study Committee to study market-based sourcing.
- Simplifies the calculation of the franchise tax by conforming more closely to net worth as determined by generally accepted accounting principles, effective for franchise tax returns due in 2017. Increases the minimum franchise tax from \$35 to \$200 and increases the maximum franchise tax on holding companies from \$75,000 to \$150,000; both rate changes are effective for franchise tax returns due in 2017.
- Repeals the State privilege tax on banks, effective June 30, 2016.

### **H97 - 2015 Appropriations Act, Sec. 32.16: Individual Income Tax Changes (SL 2015-241)**

Section 32.16 of S.L. 2015-241 makes the following individual income tax changes:

- Reduces the tax rate to 5.499% in 2017 from the current rate of 5.75%.
- Increases standard deduction from \$15,000 to \$15,500 (for married filing jointly), effective for taxable years beginning on or after January 1, 2016.
- Allows unlimited medical deductions on Schedule A retroactive to January 1, 2015, to the extent a taxpayer can take the deduction at the federal level.

## **H97 - 2015 Appropriations Act, Sec. 32.3: Historic Preservation Tax Credit (SL 2015-241)**

Sec. 32.3 of S.L. 2015-241, as amended by Sec. 54.5 of S.L. 2015-264 and Sec. 10.1(b) of S.L. 2015-268, establishes a temporary tax credit for historic rehabilitation as described below. The tax credit becomes effective January 1, 2016, and applies to qualified rehabilitation expenditures incurred on or after that date. The credit will expire for expenses incurred on or after January 1, 2020.

- Income-Producing Property. - A taxpayer is allowed a tax credit, capped at \$4.5 million, that is equal to 15% of the first \$10 million in qualified rehabilitation expenditures for an income-producing historic structure, plus 10% of the next \$10 million, plus 5% for the first \$20 million if the structure is located in a Tier 1 or 2 area, plus 5% for the first \$20 million if the structure is located on an eligible targeted investment site.
- Non-Income Producing Property. - A taxpayer is allowed a tax credit, capped at \$22,500, that is equal to 15% of expenses to rehabilitate a building listed in the National Register of Historic Places or certified by the State Historic Preservation Officer as contributing to the historic significance of a National Register Historic District or a locally designated historic district certified by the United States Department of the Interior. The taxpayer must have at least \$10,000 in expenses to qualify for the credit.

The credit also applies for certain 2014 and 2015 expenditures. Section 54.5 of S.L. 2015-264 (General Statutes Commission Technical Corrections Act of 2015) allows a taxpayer to claim the credit for expenses incurred in 2014 and 2015 if: (i) the historic structure is located in a Tier 1 or Tier 2 county; (ii) the structure is owned by a city; (iii) the rehabilitation activity commenced in 2014; and (iv) a certificate of occupancy is issued on or before December 31, 2015.

Finally, this section also modifies the expiration of the Mill Rehabilitation Tax Credit, which expired on January 1, 2015. Under prior law, as long as a taxpayer obtained an eligibility certification prior to the expiration date, the taxpayer could claim the credit whenever the project was ultimately placed in service. This section provides that eligibility certifications will expire on January 1, 2023, so the availability of the credit is not as open-ended.

## **H117 - North Carolina Competes Act, Parts I and II: Job Development Investment Grant Program (JDIG) and One North Carolina Modifications (SL 2015-259)**

Parts I and II of S.L. 2015-259 do the following:

- JDIG Modifications. - Section 1 of the act, as amended by Section 91 of S.L. 2015-264, extends the program, increases the amount that may be committed as grants under the program, provides additional commitment authority for high-yield projects, and makes other changes to the program. Except for a change in reporting requirements and the increase in the amount that may be committed, both of which became effective September 30, 2015, the remainder of this Part became effective October 1, 2015.
- One NC. - Section 2 of the act modifies the local match requirements to a tiered requirement: 3 State dollars for 1 local dollar for tier 1; 2 State dollars for 1 local dollar for tier 2; and an even local match for tier 3. This change became effective September 30, 2015.



## **H117 - North Carolina Competes Act, Parts III-VI: Sales Tax Changes (SL 2015-259)**

Parts III through VI of S.L. 2015-259 make the following sales tax changes:

- **Datacenter Infrastructure Act.** - Part III creates a sales tax exemption for datacenters investing at least \$75M within a 5-year period for sales of datacenter equipment and electricity located and used at the datacenter. The exemption becomes effective January 1, 2016, and applies to sales made on or after that date.
- **Sales Tax Relative to Aviation.** - Part IV (i) extends for 4 years the sales tax refund available to interstate passenger air carriers for sales tax paid on fuel in excess of \$2.5M; (ii) exempts from sales tax fuel sold to an interstate air business for use in a commercial aircraft, effective January 1, 2016, taxes remaining sales of aviation gasoline and jet fuel at 7%, and earmarks the revenue from the tax to the Division of Aviation, Department of Transportation; (iii) increases the sales tax rate on aircraft and tax qualified jet engines at 4.75% with a maximum tax of \$2,500, effective October 1, 2015; and (iv) exempts service contracts and repairs, maintenance, and installation services on qualified aircraft and qualified jet engines from sales tax, effective October 1, 2016.
- **Exempt Motor Vehicle Service Contracts from Sales Tax.** - Part V exempts service contracts on motor vehicles from sales tax. As part of the budget bill, S.L. 2015-241 (H97), sales tax is imposed on repair, maintenance, and installation services. The taxation of this service mitigates the need to impose the tax on service contracts and eases the administrative issues associated with the sales tax on service contracts for motor vehicles. This Part becomes effective March 1, 2016.
- **Extend Sales Tax Preference for Motorsports Parts and Fuel.** - Part VI, as amended by S.L. 2015-261, extends the current sales tax preferences for motorsports from January 1, 2016, to January 1, 2020, and clarifies the current sales tax on race engines and service contracts on items used by a professional motorsports racing team.

## **H117 - North Carolina Competes Act, Part VII: Tax Compliance and Tax Fraud Prevention (SL 2015-259)**

Part VII of S.L. 2015-259 contains changes requested by the Department of Revenue that will give it the tools it needs to reduce the occurrence of stolen identities and refund fraud and to better ensure tax compliance.

This Part has multiple effective dates; please see the full summary for more detail.

## **H168 - Exempt Builders' Inventory (SL 2015-223)**

S.L. 2015-223 exempts the increase in value of certain improvements to real property held for sale by a builder:

- For residential real property, a builder may exclude for 3 years the increase in value due to subdivision, improvements, and buildings that are either a new single-family residence or a duplex.
- For commercial property, a builder may exclude for 5 years the increase in value due to subdivision and improvements - excluding buildings.

To qualify as a builder, the property owner must be in the business of buying real property, making improvements to it, and then reselling it. The owner is not required to be licensed as a general contractor.

S.L. 2015-223 will become effective for taxes imposed for taxable years beginning on July 1, 2016, and apply to subdivision of or other improvements made on or after July 1, 2015.

### **H229 - Church Tax Exemption/Driving Privileges (SL 2015-185)**

S.L. 2015-185 exempts religious buildings that are under construction from local property tax, effective for taxes imposed for taxable years beginning on or after July 1, 2015.

The act also authorizes a judge to allow a person with a revoked driver's license to drive to attend religious worship under a limited driving privilege, effective October 1, 2015, and applies to limited driving privileges issued on or after October 1, 2015.

### **H912 - Taxation of Tribal Land and Tobacco Products (SL 2015-262)**

S.L. 2015-262 does the following three things:

- It exempts from property tax real and personal property located on lands held in trust by the United States for the Eastern Band of Cherokee Indians, regardless of ownership, effective for taxes imposed for taxable years beginning on or after July 1, 2016.
- It allows the Department of Revenue to enter into an agreement with the Eastern Band of Cherokee Indians regarding the excise tax on tobacco products.
- It clarifies the legislative intent of Section 4 of S.L. 2015-98 (ABC Omnibus Legislation) to provide that distillers who sell bottles of liquor at the distillery are not required to remit portions of the cost of the bottle to the State warehouse or the local ABC board. [For a more detailed explanation of this provision, please see the summary for S.L. 2015-98 (HB 909) in the ALCOHOLIC BEVERAGE CONTROL subject area].

Except as otherwise provided, this act became effective September 30, 2015.

### **S20 - Internal Revenue Code Update/Motor Fuel Tax Changes (SL 2015-2)**

S.L. 2015-2 consists of two Parts. The first Part, which was a recommendation of the Revenue Laws Study Committee, updates from December 31, 2013, to January 1, 2015, the reference to the Internal Revenue Code used in determining certain State tax provisions. The act decouples from the extensions listed below under the federal Tax Increase Prevention Act of 2014 for the 2014 tax year, but it conforms to the \$250 teacher expense deduction . Enhanced Section 179 expensing

- Exclusion from income for forgiveness of debt on principal residence.
- Deduction for mortgage insurance premiums.
- Deduction for higher education tuition expenses.
- Tax-free distribution from IRAs to public charities.

This Part became effective March 31, 2015.

The second Part of the act makes the following changes to the motor fuels tax:

- Reduces the motor fuels tax rate from 37.5 cents to 36 cents beginning April 1, 2015, through December 31, 2015. It sets the rate at 35 cents per gallon (cpg) from January 1, 2016, through June 30, 2016, and at 34 cpg from July 1, 2016, through December 31, 2016.
- Changes the variable component of the formula for determining the rate. Beginning January 1, 2017, the rate will be 34 cpg multiplied by a percentage reflecting population change and the annual change in the Energy component of the Consumer Price Index for all Urban Consumers as produced by the U.S. Bureau of Labor Statistics.
- Replaces the two 6-month base periods used in determining the gas tax rate with a single 12-month base period.
- Makes \$3.35 million and \$10.1 million reductions in the Highway Trust Fund and Highway Fund budgets for the 2014-2015 fiscal year.

The motor fuels tax rate changes are effective as described above. The remainder of this Part became effective March 31, 2015.

### **S159 - Corrected Revaluations/Minimal Refunds/Property Taxes (SL 2015-266)**

S.L. 2015-266 clarifies the process by which undervalued property is to be taxed under reappraisals conducted under S.L. 2013-362 (Require Certain General Reappraisals), and authorizes local governments to not mail minimal property tax refunds.

This act became effective October 1, 2015.

### **S273 - Motor Vehicle Tax: Waive Penalties/Interest (SL 2015-204)**

S.L. 2015-204 authorizes counties to reduce or waive interest or penalties on delinquent motor vehicle taxes for tax years prior to July 1, 2013.

This act became effective August 11, 2015.

### **S372 - Renewable Energy Safe Harbor (SL 2015-11)**

S.L. 2015-11, as amended by Sec. 54.3 of S.L. 2015-264, provides a delayed sunset for the credit for investing in renewable energy credit for the following taxpayers:

- Taxpayers that have incurred at least 80% of the costs, and partially constructed at least 80% of a project with less than 65 megawatts of capacity by January 1, 2016.
- Taxpayers that have incurred at least 50% of the costs, and partially constructed at least 50% of a project with 65 megawatts of capacity or more by January 1, 2016.

This act became effective April 30, 2015.

### **S399 - Joint Agency Tax Refund (SL 2015-235)**

S.L. 2015-235 allows a joint agency created by interlocal agreement for the purposes of fire protection, police protection, and emergency services to receive a refund of sales and use taxes paid by it. This provision became effective July 1, 2015, and applies to purchases made on or after that date.

The act also directs the Revenue Laws Study Committee to study how the exemption from the motor fuels tax is applied to entities that are comprised of multiple local government units.

Except as otherwise provided, this act became effective September 1, 2015.

### **S448 - Equalize Tax on Propane Used as a Motor Fuel (SL 2015-224)**

S.L. 2015-224 amends the motor fuels tax applicable to liquefied propane gas used as a motor fuel by specifying that the per gallon motor fuel tax rate is applied to the gas gallon equivalent of liquefied propane gas. The gas gallon equivalent is 5.75 pounds of liquefied propane gas.

This act becomes effective January 1, 2016.

### **S513 - North Carolina Farm Act of 2015, Sec. 12: Present-Use Value Modifications (SL 2015-263)**

Sec. 12 of S.L. 2015-263 makes three changes to present-use value taxation:

- Provides that, for purposes of present-use value, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses.
- Provides that when a tax assessor is determining whether a business entity applicant for present-use value has farming as its principal business, there is a rebuttable presumption that farming is the business entity's primary business if the applicant has been approved for present value taxation for a qualifying property in another county. Any determination about the applicant's eligibility does not affect the determination of whether the individual parcel of land meets the classifications for agricultural, horticultural, or forest land pursuant to G.S. 105-277.3. Further, if the assessor is able to rebut the presumption, this does not invalidate a determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.
- Effective September 30, 2015, directs the Department of Revenue to annually publish a present-use value program guide and make the guide available on its Web site. Tax assessors must adhere to the Department's guide when making decisions regarding the qualifications or appraisal of property for the present-use value taxation program.

Except as otherwise provided, this section became effective July 1, 2015, and applies to taxes imposed for taxable years beginning on or after that date.

**S621 - Registration Renewal Notice/E-Mail (SL 2015-108)**

S.L. 2015-108 authorizes the Division of Motor Vehicles to send the required combined vehicle property tax and State registration notice by e-mail, subject to the written consent of the owner of a vehicle.

This act becomes effective January 1, 2016.

**S682 - Modify Sunset Regarding Contingent Audits (SL 2015-109)**

S.L. 2015-109 makes permanent the prohibition, established in 2012, on local governments from using third-party contractors paid on a contingent fee basis for audit and assessment purposes.

This act became effective June 24, 2015.

# Health and Human Services

See full summary documents for additional detail

## **H44 - Local Government Regulatory Reform 2015, Sec 2.5: Local Public Health Maintenance of Effort Monies (SL 2015-246)**

Sec. 2.5 of S.L. 2015-246 repeals the statute that requires that in order for a local health department to be eligible to receive State and federal public health funding from the Division of Public Health in the Department of Health and Human Services, the county or counties comprising the local health department must maintain operating appropriations to local health departments from local property tax receipts at levels equal to amounts appropriated in State fiscal year 2010-2011.

This section becomes effective July 1, 2016.

## **H44 - Local Government Regulatory Reform 2015, Sec. 10: Local Review of Prototype Franchise Food Establishments (SL 2015-246)**

Sec. 10 of S.L. 2015-246 provides that if the Department of Health and Human Services has reviewed and approved the plan for a prototype franchised or chain food establishment, that approved plan may be used in any county of the State without further approval. Upon request of the owner or operator, the local health department may review and suggest revisions, but any proposed revisions could not be used as a condition of receiving any permit from the local health department, county, or city in which the facility is to be located.

This section became effective September 23, 2015.

## **H97 - 2015 Appropriations Act, Sec. 25A.1: Expand Community Living Housing Fund Uses (SL 2015-241)**

Sec. 25A.1 of S.L. 2015-241 amends the law pertaining to the Community Housing Living Fund to allow the Housing Finance Agency to use monies in the Fund to recruit property owners who are willing to rent targeted units to individuals with disabilities.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 31.10: Plan for Relocating all Department of Health and Human Services Office to One Location (SL 2015-241)**

Sec. 31.10 of S.L. 2015-241 directs the Department of Health and Human Services (DHHS), in consultation with the Department of Administration, to develop a plan for relocating the administrative personnel and resources of DHHS that are located on the Dorothea Dix campus and on other property leased or owned by the State in the Greater Triangle area (consisting of Durham, Orange, Johnston, and

Wake Counties) to a single site available to the State. The plan must not include relocation of personnel or resources whose primary responsibilities include the provision of services directly to the public in the Greater Triangle area.

DHHS must report the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by the earlier of October 1, 2016, or six months prior to the date on which the Department is required to move some or all of its personnel and resources from the Dorothea Dix campus under the terms of an agreement between the State and the City of Raleigh.Â Â

This section also prohibits DHHS and the Department of Administration from entering into any lease or other agreement to move the personnel or resources of DHHS that currently reside on the Dorothea Dix campus or on other property leased or owned by the State in the Greater Triangle area to another site until specifically authorized to do so by the General Assembly.

This section became effective on July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12G.3: Licensure of Overnight Respite Facilities (SL 2015-241)**

Sec. 12G.3 of S.L. 2015-241 (i) creates a law pertaining to licensure for overnight respite, (ii) allows an adult day care program to provide overnight respite services in accordance with the new law, (iii) requires a fee for adult day care overnight respite facilities, (iv) requires the Department of Health and Human Services (DHHS) to add adult day care overnight respite as a service under the Home and Community Care Block Grant (HCCBG), and (v) requires DHHS to take action to amend the Innovations waiver and Community Alternatives Program for Disabled Adults (CAP/DA) waiver to allow the use of these new overnight respite facilities.

The overnight respite pilot authorized by S.L. 2011-104, and amended by S.L. 2015-52, is repealed on the earlier of June 30, 2017, or the date the overnight respite licensure process is fully operational.

This section became effective July 1, 2015, and directs DHHS to report to the Revisor of Statutes the date on which overnight respite licensure is implemented and fully operational.

### **H97 - 2015 Appropriations Act, Sec. 12A.15: Health Care Cost Reduction and Transparency Act Revisions (SL 2015-241)**

Sec. 12A.15 of S.L. 2015-241 amends the law (G.S. 131E-214.13) pertaining to the Health Care Cost Reduction and Transparency Act of 2013 as follows:

- Changes the reporting frequency from quarterly to annually, and delays reporting until September 30, 2015, for each hospital to report to the Department of Health and Human Services (DHHS) on the 100 most frequently reported admissions by diagnostic related group (DRG) for inpatients.
- Changes the reporting frequency from quarterly to annually, and delays reporting until September 30, 2015, for each hospital and ambulatory surgical facility to report to DHHS the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures by volume, performed in hospital outpatient settings or in ambulatory surgical facilities.

- Delays from January 1, 2015, to March 1, 2016, the date that the Medical Care Commission must adopt rules and requires the Commission to adopt rules to establish and define no fewer than 10 measures for licensed hospital and licensed ambulatory surgical facilities.

This section also amends the law (G.S. 131E-214.14) on disclosure of charity care policy and costs to specify that DHHS must post, in one location and in a manner that is searchable on the DHHS internet Web site, all of the information submitted pertaining to a hospital's or ambulatory surgical facility's financial assistance policy and annual financial assistance costs.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12C.10: Require Transfer of Certain Services to Eastern Band of Cherokee Indians (SL 2015-241)**

Sec. 12C.10 of S.L. 2015-241, as amended by Sec. 4.2 of S.L. 2015-268, transfers responsibility for the provision of certain services to the Eastern Band of Cherokee Indians (EBCI). The changes in this section include:

- Amends the law regarding the assumption of programs by a federally recognized tribe and the relief of a county's legal responsibility related to the tribe's assumption of those services. The new language provides that the State and the tribe will execute an agreement providing the general terms, definitions, and conditions by which the parties must operate for administration of any aspects of the NC Medicaid program, NC Health Choice, and the Supplemental Nutrition Assistance Program (SNAP). In addition to necessary terms and conditions, the agreement must include five specified conditions.
- Amends the law to provide that when the EBCI assumes responsibility for a program nonfederal matching funds and State funds for State programs will be allocated to the EBCI and will not exceed the amount expended by the State for fiscal year 2014-2015 for programs or services plus the growth rate equal to the growth in State-funded nonfederal share for all counties. The EBCI is not prohibited by this section from providing further nonfederal matching funds to maximize their receipt of federal funds.
- Provides that approval for the EBCI to administer the eligibility process for Medicaid and NC Health Choice is contingent upon federal approval of State Plan amendments and Medicaid waivers by the Centers for Medicare & Medicaid Services (CMS). The State Plan amendments and Medicaid waivers submitted must have an effective date of October 1, 2016. Within 30 days of CMS approval of the State Plan amendments and Medicaid waivers, the Department of Health and Human Services (DHHS) must submit an Advanced Planning Document Update (APDU) to CMS, the United States Department of Agriculture (USDA), and the Administration of Children and Families (ACF). If CMS, USDA, and ACF do not approve the APDU, the counties will continue serving individuals living on the federal lands.
- Requires Jackson County and Swain County Departments' of Social Services to provide NC Medicaid, NC Health Choice, and SNAP eligibility workers on-site at Qualla Boundary five days a week (unless amended by agreement) until the transfer of eligibility determination responsibilities is complete.
- Directs DHHS to begin design, development, testing, and training of NC FAST, NCTracks, and legacy systems to allow the EBCI to assume certain administrative duties consistent with approval by federal funding partners.
- Directs DHHS, in collaboration with the EBCI, to draft a project plan to meet the October 1, 2016, effective date and report to the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight Committee) by January 1, 2016.



- Requires DHHS to report quarterly on the implementation of this section to the HHS Oversight Committee beginning October 1, 2015, and continue until implementation is complete.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec.12E.3(d): Report on Community-Focused Eliminating Health Disparities Initiative (CFEHDI) (SL 2015-241)**

Sec. 12E.3(d) of S.L. 2015-241 requires the Department of Health and Human Services to submit a report on the Community-Focused Eliminating Health Disparities Initiative (CFEHDI) to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2017. The report must include specific activities undertaken by grantees to address large gaps in health status among North Carolinians who are African-American and other minority populations. The report must include the following:

- The entities that received CFEHDI grants-in-aid.
- The amount of funding awarded to each grantee.
- The minority populations served by each grantee.
- Which entities were involved in fulfilling the goals and activities of each grant-in-aid awarded and what activities were planned and implemented to fulfill the community focus of the CFEHDI program.
- How activities implemented by the grantee fulfilled the goal of reducing health disparities and the specific success in reducing particular incidences.

Infant mortality and low birth weight were added as chronic illnesses or conditions under the CFEHDI in Section 12F.3. Other illnesses and conditions under the CFEHDI are as follows: heart disease, stroke, diabetes, obesity, asthma, HIV/AIDS, and cancer.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12F.12 LME/MCO Use of Funds to Purchase Inpatient Alcohol and Substance Abuse Treatment Services - Report (SL 2015-241)**

Sec. 12F.12 of S.L. 2015-241 establishes the intent of the General Assembly to terminate all direct State appropriations for State-operated alcohol and drug abuse treatment centers (ADATCs) beginning with the 2015-2016 fiscal year and to appropriate funds to the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This change allows local management entities/managed care organizations (LME/MCOs) to assume responsibility for publicly funded substance abuse services, including inpatient services through the ADATCs. The section specifies the use of funds appropriated to the DHHS for the 2015-2016 fiscal year, the 2016-2017 fiscal year, and beyond.

DHHS must develop and report on a plan to allow the ADATCs to remain 100% receipt supported. The report must include an evaluation of (i) other community-based and residential services that could be provided by the ADATCs and (ii) potential funding sources. The report must be provided to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2016.

This section became effective October 1, 2015. On October 1, 2015, all direct State appropriations for ADATCs were terminated and the ADATCs are 100% receipt-supported.

### **H97 - 2015 Appropriations Act, Sec. 12F.14: Report on Multiplicative Auditing and Monitoring of Certain Service Providers (SL 2015-241)**

Sec. 12F.14 of S.L. 2015-241 requires the Department of Health and Human Services to report by December 1, 2015, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of multiplicative auditing and monitoring of specified provider agencies. The report must include all provider agencies under the Division of Mental Health, Developmental Disabilities and Substance Abuse Services that have been nationally accredited through a recognized national accrediting body and must include the following: (i) all group home facilities licensed under statute, (ii) a complete list of all auditing and monitoring activities to which the services providers are subject, and (iii) recommendations on the removal of all unnecessary regulatory duplication to enhance efficiency.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12G.2: Moratorium on Special Care Unit Licenses (SL 2015-241)**

Sec. 12G.2 of S.L. 2015-241 amends Sec. 12G.1(a) of S.L. 2013-360, as amended by Sec. 12G.5 of S.L. 2014-100, to extend the moratorium on special care unit licenses to June 30, 2017. The section prohibits the Department of Health and Human Services (DHHS), Division of Health Service Regulation, from issuing licenses for special care units except in specified situations.

The section also requires the DHHS to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2016. The report must contain the following:

- The number of licensed special care units in the State.
- The capacity of the currently licensed special care units to serve people in need of their services.
- The anticipated growth in the number of people needing special care unit services.
- The number of applications received from special care units seeking licensure as permitted by this section, and the number of applications that were not approved.

The section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12A.5: Funds for Oversight and Administration of Statewide Health Information Exchange Network (SL 2015-241)**

Section 12A.5 of S.L. 2015-241, as amended by Sec. 86.5 of S.L. 2015-246, creates a mechanism by which the State can establish and connect to a successor Health Information Exchange (HIE) Network for all Medicaid providers and all other entities that receive State funds for the provision of health services by

June 1, 2018. In addition, this section establishes the North Carolina HIE Authority (Authority) to oversee and administer the successor HIE Network.

To accomplish these objectives, the State Chief Information Officer (CIO) must enter into a memorandum of understanding with the Secretary of the Department of Health and Human Services (DHHS) that provides the CIO with the sole authority over the HIE until both the Authority and Advisory Board to the Authority are established. Existing HIE contracts must be terminated or assigned to the Authority by February 29, 2016.

Effective October 1, 2015, this section creates a new Article 29B, (Statewide Health Information Exchange Act) in Chapter 90 of the General Statutes intended to improve the quality of health care delivery in the State by facilitating and regulating the use of a voluntary, statewide HIE network for the secure electronic transmission of individually identifiable health information among health care providers, health plans, and health care clearinghouses that is consistent with HIPAA. Despite the voluntary nature of the network, the Article requires: (i) each hospital that has an electronic health record system; (ii) each Medicaid provider; (iii) each provider that receives State funds for the provision of health services; (iv) and each local management entity/managed care organization (LME/MCO) to submit, at least twice daily by way of the HIE Network, demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care programs.

The Article articulates conditions by which State agencies and the Legislature may gain access to HIE Network data, provides that any data pertaining to services rendered to beneficiaries under the HIE Network is and remains the sole property of the State and must not allow data to be disclosed for commercial purposes or for any other purposes not otherwise provided under the provision.

This section also creates the North Carolina HIE Authority (Authority), located within the Department of Information Technology and under the direction and control of the State CIO, with broad powers and duties to oversee and administer the HIE Network. The Authority is directed to consult with the North Carolina HIE Advisory Board (Advisory Board) to set guiding principles for the development, implementation, and operation of the HIE Network. The Authority is empowered to establish fees for participation in the HIE Network.

The 11-member Advisory Board is located within the Department of Information Technology, and is tasked with providing consultation to the Authority with respect to the advancement, administration, and operation of the HIE Network and on matters pertaining to health information technology and exchange.

Covered entities (as that term is defined in the Code of Federal Regulations) that participate in the HIE Network must enter into a HIPAA compliant agreement and a written participation agreement with the Authority prior to submitting data to the HIE Network. Participating covered entities may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose provided by HIPAA, unless the individual has exercised the right to opt out, which is available to the individual on a continuing basis. Covered entities that are required to submit demographic and clinical information through the successor HIE Network must not submit such information through the successor HIE Network until the Authority establishes a date for covered entities to begin submitting the information through the HIE Network or other secure electronic means.

This section establishes penalties, actions, and remedies for covered entities that disclose protected information in violation of the Article.

Also effective October 1, 2015, this section provides that, with the exception of the laws governing equal employment and compensation opportunity and privacy of State employee personnel records, the State Human Resources Act does not apply to employees of the NC HIE Authority.

Effective on the date the State CIO notifies the Revisor of Statutes that all contracts pertaining to the prior HIE Network between the State and between any third parties have been terminated or assigned to the successor HIE Network created pursuant to this section, the HIE Network established in 2011, is repealed.

Except as otherwise provided, the remainder of this section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Secs. 12A.10 and 12A.16: Rural Health Loan Repayment Programs and Renaming of Office of Rural Health and Community Care (SL 2015-241)**

Sec. 12A.16 of S.L. 2015-241 renames the Office of Rural Health and Community Care, within the Division of Central Management and Support of the Department of Health and Human Services to the Office of Rural Health. Sec. 12A.10 of S.L. 2015-241 authorizes the Office of Rural Health to use funds appropriated in the act for loan repayment to medical, dental, and psychiatric providers practicing in State hospitals or in a rural or medically underserved community to combine with the Physician or Psychiatric Loan Repayment Programs or the Loan Repayment Initiative at State Facilities in order to achieve efficient and effective management of these programs.

These sections became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12A.12: Funds for Community Paramedicine Pilot Program (SL 2015-241)**

Sec. 12A.12 of S.L. 2015-241 directs the Division of Central Management and Support of the Department of Health and Human Services (DHHS) to implement a community paramedicine pilot program that focuses on providing care that avoids (i) nonemergency use of emergency rooms and 911 services and (ii) unnecessary admissions to health care facilities. The North Carolina Office of Emergency Medical Services must set the standards and eligibility requirements for community paramedic programs to participate in the pilot. DHHS will establish up to three program sites to implement the community paramedicine pilot program, one of which is the New Hanover Regional Emergency Medical Services. DHHS must submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12B.2: Child Care Subsidy Rates (SL 2015-241)**

Section 12B.2 of S.L. 2015-241 does all of the following:

- Sets requirements for payments for the purchase of child care services for low-income children and directs the Department of Health and Human Services (DHHS) to make any necessary rule changes to restructure services.
- Provides for payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care.

- Directs the Division of Child Development and Early Education in DHHS to calculate a market rate for child care centers and homes at each rated license level for each county and each age group as well as calculate a statewide rate and regional market rate for each rated license level for each age category.
- Directs the Division to continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only.
- Provides that licensed child care facilities and religious-sponsored child care facilities may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families and that child care facilities must meet any additional applicable requirements of federal law or regulations.
- Provides that noncitizen families who reside in this State legally must be eligible for child care subsidies if all other conditions of eligibility are met and is one of the following: (i) the child is receiving child protective services or foster care services; (ii) the child is developmentally delayed or at risk of being developmentally delayed; or (iii) the child is a citizen of the United States.
- Directs the Division to require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12B.7: Early Childhood Education and Development Initiatives Enhancements (SL 2015-241)**

Sec. 12B.7 of S.L. 2015-241 directs the North Carolina Partnership for Children, Inc. (Partnership), and its Board to ensure policies focus on the Partnership's mission of improving child care for children from birth to five years old. The Partnership's activities must include assisting child care facilities with (i) improving quality, including increasing star ratings of facilities and (ii) implementing prekindergarten programs. This section authorizes State funding for local partnerships that use evidence-based or evidence-informed programs that increase children's literacy, the parent's ability to raise healthy successful children, improve children's health, and assist 4- and 5-star rated facilities in improving and maintaining quality.

This section limits administrative costs for all local partnerships to an average of 8% of the total statewide allocation and the Partnership must continue to use a single statewide contract management system that incorporates the features of the standard fiscal accountability plan articulated by statute. In addition, this section prescribes the conditions and criteria for the salary schedule and the amount of State funds that the Partnership may use for the salaries of the Executive Director and the directors of the local partnerships. Nothing prohibits a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the schedule.

The Partnership and all local partnerships, in the aggregate, must match 100% of the total amount budgeted for the program in each fiscal year of the 2015-2017 biennium. Failure to match certain amounts will result in a dollar-for-dollar reduction in the appropriation in the subsequent fiscal year. The Partnership must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the private and in-kind contributions.

This section requires the Partnership and all local partnerships to use certain competitive bidding practices in contracting goods and services and provides that the Partnership may not reduce the allocation with less than 35,000 in population below the 2012-2013 funding level.

Lastly, this section prohibits the Department of Health and Human Services' and the Partnership's use of allocated funds for Early Childhood Education and Development Initiatives for the 2015-2017 fiscal biennium for certain capital improvement expenditures and funding advertising and promotional activities.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.8: Community Paramedic Mobile Crisis Management Pilot Program (SL 2015-241)**

Sec. 12F.8 of S.L. 2015-241 directs the Department of Health and Human Services (DHHS) to develop an evaluation plan for the Department's community paramedic mobile crisis management pilot program based on a U.S. Department of Health and Human Services evaluation tool. By November 1, 2016, DHHS must submit its final report to the Joint Legislative Oversight Committee on Health and Human Services that includes: (i) an updated version of the evaluation plan; (ii) an estimate of the cost to expand the program incrementally; (iii) an estimate of any potential savings of State funds associated with expansion of the program; and (iv) if expansion of the program is recommended, a timeline for expanding the program.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.5: Reimbursement for Immunizing Pharmacist Services (SL 2015-241)**

Sec. 12H.5 of S.L. 2015-241 provides that, effective January 1, 2016, the Division of Medical Assistance in the Department of Health and Human Services must provide Medicaid and NC Health Choice reimbursement for the administration of covered vaccinations or immunizations provided by immunizing pharmacists in accordance with the laws pertaining to such pharmacists. In addition, this section provides that any State Plan amendments required to implement this provision are not subject to the 90-day prior submission requirement under the law governing amendments to Medicaid State Plan and Medicaid waivers, but instead must be submitted by January 1, 2016.

Except as otherwise provided, this section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.6: Traumatic Brain Injury Medicaid Waiver (SL 2015-241)**

Sec. 12H.6 of S.L. 2015-241 directs the Divisions of Medical Assistance and Mental Health, Developmental Disabilities, and Substance Abuse Services within the Department of Health and Human Services (DHHS) to submit a request to the Centers for Medicare and Medicaid Services for approval of

the 1915(c) waiver for individuals with traumatic brain injury (TBI) that DHHS designed and which the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight) recommended in its 2014 report to the General Assembly. DHHS must report to HHS Oversight on the status of the Medicaid TBI waiver request and the plan for implementation on both December 1, 2015, and March 1, 2016. The reports must include: (i) the number of individuals served under the waiver and the total number of individuals expected to be served; (ii) the expenditures to date and a forecast of future expenditures; and (iii) any recommendations regarding expansion of the waiver. This section provides that the waiver and State Plan amendments required to implement this waiver are not subject to the 90-day prior submission requirement under the law governing amendments to Medicaid State Plan and Medicaid waivers.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.9: Administrative Hearings Funding (SL 2015-241)**

Sec. 12H.9 of S.L. 2015-241 directs the transfer of \$2 million over the next two fiscal years from the Division of Medical Assistance in the Department of Health and Human Services (DHHS) to the Office of Administrative Hearings (OAH). This money must be allocated by OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. OAH must continue the Memorandum of Agreement with DHHS for provision of these services and the MOA will facilitate DHHS's ability to draw down federal Medicaid funds to support this administrative function.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12A.3: Creation of Office of Program Evaluation Reporting and Accountability Within the Department of Health and Human Services (SL 2015-241)**

Sec. 12A.3 of S.L. 2015-241 creates the Office of Program Evaluation Reporting and Accountability (OPERA) within the Department of Health and Human Services (DHHS) to review DHHS programs by: (i) accessing any data or record maintained by DHHS and to assure its confidentiality when required by State or federal law; (ii) interviewing any DHHS employee or independent contractor without others present; and (iii) conducting announced or unannounced inspections of departmental-owned or departmental-leased facilities.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12C.6: Successful Transition/Foster Care Youth (SL 2015-241)**

Sec. 12C.6 of S.L. 2015-241 creates the Foster Care Transitional Living Initiative Fund (Fund) to support a demonstration project provided by Youth Villages to:

- Improve outcomes for youth ages 17 to 21 years who transition from foster care through implementation of outcome-based Transitional Living Services.
- Identify cost savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care.
- Take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care.

In addition this section sets out strategies that the Fund must support concerning transitional living services, public-private partnership, impact measurement and evaluation, and advancement of the evidence-based process.

Lastly, this section amends membership of the Permanency Innovation Initiative Oversight Committee (Committee) to increase the membership of the Committee by one to include a member who represents Youth Villages who is appointed by the Governor. This section also expands the Committee's duties to include activities related to foster care youth transitioning to adulthood.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12C.8: Child Protective Services Improvement Initiative/Revise Statewide Evaluation Report Date (SL 2015-241)**

Sec. 12C.8 of S.L. 2015-241 requires the Department of Health and Human Services, Division of Social Services to report on the comprehensive, statewide evaluation of the State's child protective services system to the Legislative Oversight Committee on Health and Human Services on or before March 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12C.9: Fostering Success/Extend Foster Care to 21 Years of Age (SL 2015-241)**

Sec. 12C.9 of S.L. 2015-241 does all of the following:

- Extends foster care benefits to a person until the age of 21 who meets one of the following requirements: (i) is completing high school or a GED, (ii) is enrolled in a college or vocational program, (iii) is participating in an employment program, (iv) is employed for at least 80 hours per month, or (v) is unable to complete one of the above requirements due to a medical condition or disability. This provision becomes effective January 1, 2017, and applies to agreements entered into on or after that date.
- Provides that an individual over age 18 receiving benefits may be approved to reside in a college dormitory or other semi-supervised housing. This provision becomes effective January 1, 2017, and applies to agreements entered into on or after that date.
- Effective January 1, 2017, extends adoption assistance benefits to age 21 for juveniles adopted after age 16 but prior to age 18 as required by federal law and authorizes the Social Services Commission to adopt rules to implement the increase in benefits to age 21.
- Effective January 1, 2017, amends the juvenile code statutes to create a review of voluntary foster care placements with young adults.



- Requires the Department of Health and Human Services (DHHS) to develop a plan for the expansion of foster care benefits to age 21 and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2016, on plan development and again by March 1, 2017, on plan implementation. DHHS must submit a State plan amendment no later than 30 days after implementation to the U.S. Department of Health and Human Services Administration for Children and Families.

Except as otherwise provided, this section became effective September 18, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12C.11: Child Protective Services Pilot Project (SL 2015-241)**

Sec. 12C.11 of S.L. 2015-241 authorizes the Department of Health and Human Services, Division of Social Services (DSS), to continue the implementation of the Child Protective Services Pilot Project by collaborating with the Government Data Analytics Center (GDAC) to enhance the project. In order to analyze risk and improve outcomes for children, this section also requires that DSS interface the work product from the pilot project with the statewide child welfare case management system by utilizing resources available through existing public-private partnerships within GDAC. Lastly, DSS must submit a final report on the pilot project to the Legislative Oversight Committee on Health and Human Services no later than March 1, 2016.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12A.4: Health Information Technology (SL 2015-241)**

Sec. 12A.4 of S.L. 2015-241 directs the Department of Health and Human Services (DHHS) and the State Chief Information Officer (State CIO) to coordinate health information technology (HIT) in order to avoid duplication of efforts and in support of State and national goals. DHHS, in cooperation with the Department of Information Technology, must establish and direct a HIT management structure. DHHS must provide a comprehensive report on the status of HIT efforts to the Joint Legislative Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division no later than January 15, 2016.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12A.13: Study Design and Implementation of Contracting Specialist and Certification Program (SL 2015-241)**

Sec. 12A.13 of S.L. 2015-241 directs the Joint Legislative Oversight Committee on Health and Human Services to study and make recommendations about a contracting specialist training and certification program for management level personnel within the Department of Health and Human Services.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12E.11: Improve Maternal and Child Health/Establish Competitive Grants Process (SL 2015-241)**

Sec. 12E.11 of S.L. 2015-241 designates the Department of Health and Human Services, Division of Public Health as the lead agency to:

- Assume responsibility for controlling all funding and contracts designed to (i) improve North Carolina's birth outcomes, (ii) improve the overall health status of children in this State from ages birth to five, and (iii) lower this State's infant mortality rates.
- Develop a comprehensive plan in consultation with the University of North Carolina Gillings School of Global Public Health.
- Conduct a continuation review of all maternal and child health-related programs in consultation with the Department of Health and Human Services, Office of Program Evaluation Reporting and Accountability (OPERA).
- Establish a competitive grants process for local health departments based on the county's proposal to invest in evidence-based programs and on maternal and infant health indicators.
- Evaluate the protocol for future program funding in consultation with the School of Global Public Health.
- Submit a report on the competitive grants process, in consultation with the School of Global Public Health, to the Joint Legislative Oversight Committee on Health and Human Services no later than April 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12A.8: Competitive Grants/Nonprofit Organizations (SL 2015-241)**

Sec. 12A.8 of S.L. 2015-241 requires the Department of Health and Human Services (DHHS), Division of Central Management and Support to use certain Social Services Block Grant funds to allocate funds for nonprofit organizations. In addition, this section directs the Secretary of DHHS to announce the recipients of the competitive grant awards no later than July 1 of each year and submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards. No later than December 1 of each year each nonprofit must submit to the Division of Central Management and Support a written report of all activities funded by State appropriations.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12A.6(b): Status Report on Implementation of ICD-10 (SL 2015-241)**

Section 12A.6(b) of S.L. 2015-241 requires the Department of Health and Human Services (Department) to submit a monthly report beginning on November 15, 2015, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the implementation of the International Statistical Classification of Diseases and Related Health Problems

10th Revision (ICD-10). The Department must continue to submit the report by the 15th of each month until three consecutive months have passed in which the Department did not issue any hardship advances and until the new Department of Information Technology can assume this function. Thereafter, the Department of Information Technology must submit this report upon the request of the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12A.17: Funds for Development of Health Analytics Pilot Program (SL 2015-241)**

Sec. 12A.17 of S.L. 2015-241 appropriates funds for the 2015-2016 fiscal year and the 2016-2017 fiscal year to the Department of Health and Human Services, Division of Central Management and Support, for the development and implementation of a pilot program for Medicaid claims analytics and population health management. The Department must coordinate with the Government Data Analytics Center (GDAC) to develop the pilot program and to provide access to data sources for the program.

By November 30, 2015, the Department must execute all contracts and interagency data-sharing agreements necessary for the development and implementation of the pilot program. By January 15, 2016, the Department and GDAC must provide a progress report to the General Assembly and must make a final report to the General Assembly on their findings and recommendations on the pilot program by May 31, 2016.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12F.16(l): Medicaid Lock-In Program (SL 2015-241)**

Sec. 12F.16(l) of S.L. 2015-241, as amended by Sec. 4.4 of S.L. 2015-268, requires the Division of Medical Assistance (DMA) of the Department of Health and Human Services to take various steps to improve the effectiveness and efficiency of the Medicaid lock-in program. DMA must establish written procedures for operation of the program and the sharing of bulk data, extend the lock-in duration to two years and revise program eligibility criteria to align the program with the statewide strategic goals for preventing prescription drug abuse, develop a Web site and communication materials, and increase program capacity. DMA must also conduct an audit of the program by January 1, 2016, and must submit a progress report to the Joint Legislative Program Evaluation Oversight Committee by September 30, 2016.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.4: Provider Application and Recredentialing Fee (SL 2015-241)**

Sec. 12H.4 of S.L. 2015-241, as amended by Sec. 87.5 of S.L. 2015-264, requires the Department of Health and Human Services, Division of Medical Assistance to charge a \$100 application fee, in addition

to the federally required amount, to each provider enrolling in the Medicaid Program for the first time. The fee is to be charged to all providers at recredentialing every five years.

This section is effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.6A: Study Medicaid Coverage for Visual Aids (SL 2015-241)**

Sec. 12H.6A of S.L. 2015-241 requires the Department of Health and Human Services, Division of Medical Assistance, in consultation with the Department of Public Safety, to submit a report to the General Assembly by March 1, 2016, analyzing the fiscal impact to the State of reinstating Medicaid coverage for visual aids under a contract with the Department of Public Safety for fabrication of the eyeglasses at Nash Optical Plant Optical Laboratory.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.14: Miscellaneous Health Choice Provisions (SL 2015-241)**

Sec. 12H.14 of S.L. 2015-241 makes the following changes to the NC Health Choice for Children program:

- Repeals the statute which allows an enrollee in the program who loses eligibility due to an increase in family income above 200% of the federal poverty level and up to and including 225% of the federal poverty level to purchase at full premium cost continued coverage under the program for up to one year.
- Repeals the statute which provides that no State or federal funds can be used to cover or offset the cost of purchased continued coverage.
- Amends the statutes to provide that enrollees in the program may now be subject to a lifetime maximum benefit limit set forth in Medicaid and NC Health Choice medical coverage policies under the procedures for changing a medical policy set forth in statute.
- Provides that any State plan amendments required to implement this section are not subject to the 90-day prior submission requirements under current law.

This section became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.17: Reinstate Cost Settlement Pursuant to 1993 State Agreement (SL 2015-241)**

Sec. 12H.17 of S.L. 2015-241, as amended by Sec. 4.7 of S.L. 2015-268, provides that effective October 1, 2015, the cost settlement for outpatient Medicaid services performed by Vidant Medical Center, previously known as Pitt County Memorial Hospital, must be at 100% of allowable costs, and any State Plan amendments required to implement this section are not subject to the 90-day prior submission requirement under current law.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.20: Medicaid Dental Service Cost Settlement (SL 2015-241)**

Sec. 12H.20 of S.L. 2015-241 requires the Department of Health and Human Services, Division of Medical Assistance, to submit a State Plan amendment request to the Centers for Medicare and Medicaid Services to ensure that all State-operated dental schools receive the same reimbursement for dental services provided to North Carolina Medicaid beneficiaries. The State Plan amendment required by this section is not subject to the 90-day submission requirement under current law.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.21: Mobile Dental Provider Enrollment (SL 2015-241)**

Sec. 12H.21 of S.L. 2015-241 provides that the Department of Health and Human Services, Division of Medicaid Assistance, must require that as a condition of enrollment or reenrollment mobile dental providers show proof of a contractual affiliation with a dental practice that is not mobile and use the National Provider Identifier of the nonmobile dental practice for filing claims.

This section became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.22: Increase Rates for Private Duty Nursing (SL 2015-241)**

Sec. 12H.22 of S.L. 2015-241 requires the Department of Health and Human Services, Division of Medical Assistance, to increase the rate paid for private duty nursing services by 10%, effective January 1, 2016. Any State Plan amendments required to implement this section are not subject to the 90-day prior submission requirement under current law but must be submitted by January 1, 2016.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 12H.19: Drug Reimbursement Using Average Acquisition Cost (SL 2015-241)**

Sec. 12H.19 of S.L. 2015-241 delays the effective date that the Medicaid program must utilize the average acquisition cost methodology for drug reimbursement. The effective date is delayed from January 1, 2015, to January 1, 2016.

This section also raises the average dispensing fee for drugs that are reimbursed using the average acquisition cost methodology to a weighted average fee of no more than \$12.40 per prescription and requires actual dispensing fees to be lower for generic and preferred drugs and higher for brand and nonpreferred drugs.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.23: Restricting Graduate Medical Payments (SL 2015-241)**

Sec. 12H.23 of S.L. 2015-241, as amended by Sec. 88 of S.L. 2015-264, discontinues Medicaid reimbursement for graduate medical education as an add-on to claims payments for Medicaid inpatient hospital services in order to establish a single statewide base rate for those services.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.28: Medicaid Contingency Reserve (SL 2015-241)**

Sec. 12H.28 of S.L. 2015-241 directs that funds reserved in the Medicaid Contingency Reserve in the 2014 budget must be used only in the event of a Medicaid budget shortfall during the 2015-2016 fiscal year. This section states the General Assembly's intent to appropriate the funds only if the Director of the State Budget has (i) identified a Medicaid budget shortfall after the State Controller has verified that receipts are being used appropriately and (ii) submitted a report to the Fiscal Research Division containing the amount of the shortfall and an analysis.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.29: Medicaid Transformation Fund (SL 2015-241)**

Sec. 12H.29 of S.L. 2015-241 establishes the Medicaid Transformation Fund as a special fund in the Office of State Budget and Management for the purpose of providing funds to convert the Medicaid payment system from a fee-for-service system to a capitated payment system.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12H.30: Amend Cost Settlement of Local Health Departments (SL 2015-241)**

Sec. 12H.30 of S.L. 2015-241, as amended by Sec. 89 of S.L. 2015-264, requires the Department of Health and Human Services, Division of Medical Assistance, to submit a Medicaid State Plan amendment request to the Centers for Medicare and Medicaid Services to amend the annual cost settlement

methodology for local health departments to maximize identification of allowable Medicaid costs and to assure that North Carolina is receiving the maximum federal reimbursement for local health departments' treatment of Medicaid-eligible patients consistent with Medicare reimbursement principles.

This section became effective October 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.2: Single Stream Funding for MH/DD/SAS Community Services (SL 2015-241)**

Sec. 12F.2 of S.L. 2015-241, as amended by Sec. 4.8 of S.L. 2015-268, directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), to reduce its allocation for single stream funding in fiscal year 2015-2016 and fiscal year 2016-2017. This section directs DMH/DD/SAS to allocate this reduction among the local management entities/managed care organizations (LME/MCOs) based on the individual LME/MCO's percentage of the total cash on hand of all of the LME/MCOs in the State. This section requires each LME/MCO to provide at least the same level of services paid for by single stream funding during the 2014-2015 fiscal year during each year of the biennium.

In the event of a Medicaid budget surplus in either year of the biennium, then the amount of the surplus, not to exceed \$30 million in each year, may be used to offset these reductions.

This section also contains monthly reporting requirements and a requirement that the Department establish a maintenance of effort (MOE) spending requirement for all mental health and substance abuse services which must be maintained using non-federal, State appropriations on an annual basis in order to meet MOE requirements for federal block grant awards. LME/MCOs must ensure the MOE spending requirement is met using State appropriations.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.2: Medicaid Eligibility (SL 2015-241)**

Sec. 12H.2 of S.L. 2015-241 sets the eligibility categories and income thresholds for the Medicaid and NC Health Choice programs. The increases to the income thresholds compared to the previous budget do not reflect an expansion of eligibility for the programs but rather reflect a conversion of the prior income thresholds to account for the new Modified Adjusted Gross Income (MAGI) methodology for counting income implemented in 2014 as required by the Affordable Care Act.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.7: Assessments (SL 2015-241)**

Sec. 12H.7 of S.L. 2015-241 clarifies that assessments paid by hospitals under the Hospital Provider Assessment Act are not allowable costs for purposes of reimbursement through cost settlement, in accordance with existing language in the Medicaid State Plan.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12B.1: NC Pre-K Programs/Standards for Four- and Five-Star Rated Facilities (SL 2015-241)**

Sec. 12B.1 of S.L. 2015-241 directs the Department of Health and Human Services (DHHS) and the Division of Child Development and Early Education (DCDEE) to continue implementation of the NC Pre-K program to serve four year olds. The Division must establish income eligibility requirements not exceeding 75% of the State median income. Other eligibility requirements for participation include:

- Up to 20% of children enrolled in NC Pre-K may have family incomes above 75% of the State median income if those children have certain risk factors.
- Children of a military parent ordered to active duty within the last 18 months or will be on active duty within the following 18 months.
- Children of a parent in the United States Armed Forces or North Carolina National Guard (or reserves) injured or killed while on active duty.
- Children with developmental disabilities or chronic health issues, other health issues cannot be a factor in determining eligibility.

Eligibility determinations must be made through local education agencies and the North Carolina Partnership for Children, Inc. partnerships for participation in NC Pre-K. NC Pre-K committees must use the standard decision-making process developed by DCDEE to award classroom slots in the student selection process.

DCDEE must require the NC Pre-K contractor to issue a multi-year contract for licensed private childcare centers providing NC Pre-K classrooms. All NC Pre-K providers must follow standards and requirements prescribed by DCDEE. An annual report must be submitted no later than March 15 to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12B.8: Statewide Early Education and Family Support Programs (SL 2015-241)**

Section 12B.8 of S.L. 2015-241 directs the Joint Legislative Oversight Committee on Health and Human Services to appoint a subcommittee to study early childhood and family support programs including the: (i) Childcare Subsidy Program, (ii) NC Pre-K, and (iii) Smart Start. The subcommittee studying the program must consider the:

- Purposes, outcomes, and effectiveness of each program.
- Flexibility needed to meet the needs of children in counties across the State.
- Potential to streamline administration across programs.
- Other relevant issues the subcommittee may deem appropriate.

The subcommittee may seek input from other states, stakeholders, or experts on early childhood and family support programs. The subcommittee must develop a proposal on how to meet county and regional



needs and make a report on the proposed plan to the Joint Legislative Oversight Committee on Health and Human Services on or before April 1, 2016.

This section became effective July 1, 2015.

#### **H97 - 2015 Appropriations Act, Sec. 12B.9: U.S. Department of Defense-Certified Child Care Facilities Participation in State-Subsidized Child Care Program (SL 2015-241)**

Sec. 12B.9 of S.L. 2015-241 amends the law pertaining to Child Care Facilities to allow the U.S. Department of Defense certified child care facilities to participate in the State-subsidized child care program. Department of Defense certified child care facilities include: (i) developmental centers, (ii) family child care homes, and (iii) school-age child care facilities operated on a military installation by the U.S. Department of Defense certified by the Department of Defense.

Procedures regarding operating a State-subsidized Department of Defense-certified child care facility include:

- Filing a notice of intent to operate form with the Department of Defense.
- Submitting a report indicating that minimum child care standards for child care facilities have been met as provided by the Department of Defense.

Childcare facilities meeting all requirements of this provision are exempt from State licensure requirements. Child care facilities seeking State subsidies will be reimbursed as a five-star facility if they are accredited by the National Association for the Education of Young Children (NAEYC). All other Department of Defense-certified facilities will be reimbursed as a four-star rated facility. Allocated funds must supplement and not supplant federal or State funds allocated to Department of Defense-certified child care facilities.

This section becomes effective January 1, 2016.

#### **H97 - 2015 Appropriations Act, Sec. 12F.1(f): Department of Health and Human Services Reporting on Initiatives to Reduce State Psychiatric Hospital Use (SL 2015-241)**

Sec. 12F.1(f) of S.L. 2015-241 directs the Department of Health and Human Services (DHHS) to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2016, and December 1, 2017, on the following:

- A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated in the budget designated for this purpose; (ii) existing State appropriations; and (iii) local funds.
- Other DHHS initiatives funded by State appropriations to reduce State psychiatric hospital use.

This subsection became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.7: Dorthea Dix Hospital Property Fund and Plan for Use of Funds (SL 2015-241)**

Sec. 12F.7 of S.L. 2015-241 establishes a fund to receive the net proceeds of the sale of the Dorthea Dix Hospital property and requires the Department of Health and Human Services (DHHS) to submit a plan to use the funds to produce 150 new behavioral health inpatient beds and recommendations to increase the availability of community-based behavioral health treatment and services to the Joint Legislative Oversight Committee on Health and Human Services no later than April 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.10: Joint Study of Justice and Public Safety and Behavioral Health (SL 2015-241)**

Sec. 12F.10 of S.L. 2015-241 requires the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety to each appoint a subcommittee to study the intersection of Justice and Public Safety and behavioral health. The subcommittees must meet jointly to study and report on: (i) the impact of the Justice Reinvestment Act on the State's behavioral health system; (ii) the impact of mental illness and substance abuse on county law enforcement agencies; (iii) the impact of judicial decisions on the State's behavioral health and social services system; and (iv) any other issues the subcommittees jointly deem appropriate. Each subcommittee must submit a report of its findings and recommendations to its respective committee.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(a): Statewide Opioid Prescribing Guidelines (SL 2015-241)**

Sec. 12F.16.(a) of S.L. 2015-241 directs the following State health officials and health care provider licensing boards to adopt, by July 1, 2016, the North Carolina Medical Board's Policy for the Use of Opiates for the Treatment of Pain:

- The Director of the Division of Public Health of the Department of Health and Human Services (DHHS).
- The Director of the Division of Medical Assistance, DHHS.
- The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, DHHS.
- The directors of medical, dental, and mental health services within the Department of Public Safety.
- North Carolina State Board of Dental Examiners.
- North Carolina Board of Nursing.
- North Carolina Board of Podiatry Examiners.

This section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(b)-(c): Requiring Continuing Education on Abuse of Controlled Substances for Health Care Providers Who Prescribe Controlled Substances (SL 2015-241)**

Secs. 12F.16.(b) and (c) of S.L. 2015-241 direct the following health care provider occupational licensing boards to require continuing education on the abuse of controlled substances as a condition of license renewal:

- North Carolina Board of Dental Examiners.
- North Carolina Board of Nursing.
- North Carolina Board of Podiatry Examiners.
- North Carolina Medical Board.

In establishing the continuing education standards, these boards must require that at least one hour of the total required continuing education hours consists of a course designed specifically to address prescribing practices that includes instruction on controlled substance prescribing and prescribing for chronic pain management.

These sections became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(d)-(e): Improve Controlled Substances Reporting System Access and Utilization (SL 2015-241)**

Secs. 12F.16.(d) and (e) of S.L. 2015-241 amend the laws regarding confidentiality of information submitted to the Department of Health and Human Services' (DHHS) Controlled Substance Reporting System (CSRS) in order to allow for information within CSRS to be utilized to inform medical records or clinical care and allow DHHS to release data within CSRS to the federal Drug Enforcement Administration's Office of Diversion Control and the North Carolina Health Information Exchange Authority (NC HIE Authority). DHHS must adopt appropriate policies and procedures documenting and supporting this expanded access of the CSRS.

These sections became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(f)-(h): Improve Controlled Substances Reporting System Contract (SL 2015-241)**

Secs. 12F.16.(f) through (h) of S.L. 2015-241 direct the Department of Health and Human Services (DHHS) to modify the contract for the Controlled Substances Reporting System (CSRS) to improve performance, establish user access controls, establish data security protocols, and ensure availability of data for advanced analytics. Specifically, the contract must be modified to include the following:

- A connection to the HIE Network administered by the North Carolina Health Information Exchange Authority (NC HIE Authority) (effective upon the establishment of the HIE Network pursuant to 12A.5 of this act).

- The establishment of interstate connectivity.
- Data security protocols that meet or exceed the Federal Information Processing Standards (FIPS) established by the National Institute of Standards and Technology (NIST).

DHHS must complete the above contract modifications by December 31, 2015, and report by November 15, 2015, to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services on its progress towards modifying the contract. In furtherance of the directive to establish interstate connectivity of the CSRS, DHHS must apply for grant funding from the National Association of Boards of Pharmacy to establish an initial connection to PMP InterConnect, and additional monies for two years of ongoing service, maintenance, and support for PMP InterConnect.

These sections became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(j)-(k): Expand Monitoring Capacity of Controlled Substances Reporting System (SL 2015-241)**

Secs. 12F.16(j) and (k) of S.L. 2015-241 direct the North Carolina Controlled Substances Reporting System to expand its monitoring capacity by establishing data use agreements with the Prescription Behavior Surveillance System. The CSRS must establish a data use agreement with the Center of Excellence at Brandeis University by January 1, 2016.

Beginning September 1, 2016, and every two years thereafter, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services must report on its participation with the Prescription Behavior Surveillance System to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

These sections became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12F.16(m)-(r): Statewide Strategic Plan/Creation of Prescription Drug Abuse Advisory Committee (SL 2015-241)**

Secs. 12F.16(m) through (r) of S.L. 2015-241 create the Prescription Drug Abuse Advisory Committee (Committee), housed in and staffed by the Department of Health and Human Services (DHHS). The Committee is directed to develop and implement a statewide strategic plan to combat the problem of prescription drug abuse. In addition to any persons designated by the Secretary of Health and Human Services, the Committee must include representatives from the following:

- The Division of Medical Assistance, DHHS.
- The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, DHHS.
- The Division of Public Health, DHHS.
- The Rural Health Section of the Division of Public Health, DHHS.
- The State Bureau of Investigation.
- The Attorney General's Office.

- The following health care regulatory boards with oversight of prescribers and dispensers of prescription drugs: (i) North Carolina Board of Dental Examiners; (ii) North Carolina Board of Nursing; (iii) North Carolina Board of Podiatry Examiners; (iv) North Carolina Medical Board; and (v) North Carolina Board of Pharmacy.
- The UNC Injury Prevention Research Center.
- The substance abuse treatment community.
- Governor's Institute on Substance Abuse, Inc.
- The Department of Insurance's drug take-back program.

After the Committee develops the strategic plan, it becomes the State's steering committee to monitor achievement of strategic objectives and receive regular reports on progress made toward reducing prescription drug abuse in North Carolina.

In developing the strategic plan, the Committee must complete, at minimum, the following steps:

- Identify a mission and vision for North Carolina's system to reduce and prevent prescription drug abuse.
- Scan the internal and external environment for the system's strengths, weaknesses, opportunities, and challenges (a SWOC analysis).
- Compare threats and opportunities to the system's ability to meet challenges and seize opportunities (a GAP analysis).
- Identify strategic issues based on SWOC and GAP analyses.
- Formulate strategies and resources for addressing these issues.

The strategic plan for reducing prescription drug abuse must also include three to five strategic goals that are outcome-oriented and measurable. Each of these goals must be connected with objectives supported by the following five mechanisms of the system:

- Oversight and regulation of prescribers and dispensers by State health care regulatory boards.
- Operation of the Controlled Substances Reporting System (CSRS).
- Operation of the Medicaid lock-in program to review behavior of patients with high use of prescribed controlled substances.
- Enforcement of State laws for the misuse and diversion of controlled substances.
- Any other appropriate mechanism identified by the Committee.

In consultation with the Committee, DHHS must develop and implement a formalized performance management system that connects the goals and objectives identified in the statewide strategic plan to operations of the CSRS and Medicaid lock-in program, law enforcement activities, and oversight of prescribers and dispensers. This performance management system must be designed to monitor progress toward achieving goals and objectives and must recommend actions to be taken when performance falls short.

Beginning on December 1, 2016, and annually thereafter, DHHS must submit a report on the performance of North Carolina's system for monitoring prescription drug abuse to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

These sections became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.3: Standardized LME/MCO Out-of-Network Agreements (SL 2015-241)**

Sec. 12H.3 of S.L. 2015-241 requires the Department of Health and Human Services (DHHS) to ensure that LME/MCOs utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement is to be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with State and federal laws and regulations and reduce administrative burden on the provider.

Beginning November 1, 2015, LME/MCOs are required to use the out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

- The services requested are medically necessary and cannot be provided by an in-network provider.
- The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.
- The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or other State or federal health care program.
- The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but is not required to enter into more than five such out-of-network agreements with a single hospital or health system in any 12-month period.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 12H.8: Requiring LME/MCOs to Make Intergovernmental Transfers (SL 2015-241)**

Sec. 12H.8 of S.L. 2015-241 requires the LME/MCOs to make intergovernmental transfers to the Department of Health and Human Services, Division of Medical Assistance, in an aggregate amount of \$17,236,985 in each year of the 2015-2017 fiscal biennium. The amount of the intergovernmental transfer that an individual LME/MCO is required to make in each fiscal year is \$17,236,985 multiplied by the individual LME/MCO's percentage of the total Medicaid cash on hand of all of the LME/MCOs in the State.

This section became effective July 1, 2015.

### **H158 - Jim Fulghum Teen Skin Cancer Prevention Act (SL 2015-21)**

S.L. 2015-21 prohibits persons under 18 years of age from using tanning equipment.

This act became effective May 21, 2015.

### **H195 - Allow Substitution of Biosimilars (SL 2015-27)**

S.L. 2015-27 amends the North Carolina Pharmacy Practice Act by doing the following:

- Provides definitions for biological and interchangeable products.
- Allows for the substitution of an interchangeable biological product for a prescribed drug product.
- Requires communication between a pharmacist and prescriber under certain circumstances when a biological product is dispensed.
- Requires the Board of Pharmacy to maintain a list of biological products determined by the FDA to be interchangeable with a specific biological product.
- Extends the liability protection a pharmacist currently has for substituting a generic drug product for a prescribed drug product to the substitution of an interchangeable drug product for a prescribed drug product.

This act became effective October 1, 2015. The provisions of the act that require communication between a pharmacist and prescriber when a biological product is dispensed expire on October 1, 2020.

### **H297 - End Marketing/Sale Unborn Children Body Parts (SL 2015-265)**

S.L. 2015-265 prohibits the sale of the remains of an unborn child resulting from an abortion, or of any aborted material. The act also prohibits the Department of Health and Human Services from allocating funds to support contracts with any abortion providers that provide family planning services, pregnancy prevention activities, or adolescent parenting programs under the Teen Pregnancy Prevention Initiatives.

This act became effective October 1, 2015, and the provisions prohibiting the sale of the remains of an unborn child apply to offenses committed on or after that date.

### **H308 - Clarify Reasonable Health Insurance/Long-Term Care Ombudsman (SL 2015-220)**

S.L. 2015-220 amends laws pertaining to medical support and health insurance coverage relating to child support in order to align State law and federal guidelines, and modifies the Long-Term Care Ombudsman Program to conform to federal requirements.

The provisions of this act pertaining to support and coverage relating to child support became effective August 18, 2015, and apply to orders issued or agreements entered into on or after that date. The remainder of this act becomes effective July 1, 2016.

### **H327 - Emergency Medical Service Personnel Technical Changes (SL 2015-290)**

S.L. 2015-290 makes technical and conforming changes to the statutes governing the regulation of emergency medical personnel services to reflect new national standards and directs the North Carolina Medical Care Commission to amend its applicable rules consistent with the changes in the law.

This act became effective October 29, 2015.

### **H341 - Controlled Substances/NBOMe and Other Drugs (SL 2015-162)**

S.L. 2015-162 adds a number of drugs to the list of controlled substances in Schedules I, II, and VI of the North Carolina Controlled Substances Act.

This act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **H372 - Medicaid Transformation and Reorganization (SL 2015-245)**

S.L. 2015-245 requires transformation of the Medicaid and Health Choice programs in the following ways:

- Requires transition of the current Medicaid and NC Health Choice service delivery system to capitated contracts with Prepaid Health Plans (PHPs).
- Creates a new Division of Health Benefits (DHB) within the Department of Health and Human Services (DHHS) to plan and implement transformation of the programs.
- Creates a new Joint Legislative Oversight Committee on Medicaid and NC Health Choice (Medicaid Oversight Committee) to oversee the programs and the transformation process and outlines specific dates for DHHS to report to the Committee.

Key components of the transition to capitated contracts with PHPs include the following:

- The entities eligible for a PHP contract are provider-led entities (PLEs) and commercial plans (CPs). Both PLEs and CPs must meet solvency criteria developed by the Department of Insurance to be eligible for a capitated PHP contract.
- PHPs will receive capitated per-member per-month payments to provide all covered services for their enrolled beneficiaries.
- Geographical coverage of PHPs will include statewide and regional plans. Statewide contracts will be awarded to 3 PHPs, and up to 10 regional contracts may be awarded to PLEs in 6 regions, which will be defined by the new Division of Health Benefits and will cover the entire State.
- Populations covered by the PHPs will include all Medicaid and Health Choice beneficiaries, except beneficiaries who are dually eligible for Medicare and Medicaid.
- Services covered by the PHPs will include all services, except for dental services, and except that local management entities/managed care organizations (LME/MCO) services will be provided through existing arrangements during the first 4 years of capitated PHP contracts. The primary care case management function provided by Community Care of North Carolina (CCNC) will transition to PHPs.
- The timeline for implementation requires that capitated payments under PHP contracts will begin 18 months after approval of the plan by the federal government, with submission of documents to the federal government required by June 1, 2016.

The new law pertaining to the appointment process and term of office for the Director of the Division of Health Benefits becomes effective January 1, 2021. The effective date of the new law requiring a cooling-off period for certain DHHS employees is November 1, 2015. The remainder of this act became effective September 23, 2015.



### **H437 - Create Permit Exemptions/Home Renal Products (SL 2015-28)**

S.L. 2015-28 amends the North Carolina Pharmacy Practice Act to create a pharmacy permit exemption for dispensing and delivery of dialysate or drugs necessary to perform home renal dialysis; to allow pharmacies to ship medications for home use by patients with renal failure to dialysis facilities; and to create an exemption from device and medical equipment permits for home renal products.

This act became effective October 1, 2015.

### **H538 - Water and Sewer Service Related Changes, Sec. 6: HVAC Condensate and Wastewater (SL 2015-207)**

Sec. 6 of S.L. 2015-207 amends the public health laws to require public or community wastewater systems to provide for the collection of liquid condensate from residential heating and cooling systems.

This section became effective August 11, 2015.

[The remaining sections of this act are summarized in the LOCAL GOVERNMENT subject area.]

### **H556 - Achieving a Better Life Experience Act (SL 2015-203)**

S.L. 2015-203 authorizes the establishment of the Achieving a Better Life Experience (ABLE) Trust Fund, administered by the ABLE Board of Trustees, to assist and encourage the contribution of private funds to accounts from which specified expenses may be paid for individuals with disabilities.

This act became effective August 11, 2015.

### **H652 - Right to Try Act for Terminally Ill Patients (SL 2015-137)**

S.L. 2015-137 establishes a process by which eligible patients who are terminally ill may obtain access to investigational drugs, biological products, and devices so long as various requirements are met.

This act became effective October 1, 2015.

### **H698 - Baby Carlie Nugent Bill (SL 2015-272)**

S.L. 2015-272 requires the Commission for Public Health to adopt rules to implement a screening test for severe combined immunodeficiency (SCID) and other T-Cell lymphopenias detectable as a result of SCID.

This act became effective October 19, 2015.

[Effective October 1, 2015, Sec. 12E.12 of S.L. 2015-241 increased from \$19 to \$24 the fee that is used to offset the cost of the Newborn Screening Program. The Joint Conference Committee Report reflects an appropriation for equipment and purchases related to the SCID testing.]

### **H712 - Pilot Project/Used Needle Disposal (SL 2015-284)**

S.L. 2015-284 requires the State Bureau of Investigation (SBI), in consultation and collaboration with the NC Harm Reduction Coalition, to establish and implement a used needle and hypodermic syringe disposal pilot program by December 1, 2015. Initially the pilot will operate in two counties, but the SBI may select up to four counties if the pilot is successful. The SBI is required to report to the chairs of the Joint Legislative Oversight Committees on Health and Human Services and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety regarding the status of the pilot.

The act also amends the law pertaining to possession of drug paraphernalia to provide that a person will not be charged for residual amounts of a controlled substance contained in a needle or sharp object if prior to searching a person, a person's premises, or a person's vehicle, the person has advised the officer of the needle or sharp object.

The section of the act pertaining to the pilot program became effective October 22, 2015. The section of the act pertaining to charges for residual amounts of a controlled substance became effective December 1, 2015.

### **H724 - Amend Composition of North Carolina Medical Board (SL 2015-213)**

S.L. 2015-213 revises the membership of the North Carolina Medical Board to provide that at least one physician assistant and at least one nurse practitioner must serve as members of the Board.

This act became effective August 11, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 3.8: Clarify That When A New Permit or Transitional Permit Is Issued, Any Previous Permit For That Same Establishment In That Location Becomes Void (SL 2015-286)**

Sec. 3.8 of S.L. 2015-286 amends the public health law on the regulation of food and lodging establishments. Existing law requires that when ownership of an establishment is transferred or the establishment is leased, the new owner or lessee must apply for a new permit and may apply for a transitional permit. The changes in this section provide that upon issuance of a new permit or a transitional permit for the same establishment, any previously issued permit for an establishment in that location becomes void. The section does not prohibit issuing more than one owner or lessee a permit for the same location if (i) more than one establishment is operated in the same physical location and (ii) each establishment satisfies all of the rules and requirements provided by law. A "transitional permit" is defined as a permit issued upon the transfer of ownership or lease of an existing food establishment to

allow the correction of construction and equipment problems that do not represent an immediate threat to the public health.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.14: On-Site Wastewater Amendments and Clarifications (SL 2015-286)**

Sec. 4.14 of S.L. 2015-286 amends the statutes governing on-site wastewater systems to:

- Provide for an "engineered option permit" by which a licensed professional engineer may prepare signed and sealed drawings, specifications, plans, and reports for the design, construction, operation, and maintenance of an on-site wastewater system without requiring the oversight or approval of a local health department, and make conforming changes. The engineered option permit may not be utilized until such time as rules adopted by the Commission for Public Health (Commission) become effective.
- Authorize licensed soil scientists and licensed professional geologists to evaluate soil conditions and site conditions for proposed on-site wastewater systems.
- Require permitted systems with a design flow of less than 1,500 gallons per day to be operated by a certified Subsurface Water Pollution Control System Operator and authorize the Commission to establish standards, in addition to the requirement for a certified Subsurface Water Pollution Control System Operator, for systems with a design flow of 1,500 gallons or more per day.
- Direct the Commission, in consultation with stakeholders, to study and report on minimum on-site wastewater system inspection frequency as established in the Administrative Code to evaluate the feasibility and desirability of eliminating duplicative inspections of on-site wastewater systems.
- Direct the Commission, in consultation with stakeholders, to study and report on the period of validity for improvement permits and authorizations for wastewater system construction and evaluate the costs and benefits of a range of periods of validity.
- Provide that any improvement permit or authorization for wastewater system construction that is in effect on October 22, 2015, which is scheduled to expire on or before July 1, 2016 will remain in effect until July 1, 2016.

This section became effective October 22, 2015. The Commission must adopt temporary rules for implementing the provisions that make statutory amendments by June 1, 2016, and adopt permanent rules for implementing the provisions that make statutory amendments by January 1, 2017.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.15: Amend Approval of On-Site Wastewater Systems (SL 2015-286)**

Sec. 4.15 of S.L. 2015-286 amends the statute pertaining to the approval of on-site wastewater systems technologies as follows:

- Renames "controlled demonstration system" as a "provisional wastewater system" and provides that a provisional system includes any system or component that is acceptable to the Department of Health and Human Services (DHHS) or has been approved by a nationally recognized certification body for at least one year.

- Repeals the law on "experimental systems."
- Amends the processes by which a wastewater system achieves either provisional or innovative wastewater system status.
- Repeals the law authorizing DHHS to form a technical advisory committee (I & E Committee) comprised of specialists who have training and expertise related to on-site subsurface wastewater systems to assist in evaluating applications for approval.
- Repeals the five-year warranty required for certain nitrification trenches for innovative or accepted wastewater systems handling untreated effluent.
- Makes conforming changes to the fee schedule for DHHS review or modification of wastewater systems.

This section also:

- Directs the Commission for Public Health (Commission) to review and amend rules to implement the changes described above.
- Directs the Commission to report, beginning January 1, 2016, and every quarter thereafter until all rules are adopted, on its progress in adopting and amending rules pursuant to the on-site wastewater provisions of this act to HHS Oversight and the Environmental Review Commission (ERC).
- Directs the Commission, in consultation with DHHS, local health departments, and industry stakeholders, to study the costs and benefits of requiring treatment standards above those that are established by nationally recognized standards, and report its findings and recommendations to HHS Oversight and the ERC on or before March 1, 2016.

This section became effective October 22, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 3.7: Status for Providers of MH/DD/SA Services Who Are Nationally Accredited (SL 2015-286)**

Sec. 3.7 of S.L. 2015-286 amends G.S. 122C-81 to allow the Secretary of the Department of Health and Human Services, in accordance with rules adopted by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, to exempt a provider that is nationally accredited and in good standing with the national accrediting agency from undergoing any routine monitoring that is duplicative of the oversight by the national accrediting agency.

This section became effective October 22, 2015.

### **H766 - Amend Cannabidiol (CBD) Oil Statute (SL 2015-154)**

S.L. 2015-154, as amended by Sec. 48.5 of S.L. 2015-264, does the following:

- Permits hemp extract to be used as an alternative treatment for intractable epilepsy without participation in a pilot study.
- Amends the limited exception to the North Carolina Controlled Substances Act for the use, possession, and administration of hemp extract.
- Amends and repeals certain provisions of the North Carolina Epilepsy Alternative Treatment Act including who qualifies as a "caregiver" and the registration requirements.

The exception to the North Carolina Controlled Substances Act became effective August 1, 2015, and applies to offenses committed on or after that date. The remainder of this act became effective July 16, 2015.

#### **H814 - The William C. Lindley, Jr. SUDEP Law (SL 2015-211)**

S.L. 2015-211 requires the Chief Medical Examiner to appoint two or more county medical examiners for each county; removes coroners from the list of those that may be appointed as medical examiners; requires county medical examiners to complete continuing education training, including sudden unexpected death in epilepsy (SUDEP) training; requires newly appointed county medical examiners to complete mandatory orientation training; and allows the Chief Medical Examiner to revoke a county medical examiner's appointment for failure to adequately perform the duties of the office.

This act becomes effective January 1, 2016.

#### **H823 - Establish Advisory Council on Rare Diseases (SL 2015-199)**

S.L. 2015-199 establishes the Advisory Council on Rare Diseases housed within the School of Medicine of the University of North Carolina at Chapel Hill. The Advisory Council is tasked with studying, advising, and reporting annually to the Governor, the Secretary of Health and Human Services, and the General Assembly on research, diagnosis, treatment, and education relating to rare diseases.

This act became effective August 1, 2015.

#### **S7 - Food Stand Seating and Outdoor Food Service (SL 2015-104)**

S.L. 2015-104 allows (i) effective October 1, 2015, a food stand to provide tables and seats for eight or fewer customers to use while eating or drinking on the premises and (ii) pushcarts or mobile food units to prepare and serve food on the premises provided they are based from a permitted commissary or restaurant that is located on the premises of a facility containing at least 3,000 permanent seats.

Except as otherwise provided, this act became effective June 24, 2015.

#### **S14 - Academic Standards/Rules Review/Coal Ash/Funds, Sec. 11: Health Information Exchange Amendments (SL 2015-7)**

Sec. 11 of S.L. 2015-7: (i) amends a provision in the Appropriations Act of 2014 that pertains to the allocation and use of funds for the North Carolina Health Information Exchange (HIE); (ii) directs the Department of Health and Human Services (DHHS) to process payments for allowable expenses that were encumbered before February 1, 2015, by July 1, 2015; (iii) allocates nonrecurring funds to the Division of Central Management and Support within DHHS for the NC HIE and to the Office of the State Chief Information Officer to conduct an assessment of the existing functionality, structure, and operation

of the HIE Network; (iv) directs DHHS to report to the General Assembly on all State funds used on or behalf of the HIE and on the HIE Network assessment by May 1, 2015, and June 1, 2015, respectively; and (v) states the intent of the General Assembly to continue efforts towards implementation of a statewide HIE.

This section became effective April 13, 2015.

#### **S14 - Academic Standards/Rules Review/Coal Ash/Funds, Sec. 11.5: Audit Administration of Medicaid Program (SL 2015-7)**

Sec. 11.5 of S.L. 2015-7 directs the State Auditor to conduct a performance audit of county departments of social services' administration of the North Carolina Medicaid program. The audit must include the examination of at least all of the following:

- The accuracy of Medicaid application eligibility determinations.
- The timeliness of Medicaid application determinations.
- The accuracy of Medicaid re-enrollment eligibility determinations.
- The timeliness of Medicaid re-enrollment eligibility determinations.
- The accuracy of presumptive Medicaid application determinations.
- The timeliness of presumptive Medicaid application determinations.
- The controls and oversight county departments of social services have in place to ensure accurate and timely processing of Medicaid applications and re-enrollment.

The State Auditor must submit a preliminary report to the Joint Legislative Oversight Committee on Health and Human Services and to the Fiscal Research Division by June 1, 2015, and complete the performance audit by February 1, 2016.

This section became effective April 13, 2015.

#### **S119 - GSC Technical Corrections 2015, Sec. 87: Eliminate Publication/Access North Carolina Travel Guide (SL 2015-264)**

Sec. 87 of S.L. 2015-264 repeals Sec 12F.17 of S.L. 2015-241 and amends the law on right of access to and use of public places by persons with disabilities (G.S. 168-2). Instead of repealing the entire statute, this section amends the statute to remove the requirement that the Department of Health and Human Services develop, print, and promote the publication ACCESS NORTH CAROLINA and the requirement that the Department of Commerce promote the publication and identify travel attractions that should be included in the publication.

This section became effective October 1, 2015.

**S119 - GSC Technical Corrections 2015, Sec. 91.4.(a)-(b): Expansion of Pilot Study on Use of Electronic Supervision Devices at Facilities for Children and Adolescents Who Have Primary Diagnosis of Mental Illness (SL 2015-264)**

Secs. 91.4.(a) and (b) of S.L. 2015-264 expand the pilot program established by the Department of Health and Human Services, Division of Health Service Regulation to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance to residential treatment staff secure facilities that are currently owned or operated with the facility currently authorized to waive the requirements, rules, or regulations setting minimum overnight staffing requirements.

These sections became effective October 1, 2015, and expire on June 30, 2016.

**S291 - Extend Overnight Respite Pilot Program (SL 2015-52)**

S.L. 2015-52 extends until June 30, 2017, the Adult Day Care Overnight Respite Pilot Program authorized by S.L. 2011-104. In order to provide a more comprehensive evaluation of the provision of overnight respite in an adult day care setting, the act requires the Department of Health and Human Services to work with the NC General Assembly's Program Evaluation Division to collect additional information. The Program Evaluation Division is required to provide an interim report on the criteria specified in the act on or before December 1, 2015, and a final report on or before October 1, 2016, to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Health and Human Services.

This act became effective June 4, 2015.

**S445 - Burt's Law (SL 2015-36)**

S.L. 2015-36 enhances protections for clients of facilities whose primary purpose is to provide services for the care, treatment, habilitation, and rehabilitation of individuals with mental illness, developmental disabilities, or substance abuse disorders.

This act increases punishments for client abuse, exploitation, or neglect; imposes a reporting requirement on employees and volunteers who witness a sexual offense or offense against morality perpetrated against a client; and makes the failure to report these violations a Class A1 or Class 1 misdemeanor.

Also, this act adds a requirement that the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (the Commission) establish standardized procedures to train and keep records of the measures used to comply with the employee and volunteer reporting requirements in G.S. 122C-66.

The section of this act pertaining to the duties of the Commission became effective May 26, 2015. The remainder of this act became effective December 1, 2015, and applies to offenses committed on or after that date.

### **S487 - Health Choice Technical Revisions (SL 2015-96)**

S.L. 2015-96 amends various obsolete statutes governing the Health Insurance Program for Children (North Carolina Health Choice), as recommended by the Department of Health and Human Services.

This act became effective June 19, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 32: Allow Department of Agriculture and Consumer Services to Register Outsourcing Facilities Engaged in the Compounding of Sterile Drugs (SL 2015-263)**

Sec. 32 of S.L. 2015-263 authorizes the Department of Agriculture and Consumer Services to register facilities engaged in the compounding of sterile drugs that are registered as outsourcing facilities with the federal Food and Drug Administration to ensure consistency with current registration practices for drug wholesalers, manufacturers, and repackagers.

This section became effective September 30, 2015.

### **S694 - Reagan's Rule/Enforce Pharmacy Benefits Management, Sec. 1: Diabetes Education (SL 2015-273)**

Sec. 1 of S.L. 2015-273 adds a new public health chronic disease law to encourage physicians, physician assistants, and certified nurse practitioners to inform parents of Type I diabetes warning signs and symptoms during well-child care visits.

This section became effective December 1, 2015.

[The sections of this act that pertain to pharmacy benefits management are summarized in the INSURANCE chapter.]

### **S698 - Legacy Medical Care Facility/Certificate of Need Exempt (SL 2015-288)**

S.L. 2015-288 does the following: (i) provides for certain exemptions under the Certificate of Need Law; (ii) amends the requirements for a municipality or hospital authority to approve the sale or lease of a public hospital; (iii) effective January 1, 2018, repeals North Carolina's Certificate of Public Advantage laws; and (iv) gives a hospital authority the power to engage in health care activities outside the State.

Except as otherwise provided, this act became effective October 29, 2015.



# Information Technology

See full summary documents for additional detail

## **H97 - 2015 Appropriations Act, Sec. 7.13: Electronic Forms and Digital Signatures (SL 2015-241)**

Sec. 7.13 of S.L. 2015-241 directs the State Chief Information Officer (State CIO) to implement a digital forms program that would enable electronic review, submission, maintenance, and disclosure of information as a substitute for paper documents and forms. Additionally, the State CIO must implement citizen-friendly electronic forms processing and digital signature capabilities and, if practicable, provide this capability to State agencies, local governments, and educational entities.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 7.17: Governmental Budgetary Transparency/Expenditures Online (SL 2015-241)**

Sec. 7.17 of S.L. 2015-241 appropriates funds and directs the State Chief Information Officer to do the following:

- In coordination with the State Controller and the Office of State Budget and Management, establish a budget transparency Web site that will provide access to budget expenditures for each State agency.
- Coordinate and assist local governments with (i) the posting of budget expenditures on their respective Web sites and (ii) providing that information to the Local Government Commission (LGC) to be published on both the new budget transparency and LGC Web sites in a manner that allows for data comparison between local governments.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 7.20: Data Security Study (SL 2015-241)**

Sec. 7.20 of S.L. 2015-241 directs the Joint Legislative Oversight Committee on Information Technology to study data security issues and liability for security breaches involving both the public and private sector.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 7.26: Study State Agency Use of Utility-Based Computing (SL 2015-241)**

Sec. 7.26 of S.L. 2015-241 directs the Department of Information Technology to (i) study the use and potential cost savings associated with State agency use of cloud-based computing services that provide computing, storage, and applications on a metered, pay-per-use basis; and (ii) report its findings to the Joint Legislative Oversight Committee on Information Technology by April 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 7.27: State Funded Information Technology Contracts (SL 2015-241)**

Sec. 7.27 of S.L. 2015-241 directs all State agencies and their vendors, upon request by the Joint Legislative Oversight Committee on Information Technology or the Fiscal Research Division, to provide copies of State-funded information technology contracts, including any subsequent changes to the contracts.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Part VII-A: Establish Department of Information Technology (SL 2015-241)**

Part VII-A of S.L. 2015-241 establishes the Department of Information Technology (DIT) and does all of the following:

Consolidates information technology functions from principal departments and participating agencies and places those functions within the new cabinet-level DIT and names the State Information Officer (appointed by the Governor) as the head of the Department.

- The DIT is comprised of: the Office of the State CIO and the Office of Information Technology Services (a Type I transfer); and the 911 Board, Criminal Justice Information Network, Government Data Analytics Center, and North Carolina Geographic Information Coordinating Council, and the Center for Geographic Information and Analysis (a Type II transfer).

As amended by Secs. 2.2, 2.8, 2.11, 2.12, 2.13, 2.14, 2.16, and 2.20 of S.L. 2015-268, this Part does the following:

- Establishes powers and duties of DIT and State CIO.
- Directs the State CIO to develop policies for information technology planning and financing for State Agencies, including a biennial State Information Technology Plan, and strategic and business-continuity plans at the agency level.

- Consolidates human resources for all State information technology personnel within DIT and directs the State CIO to establish a plan to address agency requirements with individual career planning and personnel allocation.
- Creates an Information Technology Fund and Internal Service Fund; requires quarterly reporting to the Joint Legislative Oversight Committee on Information Technology and Fiscal Research on the funds, expenditures, and personnel changes.
- Creates a project management process for participating agency information technology projects, including a dispute resolution process through the Office of the Governor.
- Directs the State CIO to establish an information technology procurement process to centralize procurement across all participating agencies.
- Directs the State CIO to create an inventory of data center operations throughout the Executive Branch.
- Directs the State CIO to develop standards and planning for a consolidated and standardized State communications network.
- Directs the State CIO to establish standards for management and safekeeping of all data held by State agencies and their vendors; subjects all State agencies to State CIO approval of and compliance with security measures established by DIT.

This Part also: (i) instructs the Revisor of Statutes to recodify portions of the General Statutes pertaining to programs and entities transferred to the newly created DIT; (ii) makes conforming statutory changes to reflect the repeal of the former Office of Information Technology Services and the transfer of authority to DIT and the State CIO; and (iii) clarifies that existing business or legal matters undertaken or ongoing at the time of the creation of DIT retain their validity and enforceability.

This Part became effective September 18, 2015.

### **H812 - Grant Recipients Posted on Grantor Web Site (SL 2015-114)**

S.L. 2015-114 amends the law that authorizes NC OpenBook, the State's searchable Web site on spending for grants and contracts, to ensure that information on grant funds awarded by State agencies is readily available on the agencies' Web sites. The act also directs the State Chief Information Officer to ensure that the information is displayed on all agency Web sites in a consistent and accessible manner by December 31, 2015.

This act became effective June 24, 2015.

# Insurance

See full summary documents for additional detail

## **H16 - Repeal Outdated Reports. (SL 2015-92)**

S.L. 2015-92 repeals outdated, unnecessary, and duplicative insurance reporting requirements as recommended by the Department of Insurance.

This act became effective June 19, 2015.

## **H97 - 2015 Appropriations Act, Sec. 20.2: Synchronization of Prescription Refills (SL 2015-241)**

Sec. 20.2 of S.L. 2015-241, as amended by Sec. 90.2 of S.L. 2015-264, allows patients, health care providers, and pharmacists to synchronize filling multiple prescription drugs under health insurance plans that provide prescription drug coverage. Certain conditions apply including: the medications are covered by the clinical drug coverage; the medications must be for the treatment of a chronic illness and subject to refill; and the medications are not for Schedule II or Schedule III drugs.

This section becomes effective August 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date.

## **H154 - Local Governments in State Health Plan (SL 2015-112)**

Please see the STATE GOVERNMENT subject area for the summary of this act.

## **H163 - Captive Insurance Amendments (SL 2015-99)**

S.L. 2015-99 makes enhancements and various technical and substantive statutory changes to the laws governing captive insurance companies in the State, as recommended by the Department of Insurance.

This act became effective June 19, 2015.

## **H255 - Building Code Regulatory Reform (SL 2015-145)**

S.L. 2015-145 makes various changes to the laws relating to the State Building Code, including:

- Conforming work in progress inspection authority to recently enacted inspection limitations.
- Directing the Building Code Council to study the alternate methods approval process.
- Clarifying the definition of official misconduct for code officials.

- Raising the threshold for requirement of a building permit from \$5,000 to \$15,000.
- Creating a Residential Code Committee and a Building Code Committee within the Building Code Council to oversee the process by which the Council conducts revisions and to advise the Council on certain issues.
- Requiring internet posting of certain council decisions and interpretations.
- Clarifying that inspection fees collected by cities and counties can only be used to support the inspection department.
- Requiring that inspections be performed in full and in a timely manner and that inspection reports include all items failing to meet code requirements.
- Authorizing inspection and certification of components or elements of buildings by licensed architects or licensed engineers.
- Exempting certain commercial building projects from the requirement of a professional architectural seal.

This act became effective October 1, 2015.

## **H262 - Surplus Lines Amendments (SL 2015-101)**

S.L. 2015-101, as amended by Sec. 7 of S.L. 2015-281, amends the Surplus Lines Act as follows:

- Amends the definition of "eligible surplus lines insurer" to include an "alien insurer."
- Allow a surplus lines insurer to file with the appropriate stamping office, in addition to filing relevant information with the Commissioner of Insurance.
- Effective January 1, 2017, repeals the requirement that nonresident surplus lines licensees be licensed under Article 33 of Chapter 58 of the General Statutes, Licensing of Agents, Brokers, Limited Representatives and Adjusters.
- Effective January 1, 2017, deletes language requiring a surplus lines licensee to have required reports to the Department of Insurance countersigned by a resident licensee or by a regulatory support organization.
- Effective January 1, 2017, makes changes the remittance of the surplus lines tax to conform to other changes in the act.

Except as otherwise provided, this act became effective June 19, 2015.

## **H288 - Insurance Technical Changes. (SL 2015-146)**

S.L. 2015-146, as amended by Sec. 13 of S.L. 2015-281, amends North Carolina's insurance laws governing (i) insurance company holding systems, (ii) risk-based capital requirements for life insurers, and (iii) corporate governance requirements for risk retention groups that are required to be enacted by 2017 to allow the Department of Insurance to maintain its accreditation with the National Association of Insurance Commissioners (NAIC). The changes include the incorporation of model act provisions from the NAIC and sections from North Carolina's Administrative Code and various technical and substantive statutory changes recommended by the Department.

This act also adds a new section to The Vehicle Financial Responsibility Act which allows proof of financial responsibility to be shown in a physical or electronic format and also creates a new law allowing

automobile insurers to file individually with the Commissioner of Insurance for approval of optional enhancements to their automobile or homeowners' policies.

This act has multiple effective dates. The provisions of this act pertaining to insurance company holding systems became effective July 1, 2015. The provision of this act pertaining to risk-based capital requirements for life insurers becomes effective January 1, 2017. The provision of this act pertaining to optional enhancements became effective July 1, 2015, and applies to optional enhancements, as described in that section, filed, and approved on or after that date. Except as otherwise provided, the remainder of this act became effective July 13, 2015.

### **H361 - Principle-Based Reserving/Revise Insurance Laws (SL 2015-281)**

S.L. 2015-281 does the following:

- Provides for a principle-based reserving approach to valuing life insurance reserves in North Carolina and makes conforming changes to the Standard Nonforfeiture Law.
- Makes clarifying and conforming changes to various provisions of North Carolina's insurance laws, as requested by the Department of Insurance.
- Revises North Carolina's insurance policy renewal provision.
- Amends the definition of "small employer."

This act has multiple effective dates. Please see the full summary for more detail.

### **H706 - Building Code/Rustic Cabins (SL 2015-19)**

S.L. 2015-19 modifies the regulation of open air camp cabins under the North Carolina Building Code. "Open air camp cabin" means a single-story structure that (i) has three walls consisting of at least twenty percent (20%) screened openings no more than 44 inches above the floor; (ii) has no heating or cooling system; (iii) is occupied for no more than 150 days within any rolling 365-day time span; and (iv) accommodates 36 or fewer persons.

This act provides that for open air camp cabins, the Building Code Council must not enforce requirements more stringent than the following:

- The open air camp cabin must have at least two remote unimpeded exits, but lighted exit signs are not required.
- The open air camp cabin is not required to have plumbing or electrical systems, but if the cabin has these systems, then the provisions of the Building Code otherwise applicable to those systems apply.
- Smoke detectors and handheld fire extinguishers may be required as otherwise provided in the Building Code, but no requirement for a sprinkler system may be imposed.

The Building Code Council must amend the Building Code to be consistent with these provisions.

This act became effective May 14, 2015.

### **H765 - Regulatory Reform Act of 2015, Sec. 4.38: Study Flood Elevations and Building Height Requirements (SL 2015-286)**

Sec. 4.38 of S.L. 2015-286 directs the Department of Insurance, the Department of Public Safety, and the Building Code Council to jointly study how flood elevations and building heights for structures are established and measured in the coastal region of the State. The Departments and Council must specifically consider how flood elevations and coastal building height requirements affect flood insurance rates and how height calculation methods might be made more consistent and uniform in order to provide flood insurance rate relief. The Departments and Council must engage a broad group of stakeholders in the conduct of this study and jointly report the results of the study, including any legislative recommendations, by March 1, 2016, to the 2015 General Assembly.

This section became effective October 22, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 45: Affiliate Transfer of Policies (SL 2015-264)**

Sec. 45 of S.L. 2015-264 provides that delivery of a new policy by an insurer is not a refusal to renew if delivered by the same insurer or an affiliate or subsidiary of the insurer with financial strength as good the insurer issuing the superseded policy.

This section became effective October 1, 2015, and expires June 30, 2016.

### **S665 - Unclaimed Life Insurance Benefits (SL 2015-236)**

S.L. 2015-236 requires an insurance company that is authorized to transact life insurance business in North Carolina to determine, semi-annually, if that insurer's records of in-force policies, annuities, and account owners cross-match with any record in the United States Social Security Administration's death master file or a similar database, with some exceptions. Upon a match, the insurer is required to engage in a good-faith effort to verify the death and locate any beneficiaries.

Generally, this act became effective October 1, 2015.

### **S694 - Reagan's Rule/Enforce Pharmacy Benefits Management, Sec. 2: Penalties for Pharmacy Benefit Managers (SL 2015-273)**

Sec. 2 of S.L. 2015-273 expressly grants the Commissioner of Insurance enforcement authority over Pharmacy Benefits Managers (PBMs), allowing the Commissioner to impose a monetary penalty of between \$100 and \$1,000 per day for each prescription drug resulting from the PBM's failure to comply with the requirements pertaining to maximum allowable cost required by law (G.S. 58-56A-5). The Commissioner may also petition the Superior Court of Wake County for an order directing the PBM to

pay restitution if the Commissioner finds that a violation of the laws pertaining to pharmacy benefits management (Article 56A of Chapter 58 of the General Statutes) has occurred.

This section becomes effective July 1, 2016.

[The section of S.L. 2015-273 that pertains to childhood diabetes education is summarized in the HEALTH AND HUMAN SERVICES subject area.]



# Labor and Employment

See full summary documents for additional detail

## **H39 - Labor/Up Amusement Device Penalties (SL 2015-152)**

S.L. 2015-152 increases the civil and criminal penalties for the violation of safety laws pertaining to amusement devices, and directs the Department of Labor to study the need for regulation of zip-lines.

This act also creates a new Class E felony for willful violations of the Amusement Device Safety Act (Act) that results in serious injury or death.

The new Class E felony for willful violations of the Act became effective December 1, 2015, and applies to violations occurring on or after that date. Other changes to the statute governing violations, civil penalties, appeal, and criminal penalties under the Act became effective July 16, 2015, and apply to violations occurring on or after that date. The remainder of this act became effective July 16, 2015.

## **H44 - Local Government Regulatory Reform 2015, Sec. 3.5: Well Drilling Changes (SL 2015-246)**

Sec. 3.5 of S.L. 2015-246 does all of the following:

- Clarifies that when a well contractor obtains a permit to drill a well, that permit includes authorization for the electrical work needed to install the well that the well contractor is licensed to perform. Effective December 1, 2015.
- Requires the Well Contractors Certification Commission to allow well contractors with valid licenses from other states to sit, without delay, for licensure in this State upon satisfactory proof that the qualifications of the other state are equal to holders of similar licenses in this State. Effective December 1, 2015.
- Allows any property owner to request and receive a permit for an irrigation water well to be used for irrigation or other non-potable purposes, which may not be interconnected to the plumbing connected to any public water system, unless the public water system is being assisted by the Local Government Commission. Effective August 1, 2016.
- Effective August 1, 2016, for undeveloped and unimproved property, allows a property owner to obtain a permit for a private drinking water well to serve the property and for as long as that well is operational, the property may not be required to connect to a public water system, unless one of the following apply:
  - The private drinking water well has failed and cannot be repaired.
  - The water is contaminated.
  - The public water system is being assisted by the Local Government Commission.
  - The public water system is in the process of expanding or repairing the public water system and is actively making progress to having water lines installed directly available to provide water service to that property within the 24 months. (Expires July 1, 2017.)

## **H97 - 2015 Appropriations Act, Sec. 15.13A: Industrial Commission Study Implementing Drug Formulary in Workers' Compensation Claims (SL 2015-241)**

Sec. 15.13A of S.L. 2015-241 directs the Industrial Commission to study the implementation of a drug formulary in workers' compensation claims filed by State employees. By April 1, 2016, the Industrial Commission must report its findings, including any recommendations on the implementation of a drug formulary in workers' compensation claims filed by State employees, to the chairs of the House of Representatives Health Committee and the Senate Health Care Committee and the Fiscal Research Division.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 15.13B: Industrial Commission/Reimbursement for Prescription Drugs and Professional Pharmaceutical Services (SL 2015-241)**

Sec. 15.13B of S.L. 2015-241 amends the law related to drug reimbursement in workers' compensation as follows:

- By adding prescribed over-the-counter drugs as one of the items for which the reimbursement amount must be established by law. Prior to this change, only the reimbursement amount for prescription drugs and professional pharmaceutical services was established by law.
- By setting the reimbursement amount for prescription drugs, prescribed over-the-counter drugs, and professional pharmaceutical services as the lesser of 95% of the average wholesale price of the product, calculated on a per unit basis, as of the date of dispensing, or the reimbursement amount provided for in an agreement between the dispensing health care provider and the payor employer or workers' compensation insurance carrier.
- By requiring all health care providers seeking reimbursement for prescription drugs, prescribed over-the-counter drugs, and professional pharmaceutical services to comply with the requirements for reimbursement in G.S. 97-26.2(b). Prior to this change, only a physician was required to comply with the requirements for reimbursement.

This section became effective October 1, 2015.

## **H254 - Protect National Guard Reemployment Rights (SL 2015-161)**

S.L. 2015-161 expands employment protections granted to members of the North Carolina National Guard to include members of the National Guards of other states.

This act became effective October 1, 2015, and applies to denials of initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on or after that date.

## **H765 - Regulatory Reform Act of 2015, Sec. 2.3: Amend Definition of "Employee" Under the Workers' Compensation Act to Exclude Volunteers and Officers of Certain Nonprofit Corporations and Associations (SL 2015-286)**

Sec. 2.3 of S.L. 2015-286 amends the definition of "employee" under the Workers' Compensation Act to exclude volunteers and officers of certain nonprofit corporations and associations. The amended definition provides that an "employee" does not include a person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit, who performs voluntary service receiving no remuneration other than reasonable reimbursement for expenses. The definition applies to nonprofits subject to the following acts: the Unit Ownership Act, the Condominium Act, the Planned Community Act, the Nonprofit Corporation Act, the Uniform Unincorporated Nonprofit Association Act, and any organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The amendment does not prohibit nonprofit corporations from providing workers' compensation benefits. The amendment clarifies that it does not include certain volunteer public safety workers that are described in the current law.

This section became effective October 22, 2015.

## **S15 - Unemployment Insurance Law Changes (SL 2015-238)**

S.L. 2015-238 makes numerous changes to the unemployment insurance laws as requested by the Division of Employment Security (DES) and recommended by the Joint Legislative Oversight Committee on Unemployment Insurance. The legislation combines three bills recommended by the Joint Legislative Oversight Committee on Unemployment Insurance into one bill.

- Part I of the act enhances the ability of DES to promote program integrity through the use of business intelligence and data analytics within the State's Government Data Analytics Center. The changes made by this Part became effective September 10, 2015. This Part also requires DES to make periodic reports on its program integrity efforts.
- Part II of the act makes several administrative and programmatic changes requested by DES. Those changes include the use of photo identification to receive unemployment insurance benefits, the ability of DES to use attachment and garnishment of a delinquent employer's credit card receipts to satisfy a judgment for unpaid employment taxes, and the modification of work search requirements. The changes made in this Part have various effective dates. Please see the complete summary for a more comprehensive explanation of the changes and their effective dates.
- Part III of the act confirms the Governor's appointments to the Board of Review, ratifies past unemployment appeal decisions, creates staggered terms for the members of the Board, and provides more clarity to the Board appointment process. This Part also directs the Program Evaluation Division to study the value provided to the State by the Board of Review. The changes made by this Part became effective September 10, 2015.
- Part IV of the act makes changes related to the unemployment insurance tax rate schedules. One of the most notable tax changes is a suspension of the 20% surcharge for the tax year 2016 if the amount in the State's account in the Unemployment Trust Fund equals or exceeds \$1 billion by March 1, 2016. The trigger is projected to be met by March 1st. The 20% surcharge generates approximately \$240 million. It also will begin charging benefits to an employer's account on a

quarterly basis. The changes made in this Part have various effective dates. Please see the full summary for a more comprehensive explanation of the changes and their effective dates.

### **S429 - Labor/2015 Technical and Conforming Changes (SL 2015-221)**

S.L. 2015-221 makes technical and conforming changes to various provisions in Chapter 95 of the General Statutes (Department of Labor and Labor Regulations), including the following:

- Deletes Statistics as one of the Divisions of the Department of Labor and replaces it with Occupational Safety and Health.
- Deletes the requirement that the Governor approve certain organizational decisions of the Commissioner of Labor.
- Repeals the Board of Boiler and Pressure Vessels Rules, makes conforming changes related to that repeal, and gives certain powers of that Board to the Commissioner of Labor.
- Amends language regarding appeals of determinations of noncomplying devices in three statutes (for boilers and pressure vessels, elevators, and amusement devices) to provide that actions are final unless the person against whom the action is taken takes exception to the determination within 15 days.
- Deletes statutes related to labor reports to the Governor, certain activities of the Division of Standards and Inspections, and the duties of the Chief Statistician of the Division of Statistics.
- Creates a statutory exception to allow employment of those under 18 years of age at the point-of-sale of alcoholic beverages for off-premises consumption only.

This act became effective August 18, 2015.

# Local Government

See full summary documents for additional detail

## **H44 - Local Government Regulatory Reform 2015 (SL 2015-246)**

S.L. 2015-246 amends various laws related to local government. See summaries in the LOCAL GOVERNMENT and ENVIRONMENT, NATURAL RESOURCES, AND ENERGY subjects for additional detail.

## **H44 - Local Government Regulatory Reform 2015, Sec. 1: Notice to Chronic Violators (SL 2015-246)**

Sec. 1 of S.L. 2015-246 consolidates G.S. 160A-200, the statute that generally grants municipalities the authority to give a chronic violator of the municipality's overgrown vegetation ordinance notice on an annual basis, with G.S. 160A-200.1, the statute that generally grants municipalities the same authority for chronic violators of the municipality's public nuisance ordinance.

This section became effective September 23, 2015.

## **H44 - Local Government Regulatory Reform 2015, Sec. 1.5: Authorize Cities to Regulate Certain Structures That Unreasonably Restrict the Public's Right to Use the State's Ocean Beaches (SL 2015-246)**

Sec. 1.5 of S.L. 2015-246 authorizes a city to regulate, restrict, or prohibit the placement, maintenance, location or use, of structures that are uninhabitable and without water and sewer service for more than 120 days on the State's ocean beaches, upon notification of the owner of record by certified mail.

This section became effective September 23, 2015.

## **H44 - Local Government Regulatory Reform 2015, Sec. 2: Prohibit Cities and Counties From Requiring Compliance with Voluntary Regulations and Rules Adopted by State Departments or Agencies (SL 2015-246)**

Sec. 2 of S.L. 2015-246 prohibits cities and counties from requiring compliance with rules or regulations that a State department or agency declares to be voluntary, unless the State department or agency mandates its enforcement as authorized by applicable general law.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 3: Developments Located in the City and the County (SL 2015-246)**

Sec. 3 of S.L. 2015-246 provides that if a city's land use planning ordinance(s) applies to property lying outside the territorial limits of the city, the city and the property owner must certify that the application of those land use planning ordinances is not under coercion or otherwise based upon any representation by the city that the city would withhold approval for land use planning without the property owner's consent to the application of the land use planning ordinance(s).

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 4: Regulation of Signage (SL 2015-246)**

Sec. 4 of S.L. 2015-246, amends the zoning and regulation of development statutes for cities and counties to provide that fence wraps displaying signage are exempt from zoning regulation pertaining to signage when they are affixed to perimeter fencing at a construction site until the certificate of occupancy is issued for the final portion of any construction at that site or 24 months from the time the fence wrap was installed, whichever is shorter. After 24 months, cities and counties can regulate the signage but must continue to allow fence wrapping materials to be affixed to the perimeter fencing. Fence wraps are prohibited from displaying any advertising other than advertising sponsored by a person directly involved in the construction project and from displaying any paid advertising.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 5: Permit Choice (SL 2015-246)**

Currently under G.S. 143-755, if a permit applicant submits a permit for any type of development, and a rule or ordinance changes between the time the application was submitted and the time the decision on the application is made, the applicant may choose which version of the rule or ordinance will apply to the permit. This provision applies to all development permits issued by the State and by local governments, except zoning permits. Sec. 5 of S.L. 2015-246 amends G.S. 143-755 to apply to zoning permits as well.

This section became effective September 23, 2015, and applies to permits for which a permit decision has not been made by that date.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 6: Preaudit Certifications (SL 2015-246)**

Obligations incurred by a local government subject to the Local Government Budget and Fiscal Control Act and by a local board of education subject to the School Budget and Fiscal Control Act accounted for in a fund included in the budget ordinance may not be incurred unless the budget ordinance includes an

appropriation authorizing the obligation and an unencumbered balance remains sufficient to pay in the current fiscal year for that amount. For written contracts, each must be certified by the finance officer, or a duly appointed deputy finance officer, to that effect, and is often called a "preaudit" certification. Sec. 6 of S.L. 2015-246 updates that statutory requirement to reflect advances in technology that allow for credit cards, gas cards, procurement cards, and other means of remitting payment for obligations.

This section became effective October 1, 2015, and applies to expenditures incurred on or after that date.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 8: Local Regulation of Beehives (SL 2015-246)**

Sec. 8 of S.L. 2015-246 prevents a county, city, or other political subdivision of the State from adopting or continuing to enforce any ordinance or resolution that prohibits any person or entity from owning or possessing five or fewer beehives. A city can require that the hive be placed at ground level or securely attached to an anchor or stand, regulate placement of the hive on the parcel, and require removal of the hive if the owner no longer maintains the hive or if removal is necessary to protect the health, safety, and welfare of the public.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 9: Leases of Property by Local Governments for Communication Towers (SL 2015-246)**

Counties and cities are authorized by G.S. 160A-272 to lease property owned by counties and cities for up to 10 years. Leases for terms of more than 10 years are treated as a sale of real property. G.S. 160A-272(c) authorizes the lease of property for the siting and operation of a renewable energy facility for up to 25 years. This section amends the statute to do both of the following:

- Increases the public notice of a proposed lease from 10 days to 30 days.
- Allows leases of property owned by the county or city for the siting and operation of a tower for a term of up to 25 years. A "tower" is any new or existing structure that is designed to support or is capable of supporting equipment used in the transmission or receipt of television broadcast signals, radio wave signals, or electromagnetic radio signals used in the provision of wireless communication service.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 12: Notice to Property Owners Prior to Construction (SL 2015-246)**

Sec. 12 of S.L. 2015-246 requires counties and cities to notify the property owners and adjacent property owners before the county or city begins any construction project. Notice must be in writing at least 15 days prior to beginning construction, except in any of the following circumstances:

- If the construction is an emergency repair, notice may be given by any means, including verbal.
- The property owner requests action of the county or city that requires construction activity.
- The property owner consents to less than 15 days notice.
- The notice is given in an open meeting of the county or city prior to the beginning of construction.

This section became effective October 1, 2015, and applies to construction commenced on or after that date.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 16: Zoning Density Credits (SL 2015-246)**

G.S. 160A-381(a) authorizes cities to adopt zoning and development regulation ordinances. Currently, zoning ordinances may provide density credits or severable development rights for dedicated rights-of-way. This section requires zoning ordinances to do so.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 18: Clarify Authority of Counties and Cities to Expand on Definition of Bedroom (SL 2015-246)**

Sec. 18 of S.L. 2015-246 prohibits counties and cities from adopting zoning regulations that use a more expansive definition of dwelling unit, bedroom, or sleeping unit than any definition in general law or in a rule adopted by a State agency.

This section became effective September 23, 2015.

#### **H44 - Local Government Regulatory Reform 2015, Sec. 19: Development Agreements (SL 2015-246)**

Local governments are authorized to enter into development agreements with developers if the property is at least 25 acres or more of developable property and the agreement is for a term of 20 years or less. An exception to the minimum size is granted for brownfields properties. A development agreement must be approved by the governing body of a local government by ordinance. This section removes the current size requirements and maximum term, and instead requires that the agreement be for a reasonable term specified in the agreement. This section allows the development agreement to be incorporated into any planning, zoning, or subdivision ordinance adopted by the local government.

This section became effective October 1, 2015, and applies to development agreements entered into on or after that date.



## **H71 - Clarify County Commissioner Oath Filing (SL 2015-24)**

S.L. 2015-24 clarifies that the oath of office taken by a member of a board of county commissioners must be filed with the clerk to the board of commissioners.

This act became effective October 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 29.20: Utility Relocation (SL 2015-241)**

Sec. 29.20 of S.L. 2015-241 does the following:

- Increases the maximum population from 5,500 to 10,000 for municipalities in which the Department of Transportation must pay the nonbetterment cost for the relocation of water and sewer lines that are owned by the municipality and necessary to be relocated for a State transportation improvement project.
- Provides that municipalities with populations of greater than 10,000 must pay the following percentages of the nonbetterment cost for the relocation of water and sewer lines that are owned by the municipality and necessary to be relocated for a State transportation improvement project:
  - 25% of the cost with a population greater than 10,000, but less than 25,000.
  - 50% of the cost with a population of 25,000 or greater, but less than 50,000.
  - 100% of the cost with a population of 50,000 or greater.

This section becomes effective January 1, 2016, and applies to projects started on or after that date.

## **H97 - 2015 Appropriations Act, Sec. 15.16B Municipal Service Districts/Contracts with Private Agency/Taxes/Study (SL 2015-241)**

With respect to municipal service districts established by cities, Sec. 15.16B of S.L. 2015-241 does all of the following:

For all municipal service districts, the section requires the city to develop long-range plans and goals, set the tax rate in accordance with those plans and goals, and use the moneys collected for the purpose of those plans and goals. This provision becomes effective for tax imposed for taxable years beginning on or after January 1, 2016.

For municipal service districts created for historical districts, downtown revitalization, and urban revitalization, this section sets forth the following requirements on contracts with private agencies:

- Prior to entering into the contract the city must:
  - Solicit input from the residents and property owners as to the needs of the service district.
  - Use a bid process to determine which private agency is best suited to achieve the needs of the service district. If the city determines that a multiyear contract with a private agency

is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length.

- Hold a public hearing.
- The city must require the private agency to report annually to the city, by presentation in a city council meeting and in written report, regarding the needs of the service district, completed projects, and pending projects.
- The contract is to specify the scope of services to be provided by the private agency. Any changes to the scope of services must be approved by the city council.

This provision became effective October 1, 2015, and applies to contracts entered into on or after that date.

Effective September 18, 2015, authorizes the Legislative Research Commission to study the feasibility of allowing property owners within a municipal service district to petition for removal from that municipal service district, and submit a report to the 2016 Regular Session of the 2015 General Assembly.

### **H97 - 2015 Appropriations Act, Sec. 29.27A: Adjust Municipal Vehicle Tax (SL 2015-241)**

Sec. 29.27A of S.L. 2015-241 authorizes an annual municipal vehicle tax of \$30 per vehicle resident in the city or town and places any local authorizations under the \$30 cap. This section authorizes the tax for the following purposes:

- General purpose. Maximum \$5 for any lawful purpose.
- Public transportation. Maximum \$5 for financing, constructing, operating, and maintaining local public transportation systems if the municipality operates a public transportation system as defined in G.S. 105-550.
- Public streets. Any of the \$30 authorization remaining for maintaining, repairing, constructing, reconstructing, widening, or improving public streets that are not a State highway.

This section becomes effective July 1, 2016.

### **H201 - Zoning Changes/Citizen Input (SL 2015-160)**

S.L. 2015-160 removes the qualified protest petition process and implements a mechanism for citizen input into proposed zoning ordinance amendments, changes, modifications, repeals, or supplementations.

This act became effective August 1, 2015, and applies to zoning ordinance changes adopted on or after that date.

### **H318 - Protect North Carolina Workers Act (SL 2015-294)**

S.L. 2015-294, as amended by Secs. 36.3 and 91.2 of S.L. 2015-264, makes the following changes:

- Effective October 1, 2015, and applying to contracts entered into on or after that date, requires E-Verify compliance by contractors and subcontractors with State and local governments, agencies, and institutions, with certain exceptions.
- Effective October 1, 2015, provides that (i) consulate or embassy documents or (ii) identity documents created by other entities, unless expressly authorized by the General Assembly to be used for identification, may not be used to determine identification or residency for law enforcement or other government purposes. If no other documentation is available, law enforcement may use identity documents created by other entities to assist in determining an individual's identity or residency.
- Prohibits counties and cities from adopting certain restrictions related to enforcement of federal immigration laws and gathering information related to citizenship or immigration status.
- Effective October 1, 2015, prohibits the Department of Health and Human Services from seeking certain work requirement waivers for food and nutrition benefits for able-bodied adults without dependents.

Except as otherwise provided, this act became effective October 29, 2015.

### **H346 - Counties/Public Trust Areas (SL 2015-70)**

S.L. 2015-70 authorizes counties to adopt ordinances to abate unreasonable restrictions of the public's right to use ocean beaches.

This act became effective June 11, 2015.

### **H538 - Water and Sewer Service Related Changes (SL 2015-207)**

S.L. 2015-207 does all of the following:

- Specifically authorizes water and sewer authorities created under Article 1 of Chapter 162A of the General Statutes to:
  - Adopt ordinances concerning the regulation and control of water systems owned by the authority.
  - Enter into reimbursement agreements with developers or property owners for design and construction of infrastructure.
  - Offer and pay rewards up to \$5,000 for information leading to conviction of persons who willfully deface, damage, or destroy, or commit acts of vandalism or larceny of, authority property.
- Authorizes a county or city to pledge a security interest in an escrow account to secure repayment of certain economic development loans.
- Allows the Local Government Commission, until July 1, 2016, to authorize loans of up to 30 year terms for certain water projects.
- Requires all public wastewater systems and all community wastewater systems to provide for the collection of liquid condensate from residential heating and cooling systems.

This act became effective August 11, 2015.

### **H544 - County Sign Ordinance in Cities (SL 2015-166)**

S.L. 2015-166 allows a city to require a county ordinance to adhere to the city's sign ordinance when the city chooses to enforce a county ordinance within the city.

This act became effective July 23, 2015.

### **H553 - Ordinances Regulating Animals (SL 2015-192)**

S.L. 2015-192 prohibits cities and counties from adopting ordinances regulating standards of care for farm animals.

This act became effective August 5, 2015.

### **H721 - Subdivision Ordinance/Land Development Changes (SL 2015-187)**

S.L. 2015-187 amends and clarifies the law regarding performance guarantees developers are required to provide to cities and counties to assure completion of required improvements to subdivided land. The act requires the developer to demonstrate reasonable, good faith progress toward completion of any improvements that are the subject of a performance guarantee or any extension thereof and caps the amount of any performance guarantee or extension at 125% of the reasonably estimated cost of completing the improvements.

This act became effective October 1, 2015, and applies to performance guarantees or extensions of performance guarantees issued on or after that date.

### **H797 - Alarm Registration Information Not Public Record (SL 2015-189)**

S.L. 2015-189 exempts from the definition of public record any registration or sensitive security information received or compiled by a city pursuant to an alarm registration ordinance.

This act became effective August 5, 2015.

### **S2 - Magistrates Recusal for Civil Ceremonies (SL 2015-75)**

S.L. 2015-75 established procedures by which a magistrate may recuse himself or herself from performing all lawful marriages and an assistant or deputy register of deeds may recuse himself or herself from issuing all lawful marriage licenses, based upon a sincerely held religious objection. The recusal is for a minimum of six months and continues until the recusal is rescinded in writing. Officials so recusing

themselves would not be subject to prosecution for failing to perform the duties imposed upon them by law.

Each register of deeds must ensure that all qualified applicants for marriage licenses are issued a license, and each chief district court judge must ensure that marriages performed by a magistrate are available to be performed during at least 10 hours per week over at least 3 business days.

S.L. 2015-75 also provides protection against loss of employment and retirement benefits for magistrates who resigned or were terminated from between October 6, 2014, and June 11, 2015, and who are subsequently reappointed to the position of magistrate within 90 days after June 11, 2015.

This act became effective June 11, 2015

### **S25 - Zoning/Design and Aesthetic Controls (SL 2015-86)**

S.L. 2015-86 prohibits cities and counties from adopting zoning ordinances that regulate building design elements of structures subject to regulation under the North Carolina Residential Code for One- and Two-Family Dwellings.

This act became effective June 19, 2015, and as the act clarifies and restates the intent of existing law, it applies to ordinances adopted before, on, or after that date.

### **S52 - Cities/Means For Activating Parking Meters (SL 2015-226)**

S.L. 2015-226 authorizes cities to provide for the activation of on-street parking meters by use of cash, credit cards, debit cards, or electronic means.

This act became effective August 25, 2015.

### **S82 - Vital Records Integrity Act (SL 2015-197)**

S.L. 2015-197 adds a new provision to the law governing the duties of registers of deeds in connection with the registration of certain documents purporting to impact official birth records. The new provision requires that the register of deeds mark the first page of the document with a statement that the document is not an official birth record.

This act became effective on August 5, 2015.

### **S284 - Infrastructure Assessments/Extend Sunset (SL 2015-121)**

S.L. 2015-121 extends the sunset provision on the authority granted to counties and cities to use special assessments to address critical infrastructure needs for five years, from July 1, 2015, until July 1, 2020, and reduces the maximum allowable number of annual installments from 30 years to 25 years.

This act became effective June 30, 2015, and applies to assessments made on or after July 1, 2015.

### **S311 - Register of Deeds/Filing False Marriage Documents (SL 2015-53)**

S.L. 2015-53 adds a new provision to the law governing the duties of registers of deeds in connection with the registration of certain documents purporting to impact official marriage records, to require the register of deeds to mark the first page of the document with a statement that the document is not an official marriage document.

This act became effective June 4, 2015.

### **S332 - Register of Deeds-Power of Attorney Indexing Fees (SL 2015-227)**

S.L. 2015-227 imposes an additional fee of \$2 per entity to file an instrument with the register of deeds that includes the indexing of more than 20 entities.

This act became effective October 1, 2015.

### **S462 - Public Authorities/Nonprofit Corporations (SL 2015-122)**

S.L. 2015-122 authorizes a public authority to establish, control, and operate a nonprofit corporation that is created pursuant to the North Carolina Nonprofit Corporation Act (Chapter 55A of the General Statutes) and is a tax-exempt organization under the Internal Revenue Code.

This act became effective June 29, 2015.

### **S472 - Local Incentives for Historic Rehabilitation (SL 2015-277)**

S.L. 2015-277 authorizes cities and counties to make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned. The act also clarifies the language which authorizes cities and counties to make appropriations for economic development purposes, including requiring all appropriations have public hearings, comply with the Local Government Budget and Fiscal Control Act, and be reported in the annual financial report.

This act became effective October 20, 2015.

**S699 - Protect Law Enforcement Officers Home Address/Other Information (SL 2015-225)**

S.L. 2015-225 exempts from disclosure certain personal information of sworn law enforcement officers who are employees of a county or city.

The act became effective October 1, 2015.

# **Military, Veterans, and Indian Affairs**

**See full summary documents for additional detail**

## **H97 - 2015 Appropriations Act, Sec. 24.1: Creation of Department (SL 2015-241)**

Sec. 24.1 of S.L. 2015-241, as amended by Sec. 7.3 of S.L. 2015-268, creates a new Department of Military and Veterans Affairs. The Secretary of Military and Veterans Affairs is the head of the new Department and its powers and duties consist of those previously vested in the following entities:

- The Veterans' Affairs Commission of the Department of Administration.
- The Governor's Jobs for Veterans Committee of the Department of Administration.
- The Division of Veterans Affairs of the Department of Administration.
- The North Carolina Military Affairs Commission in the Office of the Governor.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 24.2: Restore State Contribution to County Veterans Services Programs (SL 2015-241)**

Sec. 24.2 of S.L. 2015-241 directs the Department of Military and Veterans Affairs to provide funds for the operation and maintenance of county veterans services programs to counties that apply for them. Where the funds appropriated for this purpose in a particular fiscal year exceed the total amount requested from counties by December 31, each county must receive the full amount requested. Where this is not the case, each county's share must be a pro rata share of the total funds available for this purpose. \$200,000 was made available for this purpose during the 2015 fiscal year.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 24.3: Base Realignment and Closure (BRAC) Special Fund (SL 2015-241)**

Sec. 24.3 of S.L. 2015-241 creates the Military Presence Stabilization Fund in the Department of Military and Veterans Affairs to fund actions designed to make the State less vulnerable to closure pursuant to federal Base Realignment and Closure and related initiatives. The Secretary of Military and Veterans Affairs is authorized to make allocations from the Fund for this purpose.

Use of funds in the Military Presence Stabilization Fund for the 2015-2016 fiscal year is limited as follows:

- Up to \$200,000 can be used to provide grants to local communities or military installations.

The remaining \$1,475,000 may be used for any of the following:

- Administrative expenses and reimbursements for members of the Commission.



- Federal advocacy and lobbying support.
- Updates to strategic planning analysis and strategic plan.
- Economic modeling software and analyses.
- Compatible development mapping (red, yellow, green mapping).
- Public-public/public-private (P4) initiative.
- Identification and implementation of innovated measures to increase the military value of installations.

This section became effective July 1, 2015.

### **H340 - Weekend Burials/State Veterans Cemeteries (SL 2015-69)**

S.L. 2015-69 provides that burial services must be conducted at all State veterans cemeteries every day of the week that is not a State or federal holiday.

This act became effective June 11, 2015.

### **H558 - Reserve and National Guard/Military Affairs Commission (SL 2015-297)**

S.L. 2015-297 adds two voting members to the North Carolina Military Affairs Commission to be appointed by the Governor. One of the new members must be a current or retired member of the North Carolina National Guard and the other one must be a current or retired member of one of a reserve component of the United States Armed Forces.

This act became effective October 30, 2015.

### **H850 - Eastern Band of Cherokees/Law Enforcement (SL 2015-287)**

S.L. 2015-287 authorizes the Eastern Band of Cherokee Indians to establish a police force, tribal alcohol enforcement, a probation and parole agency, and a natural resources enforcement agency.

This act became effective October 23, 2015.

# Occupational Boards and Licensing

See full summary documents for additional detail

## **H647 - Epi Pens in All Child-Serving Businesses (SL 2015-274)**

S.L. 2015-274 permits the prescribing and dispensing of epinephrine auto-injectors to authorized entities where allergens capable of causing anaphylaxis may be present. The act allows trained employees or agents of the authorized entities to provide or administer epinephrine under certain circumstances to specified individuals and provides immunity for individuals acting in accordance with the act. Actions taken pursuant to the act do not constitute the practice of medicine. Additionally, the act permits the Board of Pharmacy to adopt rules pertaining to the authorization necessary for entities to obtain an epinephrine prescription for emergency health circumstances.

This act became effective December 31, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 1.7: Joint Legislative Administrative Procedure Oversight Committee to Make Recommendations on Occupational Licensing Board Changes (SL 2015-286)**

Sec. 1.7 of S.L. 2015-286 directs the Joint Legislative Administrative Procedure Oversight Committee (APO) to review the recommendations contained in the Program Evaluation Division report entitled "Occupational Licensing Agencies Should Not be Centralized, but Stronger Oversight is Needed" to determine how to improve the oversight of occupational licensing boards. The section directs APO to consult with various interested parties in conducting its review and to propose legislation to the 2016 Session of the 2015 General Assembly.

This section became effective October 22, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 2.2: Manufactured Home License/Criminal History Check (SL 2015-286)**

Sec. 2.2 of S.L. 2015-286 amends the law regulating applications for manufactured home licenses to clarify that only applicants for initial licensure need consent to a criminal history record check. The section also clarifies that an applicant is a person applying for initial licensure as a manufactured home salesperson or a set-up contractor.

This section became effective October 22, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 4.14A: Clarify Certification Requirements for Plumbing Contractors Who Install or Repair Grease Traps (SL 2015-286)**

Sec. 4.14A of S.L. 2015-286 clarifies the exemption from the requirements for certification under the On-Site Wastewater Contractors and Inspectors statutes for licensed plumbing contractors. Specifically, this clarification provides that a plumbing contractor need not be a certified on-site wastewater contractor in order to install or repair a grease trap, interceptor, or separator upstream from a septic tank or similar depository that complies with the requirements of the local health department.

This section became effective October 22, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 1.5: Occupational Licensing Board Investigators and Inspectors (SL 2015-286)**

Sec. 1.5 of S.L. 2015-286 amends the law governing occupational licensing boards to prohibit a board from contracting with or employing a person licensed by the board to serve as an investigator or inspector, if the person is actively practicing in the profession or occupation over which the board has jurisdiction. The section does not prohibit the board from hiring a licensee for purposes other than as an investigator or inspector or if the licensee is not actively working in the field. Also, the section does not prohibit the board from contracting with licensees to serve as expert witnesses or consultants, provided their duties and authority are limited to serving as an information resource to the board or board personnel.

This section became effective October 22, 2015.

## **S279 - Amend Qualifications/Practice of Counseling (SL 2015-279)**

S.L. 2015-279 does the following: (i) changes the requirements applicants must meet when applying for licensure as a licensed professional counselor associate and (ii) requires local boards of education to address sex trafficking prevention and awareness.

### Changes to licensure for professional counselor associates

Effective October 1, 2015, the licensing requirements for professional counselor associates are divided into three categories, depending upon when an applicant applies for licensure:

- Applicants who apply for a license on or before March 1, 2016, must have (i) a master's degree from a regionally accredited school or from one accredited by an organization that is recognized by the Council for Higher Education Accreditation (CHEA), (ii) a minimum number of hours as determined by when one enters school, and (iii) passed an exam.
- Applicants who apply after March 1, 2016, through June 30, 2022, must have (i) a master's degree from a regionally accredited school or from one accredited by an organization both recognized by CHEA and accredited by the Council for Accreditation of Counseling and Related

Educational Programs (CACREP), (ii) a minimum number of hours as determined by when one enters school, and (iii) passed an exam.

- Applicants who apply on or after July 1, 2022, must have (i) a master's degree from an institution accredited by CACREP, (ii) a minimum number of hours, and (iii) passed an exam.

#### Changes to the reproductive health and safety education program

The following changes are made to the reproductive health and safety education program:

- Effective October 20, 2015, and applicable beginning with the 2016-2017 school year, information conveyed in instruction related to sexual activity and human reproduction must be approved by credentialed experts in the fields of any of the following: sexual health education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education.
- Effective October 20, 2015, and applicable beginning with the spring semester of the 2015-2016 school year, the reproductive health and safety education program must also include instruction on sex trafficking prevention and awareness. Each local school administrative unit must collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex trafficking, to address the threats of sex trafficking and referral protocol for high-risk pupils. Law enforcement agencies, criminal justice agencies, and non-governmental organizations with expertise in sex trafficking are also permitted to provide materials and information.
- Effective January 1, 2016, and applicable beginning with the 2016-2017 school year, information conveyed in instruction related to risks related to sexual activity must be approved by credentialed experts in the fields of any of the following: sexual health education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education.

Except as otherwise provided, this act became effective October 20, 2015.

#### **S545 - Workforce Enrichment/Veterans (SL 2015-143)**

S.L. 2015-143 requires an occupational licensing board to issue a license to a military-trained applicant if the applicant demonstrates military occupational specialty certification and experience in the licensed occupational field and passes a proficiency examination offered by the licensing board to military-trained applicants.

This act became effective July 8, 2015.

# Property, Trusts, and Estates

See full summary documents for additional detail

## **H174 - Landlord/Tenant-Foreclosure and Eviction Changes (SL 2015-178)**

S.L. 2015-178 (i) amends and enhances certain notice requirements and protections for tenants of real properties in foreclosure, (ii) allows sellers of real property under option contracts to initiate a summary ejectment action to recover damages and possession, (iii) permits the purchaser under an option contract to counterclaim for damages in the summary ejectment action, and (iv) provides that a judgment in an action to recover possession does not prevent either party from seeking monetary damages in a separate action. The act also amends the minimum requirements for a contract for deed, amends the law prohibiting foreclosure rescue transactions, and repeals provisions making a violation of the statutes governing option contracts or contracts for deed an unfair trade practice.

This act became effective October 1, 2015.

## **H291 - Hazardous Materials in Safe Deposit Box (SL 2015-68)**

S.L. 2015-68 gives the State Treasurer authority in the handling of unclaimed property determined to be of a hazardous nature or otherwise regulated, illegal, or which has no substantial commercial value and provides guidance for the proper disposition of these materials on the part of financial organizations. The act provides that none of the following are liable for any loss due to the disposal of materials unless the loss is due to intentional misconduct:

- The State, the Treasurer, or any officer, employee, or agent of the State or the Treasurer, acting in the person's individual and official capacity.
- A financial organization or any officer, employee, or agent of the financial organization.

This act became effective October 1, 2015.

## **H315 - Sheriff and Landlord/Tenant-Writs of Possession Changes (SL 2015-55)**

S.L. 2015-55 revises the procedure for executing a writ of possession in summary ejectment proceedings, modifies the requirement for advance payment of certain uniform civil process fees, and requires the plaintiff in a claim and delivery action to pay a fee deposit to the sheriff upon the issuance of an order for seizure of personal property.

This act became effective October 1, 2015.

## **H405 - Property Protection Act (SL 2015-50)**

S.L. 2015-50 protects property owners from damages resulting from individuals acting in excess of the scope of permissible access and conduct granted to them.

This act becomes effective January 1, 2016, and applies to acts committed on or after that date.

### **H513 - Real Property/Technical Corrections (SL 2015-56)**

S.L. 2015-56 makes conforming changes regarding the effect of recordation of a satisfaction of mortgages and deeds of trusts, and amends the North Carolina Condominium Act to make it consistent with the North Carolina Planned Community Act with regard to the transfer of special declarant rights.

This act became effective June 4, 2015.

### **S336 - Estate Planning/Uniform Trust Code (SL 2015-205)**

S.L. 2015-205, as amended by Sections 31.(a) and 31.(b) of S.L. 2015-264, is a recommendation of the North Carolina Bar Association that amends the law governing estate planning and fiduciaries, amends the Uniform Trust Code, and establishes the Uniform Power of Appointment Act. The act also does the following: (i) amends the standby guardian statute to provide for the appointment of standby guardians for incompetent adults; (ii) authorizes a living probate procedure allowing a person to petition the probate court for an order confirming the validity of that person's will; (iii) amends the valuation of life estates and contingent interests in property under the elective share statute to reflect the principle that the value used should be the fair market value, and (iv) amends the law providing for a conveyance of tenancy by the entirety to a trust.

This act has various effective dates. Please see the full summary for more details.

### **S386 - Registers of Deeds/Uniform Commercial Code Recording Fees (SL 2015-206)**

S.L. 2015-206 recodifies the fee schedule for filing Uniform Commercial Code (UCC) records with registers of deeds without changing the fee schedule.

This act became effective October 1, 2015, and applies to instruments registered on or after that date.

# Retirement

See full summary documents for additional detail

## **H97 - 2015 Appropriations Act, PART XXX: Salaries and Benefits (SL 2015-241)**

Part XXX of S.L. 2015-241 includes the following provisions pertaining to the State Retirement Systems and the State Health Plan for Teachers and State Employees:

Section 30.25. Allow Retirees Who Return to Work for the State in Nonpermanent Positions to Retain Their Coverage Options Under the State Health Plan for Teachers and State Employees Rather Than Limiting Such Retirees' Coverage Options to the "Bronze Level" High-Deductible Health Plan Necessitated by the Affordable Care Act

Sec. 30.25 of S.L. 2015-241 amends G.S. 135-48.40 to allow retired State employees who return to work with the State in nonpermanent full-time positions to be eligible for coverage under the State Health Plan for Teachers and State Employees on a partially contributory basis.

This section becomes effective January 1, 2016.

Section 30.30. Clarify and Amend the Law Providing for Purchase of Service by Members of the Teachers' and State Employees' Retirement System for Educational Leave

Sec. 30.30 of S.L. 2015-241 amends the statute that allows members of the Teachers' and State Employees' Retirement System to purchase service for educational leave by clarifying that such purchases could be approved for a period of employment as a teacher in a charter school but also limiting any other such purchases to leave or interrupted service during which (i) the member is enrolled and participates in a full-time degree program at an accredited institution of higher education, (ii) the member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities, and (iii) the service is not purchased for any month in which the member performed any services for any of the following statutorily listed organizations or successor organizations: North Carolina Education Association; North Carolina Association of Educators; North Carolina State Employees' Association; North Carolina State Firemen's Association; the North Carolina State Highway Employees Association; North Carolina Teachers' Association and the State Employees' Credit Union; alumni associations of State-supported universities and colleges; local professional associations of teachers and State employees as defined by the Board of Trustees; and the North Carolina State School Boards Association.

This section became effective July 1, 2015.

Section 30.30A. Clarify Qualified Excess Benefit Arrangement

Sec. 30.30A of S.L. 2015-241 extends the sunset for participation in the Qualified Excess Benefit Arrangement (QEBA) for members of the Teachers' and State Employees' Retirement System and members of the North Carolina Local Governmental Employees' Retirement System to allow participation by members who retire prior to January 1, 2015 to August 1, 2016. The QEBA is a supplemental funding arrangement established in 2013 to provide for the payment of benefits to a small number of retirees whose benefits would otherwise exceed limits set under federal law.

This section became effective July 1, 2015.

## **H264 - Community Colleges 403(b) Plan. (SL 2015-169)**

S.L. 2015-169 amends the law governing community colleges to allow local boards of trustees to offer their employees the opportunity to participate in the North Carolina Public School Teachers' and Professional Educators' Investment Plan as operated by the Department of State Treasurer.

This act became effective October 1, 2015.

## **H274 - Retirement Technical Corrections Act of 2015 (SL 2015-67)**

S.L. 2015-67 amends laws for the Teachers and State Employees Retirement System (TSERS), Local Governmental Employees Retirement System (LGERS), Disability Income Plan (DIP), Qualified Excess Benefit Arrangement (QEBA) plans, and to the law pertaining to funds from a settlement or other final order or judgment of the court received by the Escheat Fund and benefit plans administered by the Department of State Treasurer. The following is a brief overview of the changes:

- Amends the TSERS definition of "employee."
- Clarifies the effective date of the Social Security reduction when receiving long-term disability benefits under the DIP.
- Changes "fiscal year" to "calendar year" for TSERS and LGERS as it relates to treatment of unused assets of the QEBA plan.
- Repeals the authority of the LGERS Board of Trustees to invest in certain common and preferred stocks.
- Amends the law on the disposition of funds received by the State or a State agency from a settlement or other final order or judgment of the court as it relates to funds received by the Escheat Fund and benefit plans administered by the Department of State Treasurer.
- Consistent with the Uniformed Services Employment and Reemployment Rights Act (USERRA), it changes "honorably discharged" to "who were not dishonorably discharged" in the TSERS definition of creditable service and adds language relating to a member who returns from service in the uniformed services.

This act became effective July 1, 2015.

## **H276 - Agency Participation Procedures Act of 2015 (SL 2015-168)**

S.L. 2015-168 does the following:

- Creates a new procedure for charter schools to participate in the Teachers' and State Employees' Retirement System.
- Directs the Fiscal Research Division to obtain estimates of withdrawal liability for actuarial notes on bills that remove an agency from the Retirement System.
- Establishes process and payment calculation for agencies withdrawing from the Retirement Systems.
- Establishes the priority for use of reserved funds in the event of dissolution of a charter school.



- Effective July 23, 2015, prohibits granting prior service to new agencies in the Local Governmental Employees Retirement System.
- Effective July 23, 2015, amends the contribution based benefit cap purchase provision to allow repayment pursuant to an installment plan.

Except as otherwise provided, this act becomes effective January 1, 2016.

### **H277 - Retirement Administrative Changes Act of 2015 (SL 2015-164)**

S.L. 2015-164 makes various changes to the laws governing the administration of the State's public employee retirement systems.

This act became effective October 1, 2015.

### **S99 - Fire, Rescue, and Safety Worker System Changes (SL 2015-88)**

S.L. 2015-88 amends the laws for the following systems: Local Firefighters' Relief Funds; Statewide Firefighters' Relief Fund; State Fire Protection Grant Fund; Volunteer Safety Workers Assistance Fund; Rescue Squad Workers' Relief Fund; NC Firefighters' and Rescue Squad Workers' Pension Fund; Law-Enforcement Officers,' Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act; and clarifies government control of certain fire departments. The following is a brief overview of the changes:

- Amends the definition of "fire district" and "firefighter or fireman" in five statutory Articles.
- Amends the powers and duties of the Board of Trustees for the Firefighters' and Rescue Squad Workers' Pension Fund.
- Amends the Firefighters' and Rescue Squad Workers' Pension Fund pertaining to the certification of firefighters and rescue squad workers.
- Makes several amendments to the Rescue Squad Worker's Relief Fund.
- Makes several amendments to the Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act.
- Clarifies government control of certain fire departments.

This act became effective July 1, 2015.

# State Government

See full summary documents for additional detail

## **H44 - Local Government Regulatory Reform 2015, Sec. 7: Verification of Escheats Reports (SL 2015-246)**

Sec. 7 of S.L. 2015-246 authorizes the State Treasurer to utilize any and all reliable external data, including electronic databases, in verifying an escheated property.

This section became effective September 23, 2015, and applies to any examination pending on or after that date.

## **H97 - 2015 Appropriations Act, Sec. 15.11: Workforce Development Boards/Changes to Conform with Federal Law (SL 2015-241)**

Sec. 15.11 of S.L. 2015-241 amends various general statutes to do the following: (i) change the name of the Commission on Workforce Development to the NCWorks Commission; (ii) require the NCWorks Commission to develop performance accountability measures and fiscal control and fund accounting procedures for local workforce development boards; (iii) increase the membership of the NCWorks Commission from 25 to 33 members; and (iv) make other conforming changes required pursuant to the federal Workforce Innovation and Opportunity Act, which became effective July 1, 2015.

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 15.13: Repeal Apprenticeship Fee (SL 2015-241)**

Sec. 15.13 of S.L. 2015-241 repeals the fee imposed on each apprentice covered by a written apprenticeship agreement entered into under the statutes pertaining to apprenticeships (Chapter 94 of the General Statutes).

This section became effective July 1, 2015.

## **H97 - 2015 Appropriations Act, Sec. 30.18: State Workers' Compensation Reform (SL 2015-241)**

Sec. 30.18 rewrites Article 63 of Chapter 143 of the General Statutes to provide for centralized coordination of the workplace safety, health, and workers' compensation benefits programs, for State agencies, The University of North Carolina, and the Office of Administrative Hearings. Further, this section amends G.S. 143-166.14 to provide that a State employee remains eligible for salary payments, notwithstanding partial or total incapacity, if the employee's injury results or arises from an episode of violence or resistance, or due to a specialized hazard that occurs while the employee is performing official duties. After two years, the employee becomes subject to the provisions of the Workers' Compensation

Act. The time period for which the employee receives salary continuation under G.S. 143-166.14 will be deducted from the person's total eligibility for workers' compensation benefits under Chapter 97 of the General Statutes. "Salary" is re-defined as the total base pay of the person reflected on the person's salary statement, not including overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been eligible prior to such incapacity.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 6.3 (SL 2015-241)**

Sec 6.3 amends G.S. 147-69.2(b)(12) pertaining to the Escheat Fund by requiring ten percent (10%) of the Fund to be invested as provided by new G.S. 147-69.2 and requires the State Treasurer to engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Fund.

### **H97 - 2015 Appropriations Act, Sec. 15.1: Economic Development Partnership of North Carolina State Budget Act Exemption (SL 2015-241)**

Sec. 15.1 of S.L. 2015-241 exempts the EDPNC (the North Carolina non-profit corporation with which the Department of Commerce has contracted to perform certain Departmental functions) from the administrative, oversight, and reporting requirements applicable to grantees under the State Budget Act.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 15.10: Modify Economic Development Grant Report (SL 2015-241)**

Sec. 15.10 of S.L. 2015-241 modifies the economic development grant report published annually by the Department of Commerce by (i) changing the reporting period from the previous fiscal year to January 2002 through June 30 preceding the publication date for the Job Development Investment Grant Program and from the previous fiscal year to January 2007 through June 30 preceding the publication date for the Job Maintenance and Capital Development Fund, One North Carolina Fund, and the Utility Account, (ii) adding a requirement that information regarding the physical location of a recipient of an economic development incentive must include whether the physical location is new or expanded, and (iii) adding a requirement that the report indicate whether the award is to a business new to the State or expanding in the State.

This section became effective for reports published for fiscal years beginning on or after July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 15.25: Modify Film and Entertainment Grant Fund (SL 2015-241)**

Sec. 15.25 of S.L. 2015-241 modifies the Film and Entertainment Grant Fund by (i) increasing the minimum qualifying expenses of a television series from \$250,000 to \$1 million per episode, (ii) increasing the maximum grant amount for a television series from \$5 million to \$9 million per season, (iii) broadening the grant to allow for award for productions for on-line distribution, (iv) eliminating the requirement that employees work on a qualifying production at least 35 hours per week, (v) eliminating the requirement that an application be made under oath, and (vi) amending the prohibition against disclosure of tax information to allow for exchange of information regarding a grant between the Departments of Revenue and Commerce and a contractor hired by Commerce necessary to administer the program.

This section became effective September 18, 2015, and applies to grants awarded on or after that date.

**H97 - 2015 Appropriations Act, Sec. 27.4: Dorothea Dix Memorial (SL 2015-241)**

Sec. 27.4 of S.L. 2015-241 directs the Department of Administration, in consultation with the Department of Natural and Cultural Resources, to appoint a task force to acquire items of historical value relating to Dorothea Lynde Dix and mental health efforts in the State and to propose options for a building or space on the Dorothea Dix campus to memorialize, honor, and educate the public about advocacy for and innovations in treatment for the mentally ill. The Department must submit its proposed options to the Joint Legislative Oversight Committee on Health and Human Services by April 1, 2016.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 31.11: Modify Special Indebtedness Provisions (SL 2015-241)**

Sec. 31.11 of S.L. 2015-241 amends the statute on public-private partnership construction contracts to define private financing for public private partnerships. Private financing does not include securitized State or local lease payments made to a third party. A State supported financing arrangement is further defined to include multi-year agreements to obtain ownership and beneficial use of a capital asset. A clarification is also made within Department of Transportation projects to remove transportation infrastructure projects from the approval process within this statute.

This section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 26.2: Personal Services Contracts/Temporary Solutions (SL 2015-241)**

Sec. 26.2 of S.L. 2015-241, as amended by Sec. 74 of S.L. 2015-264, requires that personal services contracts, including information technology personal contracts, entered into by Executive Branch agencies are subject to the same requirements and procedures as ordinary services contracts, preempting various administrative rules that previously exempted personal services from those requirements. This requirement does not apply to the engagement of experts or expert witnesses who are involved in the planning, prosecution, or defense of any litigation, by the Department of Justice, the Governor, State agencies, or institutions.

This section also requires Executive Branch State agencies that utilize temporary employees to perform work that is not information technology-related to employ those employees through the Temporary Solutions Program administered by the Office of State Human Resources. This requirement applies to Council of State and non-Council of State agencies and builds on a requirement contained in an executive order issued in February of 2013 that imposed a similar requirement but only on non-Council of State Executive Branch agencies.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 27.3: Streamline Seized Vehicle Disposal (SL 2015-241)**

Sec. 27.3 of S.L. 2015-241, as amended by Sec. 38.3 of S.L. 2015-264, transfers the responsibility for being one of the entities that stores and disposes of vehicles seized for various motor vehicle offenses from the Department of Public Instruction to the Department of Administration.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 6.18: Clarify the Consultation Requirement Before the Joint Legislative Commission on Governmental Operations when a State Agency Establishes or Increases a Fee or Charge (SL 2015-241)**

Sec. 6.18 of S.L. 2015-241 amends the statute that requires State agencies to consult with the Joint Legislative Commission on Governmental Operations before a rule establishing or increasing a fee can take effect to provide that where an administrative rule provides for a periodic automatic adjustment to a fee, the agency is not required to consult with the Commission every time the fee automatically adjusts.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 6.19: Emergency and Disaster Response Funding Changes (SL 2015-241)**

Sec. 6.19 of S.L. 2015-241 amends several sections of the North Carolina Emergency Management Act (Article 1A of Chapter 166A of the General Statutes) that govern how State emergency management and response is funded as follows:

- The State Emergency Response Account is renamed the State Emergency Response and Disaster Relief Fund and the statutes are amended to clarify that this Fund is the primary vehicle through which State emergency relief funds must be routed.
- The statutes are reorganized to clarify the circumstances under which Contingency and Emergency Funds and other appropriations may be used for emergency response purposes.
- Two additional prerequisites are added to the Governor's power to use funds appropriated to the various State agencies for emergency response purposes: (i) a state of emergency must have been declared and (ii) funds in the State Emergency Response and Disaster Relief Fund must be insufficient.
- Conforming statutory changes are made.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 6.21: Legislative Research Commission Study on Methods for Increasing Transfers to the Savings Reserve Account (SL 2015-241)**

Sec. 6.21 of S.L. 2015-241 requires the Legislative Research Commission to study methods for increasing the amount of funds transferred to the Savings Reserve Account. The Commission is required to report its findings, together with any proposed legislation, to the 2016 Regular Session of the 2015 General Assembly upon its convening.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 6.23: Require Transfer of Savings from the Refinancing of Certain State Debt to be Transferred to the Savings Reserve (SL 2015-241)**

Sec. 6.23 of S.L. 2015-241 amends the statutes governing State Debt and the State Capital Facilities Finance Act to change the way that savings generated from the refinancing of debt is to be handled. Specifically, where savings are realized from refinancing such debt, the following requirements apply:

- The General Assembly must not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.
- The State Controller must, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve Account during the fiscal biennium in which the refinancing occurs.

- The Director of the Budget must, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

This section becomes effective July 1, 2017, and applies to indebtedness issued, incurred, or refinanced on or after that date.

**H97 - 2015 Appropriations Act, Sec. 23.3: Study Transition to Rent-Based Model for State-Owned Facilities (SL 2015-241)**

Sec. 23.3 of S.L. 2015-241 directs the Office of State Budget and Management to study charging State agencies rent to cover the cost of facility management, maintenance, and related costs that are attributable to those agencies. The Office of State Budget and Management must report its findings to the Joint Legislative Oversight Committee on General Government by March 1, 2016.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 31.9: Require Non-General Fund Resources to be Used for Advanced Planning of University Capital Projects (SL 2015-241)**

Sec. 31.9 of S.L. 2015-241, as amended by Sec. 9.3 of S.L. 2015-268, requires The University of North Carolina to complete advanced planning through the schematic design phase with funds other than General Fund appropriations before making a capital funds request to construct a new facility, expand the building area (square feet) of an existing facility, or rehabilitate an existing facility to accommodate new or expanded uses.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 31.16: Create Joint Legislative Oversight Committee on Capital Improvements (SL 2015-241)**

Sec. 31.16 of S.L. 2015-241 creates the new 16-member Joint Legislative Oversight Committee on Capital Improvements. The Committee is empowered: (i) to examine capital improvements requested, authorized, or undertaken by State agencies; (ii) with oversight over implementation of the six-year capital improvements plan; (iii) to recommend, to the General Assembly, ways to improve various components of State capital improvements; and (iv) to report and make recommendations as to which requested capital improvements should be authorized and how those requests should be funded.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 15.24: Create Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (SL 2015-241)**

Sec. 15.24 of S.L. 2015-241 creates a new Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, codified as Article 36 of Chapter 120 of the General Statutes. The Committee is structured similarly to other existing General Assembly Oversight Committees set out in Chapter 120, and is charged with examining, on a continuing basis, the services provided by the following agencies in order to make ongoing recommendations to the General Assembly on ways to improve the effectiveness, efficiency, and quality of State government services:

- Department of Agriculture and Consumer Services.
- Department of Environmental Quality.
- Department of Natural and Cultural Resources.
- Wildlife Resources Commission.
- Department of Labor.
- Department of Commerce.

The provision also includes a catchall duty giving the Committee oversight over any other agency placed within the jurisdiction of the House and Senate appropriations subcommittees on agriculture, natural, or economic resources.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 25.1: Stop Fraud and Abuse of Taxpayer Dollars (SL 2015-241)**

Sec. 25.1 of S.L. 2015-241, as amended by Sec. 7.4 of S.L. 2015-268, directs the State Auditor and any internal auditors of a State agency to report to the State Purchasing Officer or the appropriate political subdivision official, as applicable, if an audit results in a finding that a private person or entity has received public funds as a result of deceptive acts or practices while doing business with the State or a political subdivision thereof. The report may include a recommendation that the private person or entity be debarred from doing business with the State or a political subdivision thereof.

This section became effective October 1, 2015, and the requirement to submit a report applies to audits performed on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 27.6: Vehicles Assigned to Section of Community Correction/Exempt from Minimum Mileage Requirement (SL 2015-241)**

Sec. 27.6 of S.L. 2015-241 provides that, for the 2015-2017 fiscal biennium only, motor vehicles assigned from the central motor fleet to the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety are exempt from any requirement that the motor vehicle be driven a minimum number of miles per month or quarter. In addition, the Department of Administration must provide to the Joint Legislative Oversight Committee on General Government and the Joint Legislative



Oversight Committee on Justice and Public Safety a report (i) providing details on the use of the exempt motor vehicles and (ii) on the status of all motor vehicles managed by the Department of Administration for the Department of Public Safety.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 16A.5: Sensitive Public Security Information is Not a Public Record (SL 2015-241)**

Sec. 16A.5 of S.L. 2015-241 exempts from the definition of a "public record" all of the following:

- Plans, schedules, or other documents that contain information related to patterns or practices associated with executive protection; and
- Specific security information or detailed plans, patterns, or practices associated with prison operations, or the prevention of or response to criminal, gang, or organized illegal activity.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 5.2(c)-(e): Education Lottery Funds/Expenses of the Lottery/Limit on Regional Offices (SL 2015-241)**

Secs 5.2(c) through (e) of S.L. 2015-241 make the following changes to the North Carolina State Lottery Act:

- Establishes an annual transfer of \$2.1 million to the Department of Public Safety, Alcohol Law Enforcement Branch for gambling enforcement activities, and classifies this transfer as an expense of the Lottery.
- Limits the number of regional offices operated by the Lottery Commission (Commission) to no more than seven.
- Prohibits the Commission and lottery game retailers from accepting any form of public assistance funds for ticket purchases or game play.

This provision also directs the Commission to adopt any rules necessary to implement these changes.

These sections became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 15.23: Lottery Proceeds Disclosure (SL 2015-241)**

Sec. 15.23 of S.L. 2015-241 directs each State department or agency to provide to the public all amounts received and activities funded by any lottery proceeds.

This section became effective July 1, 2015.

### **H140 - Lineman Appreciation Day in North Carolina (SL 2015-8)**

S.L. 2015-8 honors the work of linemen in North Carolina and designates Lineman Appreciation Day on April 18, 2015, and on the second Monday in April of each year thereafter.

The addition of language authorizing Lineman Appreciation Day to the General Statutes became effective July 1, 2015. The remainder of this act became effective April 16, 2015.

### **H147 - Update Fire and Rescue Commission Membership (SL 2015-39)**

S.L. 2015-39 updates the membership of the State Fire and Rescue Commission and clarifies the powers of the Commission.

This act became effective July 1, 2015.

### **H154 - Local Governments in State Health Plan (SL 2015-112)**

S.L. 2015-112 makes local governments eligible to have their employees participate in the State Health Plan for Teachers and State Employees (State Health Plan) under specific conditions:

- The local government unit must pass a valid resolution expressing its desire to participate in the State Health Plan.
- The local government unit must enter into a memorandum of understanding with the State Health Plan.
- The local government unit must provide at least 90 days' notice to the State Health Plan prior to entry and complete these requirements at least 60 days prior to entry into the State Health Plan.
- The local government unit and its employees must meet the federal requirements to enter into a governmental plan and the State Health Plan has the right to refuse participation of the local government unit if its qualification as a governmental plan would be jeopardized.

The State Health Plan must admit any local government unit that meets the qualifications regardless of past claims experience or the financial impact to the State Health Plan. A local government unit must determine the eligibility of its employees and their dependents and what portion of the premiums employees will pay to the local government unit. Premiums for coverage and State Health Plan options will be the same as those offered to State employees and their dependents on a fully contributory basis. The local government unit must pay all premiums for covered individuals directly to the State Health Plan or its designee.

Enrollment in the State Health Plan by local government units is limited to 10,000 employees and dependents of employees, a number after which no additional local governments will be allowed to join Plan. Any local government that elects to participate must have fewer than 1,000 employees and dependents enrolled at the time of notice to the Plan of its desire to participate.

Local governments currently participating in the State Health Plan are authorized to elect to participate under these conditions. Local government units that to participate would also cease monthly contributions

to the Retiree Health Benefit Fund. The Retiree Health Benefit Fund is a fund in which accumulated contributions from employers and any earnings on those contributions must be used to provide health benefits to retired and disabled employees and their applicable beneficiaries.

This act also authorizes the Board of Directors of the Pioneer Springs Community School, a charter school, to elect to participate in the State Health Plan.

This act became effective June 24, 2015.

### **H184 - Change Department of Cultural Resources' Process for Unclaimed Property (SL 2015-218)**

S.L. 2015-218 does all of the following: (i) permits the Office of Archives and History within the Department of Cultural Resources to use the net proceeds of sales of artifacts for the maintenance or conservation of other artifacts, (ii) clarifies the circumstances and procedures under which a public or private museum or archives repository may acquire title to loaned property, (iii) causes all restrictions on access to public records to expire 100 years after creation of the record, with specified exceptions, (iv) clarifies that all photographs, video recordings, or other documentary materials of a derelict vessel or shipwreck or its contents in the custody of any agency of North Carolina government or its subdivisions are a public record, and (v) provides that a card or certificate for merchandise credit is not abandoned property if the card or certificate meets certain criteria.

The provision dealing with merchandise credit became effective July 1, 2012, and applies to merchandise credit issued on or after that date. The remainder of this act became effective August 18, 2015.

### **H185 - Repeal Department of Cultural Resources' Obsolete Commissions and Language (SL 2015-184)**

S.L. 2015-184 repeals commissions within the Department of Cultural Resources that are obsolete and deletes from various statutes references to those obsolete commissions. It also deletes statutory language related to printing of government publications on alkaline paper.

This act became effective August 5, 2015.

### **H190 - State Health Plan Modifications (SL 2015-100)**

S.L. 2015-100 makes a number of modifications to the State Health Plan, including:

- Amends the statute pertaining to enrollment to allow retirees and surviving spouses to disenroll themselves or their dependents from the Plan during the Plan year without a qualifying event.
- Amends the statute to provide that coverage ceases on the earliest of the last day of the month or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired employee.

- Adds "employees eligible for coverage on a noncontributory basis" to the statute pertaining to partially contributory coverage.
- Provides eligibility for coverage under the Plan on a fully contributory basis to Disability Income Plan Beneficiaries.
- Removes some references to preexisting conditions and waiting periods from eligibility provisions.
- Adds "other contributory basis" to enrollment language pertaining to new employees that must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis.

This act became effective July 1, 2015.

### **H364 - Clarify Laws on Executive Orders and Appointments (SL 2015-9)**

S.L. 2015-9 amends conflict of interest provisions applicable to the Coal Ash Management Commission, the Environmental Review Commission, and the Coastal Resources Commission. It also modifies appointments to the North Carolina Longitudinal Data System Board, the Domestic Violence Commission, and the Governor's Crime Commission to remove members who are also members of the General Assembly.

This act became effective April 27, 2015.

### **H371 - Terror Claims/Damages/Liability for Support, Sec. 2.7: Rules Review Commission Private Counsel (SL 2015-215)**

Sec. 2.7 of S.L. 2015-215 authorizes the chairman of the Rules Review Commission to retain private counsel under certain circumstances. [This provision is identical to Sec. 2 of S.L. 2015-196, which is summarized in the ENVIRONMENT, NATURAL RESOURCES, AND ENERGY subject area.]

This section became effective August 18, 2015.

### **H495 - Office of State Human Resources Modernization/Technical Changes (SL 2015-260)**

S.L. 2015-260 makes changes to the State's system of Human Resources Management, including:

- Amending the definition of "career State employee," effective October 1, 2015, and applies to employees hired before, on or after that date.
- Deleting language that prohibited the State Human Resources Commission from establishing an incentive pay program.
- Changing certain reporting requirements from quarterly to annually.
- Making other organizational and employee policy changes, effective October 1, 2015, and applies to employees separated on or after that date.

Except as otherwise provided, this act became effective September 30, 2015.

### **H512 - Amend/Clarify Back-Up Public Safety Answering Points (PSAP) Requirements (SL 2015-219)**

S.L. 2015-219 allows time extensions for implementation of back-up PSAP requirements to July 1, 2017, under certain circumstances; and requires the 911 Board to investigate alternatives for facilitation of uniform procurement and pricing of 911 eligible expenses through bulk purchasing and other means.

This act became effective August 18, 2015.

### **H540 - Billy Graham/National Statuary Hall (SL 2015-269)**

S.L. 2015-269, as amended by Sec. 91.3 of S.L. 2015-264, requests the Joint Committee on the Library of Congress to approve the replacement of the statue of Charles Brantley Aycock in National Statuary Hall with a statue of the Reverend William Franklin Graham, II.

This act became effective October 2, 2015.

### **H584 - Use of Position/Letters of Reference (SL 2015-208)**

S.L. 2015-08 amends the State Government Ethics Act to permit a covered person to mention their public position in certain letters of reference and in responses to inquiries of potential employers.

This act became effective on October 11, 2015

### **H730 - Next Generation 911 (SL 2015-261)**

S.L. 2015-261 authorizes the 911 Board to create a reserve fund for the implementation of next generation 911 service, and makes other conforming changes to the statutes governing the 911 Fund to allow for the implementation of next generation 911 service. The act also amends the limitation of liability provision for 911 service to provide it applies to next generation 911 technology, and amends the standard of proof required in a civil action arising out of an act or omission for an individual with assigned job duties as a 911 or public safety telecommunicator or dispatcher.

[Section 2 of the act includes a technical change to a provision in S.L. 2015-259 clarifying the sales tax treatment of certain motorsports equipment. A summary of this provision is available in the FINANCE chapter.]

The changes in the act related to 911 service became effective January 1, 2016.

### **H765 - Regulatory Reform Act of 2015, Sec. 1.2: Burden of Proof in Certain Contested Cases (SL 2015-286)**

Sec. 1.2 of S.L. 2015-286 amends the Administrative Procedures Act to clarify that the petitioner has the burden of proof in most contested cases and establishes that the State agency has the burden of proof in certain contested cases, including cases involving the imposition of civil fines or penalties and cases involving the demotion, suspension, or discharge of a career State employee. The Joint Legislative Administrative Procedure Oversight Committee is directed to study whether there are other categories of cases in which the burden should be placed with the agency.

This section became effective October 22, 2015, and applies to contested cases commenced on or after that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 1.6: No Fiscal Note Required for Less Stringent Rules (SL 2015-286)**

Sec. 1.6 of S.L. 2015-286 amends the process for the periodic review and expiration of existing rules under the Administrative Procedure Act. The section provides that if, during the re Adoption process, a rule is amended to impose a less stringent burden on regulated persons than the existing rule, the agency is not required to prepare a fiscal note for the rule.

This section became effective October 22, 2015, and applies to periodic review of rules occurring on or after that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 1.3: Legislative Appointments (SL 2015-286)**

Sec. 1.3 of S.L. 2015-286 amends the law governing legislative appointments upon recommendation or nomination by a third party.

This section became effective October 22, 2015, and applies to recommendations, consultations, and nominations made on or after that date.

### **H765 - Regulatory Reform Act of 2015, Sec. 3.1: Reduce State Agency Mobile Device Reporting Frequency (SL 2015-286)**

Sec. 3.1. of S.L. 2015-286 reduces the reporting requirement for State agencies with regard to the number, type, and use of mobile devices issued by the agency. This section reduces the reporting requirement from quarterly to annually.

This section became effective October 22, 2015.

## **H924 - Highway Safety/Other Changes, Secs. 5 and 6: Upset bids on State Land Mineral Leases and Force Account Changes (SL 2015-276)**

Secs. 5 and 6 of S.L. 2015-276:

- Provide for upset bids for leases of mineral deposits on State lands.
- Increase the cost limit on work that can be performed by governmental force account labor.

These sections became effective October 20, 2015.

## **H943 - Connect North Carolina Bond Act of 2015 (SL 2015-280)**

S.L. 2015-280 authorizes the issuance of \$2 billion in general obligation bonds if approved by a majority of the voters in the presidential primary in 2016.

This act became effective October 21, 2015.

## **S14 - Academic Standards/Rules Review/Coal Ash/Funds, Sec. 10: Department of Commerce Change (SL 2015-7)**

Sec. 10 of S.L. 2015-7 amends the State law authorization for the Department of Commerce to contract with a non-profit to perform one or more of its functions, to delete a prohibition on State officers serving on the non-profit's board.

This section became effective April 13, 2015.

## **S22 - Historic Artifact Management and Patriotism Act (SL 2015-170)**

S.L. 2015-170 does the following:

- Establishes laws for the handling, display, storage and retirement of both the United States and the North Carolina flags by State agencies and other political subdivisions of the State.
- Requires the Division of Veterans Affairs to establish a flag retirement program.
- Provides for the protection of certain monuments on public property by prohibiting their permanent removal and limiting the circumstances under which they may be relocated.
- Requires the Secretary of State to transfer the historical editions of the State Constitution and certain other documents to the Department of Cultural Resources.
- Requires the Department of Cultural Resources, in 2016, to arrange programs and public displays of the North Carolina and United States Constitutions and their amendments and related documents.

The requirement that the Secretary of State transfer certain documents to the Department of Cultural Resources became effective December 1, 2015. The remainder of this act became effective July 23, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 73: Clarify Cochair of Virginia-North Carolina High-Speed Rail Commission (SL 2015-264)**

Sec. 73 of S.L. 2015-264 authorizes co-chairs, one from each State, for the existing Virginia-North Carolina High-Speed Rail Compact Commission.

This section became effective October 1, 2015.

### **S119 - GSC Technical Corrections 2015, Secs. 68, 68.5, 69, and 70: State Government-Related Provisions (SL 2015-264)**

Secs. 68, 68.5, 69, and 70 of S.L. 2015-264 made the following changes related to State government:

- Changes the time for the start of the legislative session.
- Deletes the requirement for the Program Evaluation Division annual work plan.
- Repeals statutory provisions related to new licensing boards that are not used.
- Adds a representative of the Campbell University's medical school to the Commission of Anatomy.

These sections became effective October 1, 2015.

### **S119 - GSC Technical Corrections 2015, Sec. 46: Amend Experience for Membership on the 911 Board (SL 2015-264)**

Sec. 46 of S.L. 2015-264 amends the experience requirement for the member of the 911 Board that is appointed to represent fire chiefs.

This section became effective October 1, 2015.

### **S123 - Uniform Fraudulent Transfer Act (SL 2015-23)**

S.L. 2015-23 amends the Uniform Fraudulent Transfer Act (UFTA) to adopt the amendments approved by the Uniform Law Commission in 2014, and makes related conforming and technical amendments, as recommended by the General Statutes Commission.

This act became effective October 1, 2015, and applies to a transfer made or obligation incurred on or after that date.



### **S366 - Amend Certain Requirements/Permanency Innovation Committee (SL 2015-95)**

S.L. 2015-95 amends the reporting and meeting requirements of the Permanency Innovation Initiative Oversight Committee. The act reduces the frequency of meetings the Committee must hold from quarterly to at least twice a year, directs the Committee to report to the chairs of the Senate and House Appropriations Subcommittees on Health and Human Services and the Fiscal Research Division, and moves the reporting date from September 15 to February 15 each year.

This act became effective June 19, 2015.

### **S379 - Cemeteries Located on State Property (SL 2015-285)**

S.L. 2015-285 requires each State agency to identify and inventory all known cemeteries on State lands allocated to that agency, and provide that inventory listing to the State Property Office and the Department of Cultural Resources; and authorizes State agencies to allow family members or other interested persons to maintain cemeteries.

This act became effective October 22, 2015.

### **S455 - Iran Divestment Act (SL 2015-118)**

S.L. 2015-118 prohibits certain investments and contracts with persons determined to be engaging in investment activities in Iran. The State Treasurer is directed to adopt a policy on divestment consistent with its current policy.

Except for a provision pertaining to implementation of the act by the Treasurer's Office, which became effective June 29, 2015, this act became effective October 1, 2015.

# Transportation

See full summary documents for additional detail

## **H6 - Autocycle Definition and Regulation (SL 2015-163)**

S.L. 2015-163 amends the motor vehicle laws of the State to define and regulate three-wheeled enclosed motorcycles, known as autocycles. The act provides that operators of autocycles only need a regular driver's license and do not have to wear a helmet.

This act became effective October 1, 2015.

## **H86 - Utility Line Relocation/School Board (SL 2015-111)**

S.L. 2015-111 requires the Department of Transportation to pay the nonbetterment costs of moving water and sewer lines for a local board of education, when the lines are located in the right-of-way of a State transportation improvement project.

This act became effective July 1, 2015, and applies to relocations on or after that date.

## **H91 - Study Misuse of Handicapped Parking Placards (SL 2015-16)**

S.L. 2015-16 requires the Division of Motor Vehicles to study ways to decrease the misuse of handicapped placards.

This act became effective May 14, 2015.

## **H97 - 2015 Appropriations Act, Sec. 29.14: Establishment of "DOT Report" Program (SL 2015-241)**

Sec. 29.14 of S.L. 2015-241 does the following:

- Establishes the "DOT Report" Program (Program) that directs the Department of Transportation (DOT) to: (i) respond to citizen reports in a more timely manner, including repairing potholes within two days of the date a report is received, addressing safety-related citizen reports no later than 10 days after the report is received, and addressing non-safety-related reports no later than 15 days after the report is received; (ii) conduct annual job satisfaction surveys of all DOT personnel; and (iii) conduct annual surveys of North Carolina citizens to measure the level of citizen satisfaction with the condition of the roads and highways of this State.
- Directs DOT to adopt procedures in all stages of the construction process to streamline project delivery, including the establishment of a baseline unit pricing structure by December 1, 2015, for transportation goods used in highway maintenance and construction projects and the setting of annual targets for three years based on its unit pricing.

- Directs DOT to, by May 1, 2016, reclassify the funding source to appropriation for all full-time positions that are budgeted as receipt-supported.
- Directs DOT to study and review the organization, staffing, and operations of the Division of Highways and submit the results of the study and review to the Joint Legislative Transportation Oversight Committee by May 1, 2016.
- Directs DOT to, by March 1, 2016, adjust the performance dashboard available on the Department's home page to track the monthly progress of certain projects.

This section became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.15: Study/Turnpike Authority Processing Fee (SL 2015-241)**

Sec. 29.15 of S.L. 2015-241 directs the Department of Transportation to study whether the amount of the processing fee set forth by statute is in excess of the actual cost to collect and process unpaid open road tolls. The Department must report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2016.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.15A: Adjust Cap on Turnpike Projects (SL 2015-241)**

Sec. 29.15A of S.L. 2015-241 (i) removes the limit on the number of turnpike projects the Turnpike Authority may study, plan, develop, and undertake preliminary design work on; (ii) increases the limit, from nine to eleven, on the number of turnpike projects the Authority may design, establish, purchase, construct, operate, and maintain; and (iii) specifies that the Triangle Expressway constitutes one project instead of three.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.17: Use of Funds for Pavement Preservation Program (SL 2015-241)**

Section 29.17 of S.L. 2015-241 does the following:

- Amends the statutes that govern the pavement preservation program to (i) include asphalt crack sealing as an activity or treatment eligible for funding under program and (ii) direct the Department of Transportation (DOT) to spend or encumber all funds appropriated by the General Assembly to the Department for the program by June 30 of the fiscal year for which the funds were appropriated.
- Repeals the requirement that DOT treat a minimum amount of lane miles with eligible pavement preservation treatments and activities.

- Effective September 18, 2015, and applying to reports submitted on or after that date, decreases the threshold for when DOT must explain unit cost variance from 20% to 10%.

Except as otherwise provided, this section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.17D: Stabilization of Funding for State Aid to Municipalities (SL 2015-241)**

Section 29.17D of S.L. 2015-241 does the following:

- Amends the statutes that pertain to allocation of funds to municipalities to base the State aid funding to municipalities on an appropriation from the General Assembly instead of a percentage of the tax imposed on motor fuels.
- Requires (i) the funds appropriated for State aid to municipalities to be used primarily for the resurfacing of streets within the corporate limits of the municipality and (ii) the Department of Transportation (DOT) to submit an annual report to the chairs of the Joint Legislative Transportation Oversight Committee by October 1 of each year detailing the uses by each municipality of State aid received during the preceding year.
- Provides that, for the 2015-2016 fiscal year only, DOT may submit the required report by November 1, 2015, instead of October 1, 2015.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.17E: Study/Improving Safety on Secondary Roads (SL 2015-241)**

Sec. 29.17E of S.L. 2015-241, as amended by Sec. 90.5 of S.L. 2015-264, does the following:

- Directs the Department of Transportation (DOT) to study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads. DOT must report its findings and recommendations to the Joint Legislative Transportation Oversight Committee (Transportation Oversight Committee) by February 1, 2016.
- Directs DOT to conduct a survey of the paved and unpaved roads in this State that are open to the public, but not currently a part of the State system and report its findings by June 30, 2016.
- Directs DOT to use \$1 million in nonrecurring funds from the Secondary Unpaved Road Paving Program to establish a pilot program to improve paved or unpaved roads that are open to the public, but not currently a part of the State system. DOT must implement the pilot program by December 1, 2015, report the results of the pilot program to the Transportation Oversight Committee by December 1, 2016, and the pilot program will expire upon submission of the report.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.23A: Use of Proceeds Generated from Shipyard (SL 2015-241)**

Sec. 29.23A of S.L. 2015-241 amends the statutes that authorize the Department of Transportation (DOT) to establish and maintain ferries to allow the North Carolina State Shipyard to use proceeds generated from activities at the Shipyard for improvements to the Shipyard. In addition, DOT may use a proportional amount of the proceeds credited to the various reserve accounts for each of the Highway Divisions to replace or repair equipment in the Shipyard if there is an insufficient amount of proceeds generated from activities at the Shipyard.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.30: Increase and Adjust Division of Motor Vehicles Fees (SL 2015-241)**

Sec. 29.30 of S.L. 2015-241, as amended by Sec. 8.2 of S.L. 2015-268, does the following:

- Effective October 1, 2015, eliminates the transfer of funds from the Highway Fund to the General Fund for the operating expenses of the Bowles Center for Alcohol Studies at the University of North Carolina at Chapel Hill.
- Effective January 1, 2016, increases the amount of certain fees charged by the Division of Motor Vehicles (DMV) by an average of 30%.
- Establishes a tiered late fee for persons who pay their motor vehicle registration fee late. This provision becomes effective July 1, 2016, applies to renewal motor vehicle registrations on or after that date, and expires December 31, 2017.
- Effective July 1, 2020, establishes an automatic quadrennial adjustment of certain fees charged by DMV that is based on inflation, as computed by the Bureau of Labor Statistics.

**H97 - 2015 Appropriations Act, Sec. 29.30B: Distribution of Funds in Special Registration Plate Account (SL 2015-241)**

Sec. 29.30B of S.L. 2015-241 eliminates the transfer of (i) 33% of the funds in the Special Registration Account to the Department of Commerce for financing out-of-state print and other media advertising to promote travel and industrial development in this State and (ii) 17% of the funds in the Special Registration Account to the Department of Health and Human Services to promote travel accessibility for disabled persons in this State. This 50% of funds in the Special Registration Account is instead transferred to the Highway Fund to be used for the Roadside Vegetation Management Program.

This section became effective October 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.31: Enforcing Penalties for Lapse in Financial Responsibility (SL 2015-241)**

Sec. 29.31 of S.L. 2015-241 adjusts the requirements that must be met for the Division of Motor Vehicles to impose a monetary penalty, revoke the registration of the person's motor vehicle, or both, for persons who have a lapse in financial responsibility or fail to pay a penalty or fee imposed for a lapse in financial responsibility. Effective September 18, 2015, this section also clarifies that there must be no penalty or revocation when the lapse in financial responsibility occurs after the person's death.

Except as otherwise provided, this section becomes effective January 1, 2016, and applies to lapses in financial responsibility occurring on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 29.32: License Plate Agency Contract Standards (SL 2015-241)**

Sec. 29.32 of S.L. 2015-241 does the following:

- Requires commission contracts entered into for the issuance of plates and certificates to specify the duration of the contract, which may not exceed eight years for initial contracts and two years for renewals. Commission contracts entered into prior to September 18, 2015, have until July 1, 2018, to comply with this requirement.
- Requires commission contracts to include or incorporate by reference standards by which the Division of Motor Vehicles may evaluate the performance of the commission contractor, and authorizes the Division to award monetary performance bonuses not exceeding an aggregate total of \$90,000 annually to commission contractors based on performance. Commission contracts entered into prior to September 18, 2015, have until July 1, 2018, to comply with the standards requirement.
- Increases the amount of compensation payable to a commission contractor on a per transaction basis.

The increase in compensation rates became effective July 1, 2015, and applies to transactions on or after that date. The remainder of the section became effective September 18, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.33: Division of Motor Vehicles/Umstead Act Clarification (SL 2015-241)**

Sec. 29.33 of S.L. 2015-241 clarifies that the Umstead Act does not apply to the operation by the Division of Motor Vehicles of digital advertising and automated teller machines in the offices of the Division or contract license plate agencies.

This section became effective July 1, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.35: Eliminate 10-Day Trip Permit and Increase Temporary Tag Fee (SL 2015-241)**

Sec. 29.35 of S.L. 2015-241 eliminates the 10-day trip permit and instead authorizes the Division of Motor Vehicles to issue a temporary license plate to a person which authorizes that person to drive for no more than 10 days a motor vehicle whose inspection authorization or registration has expired. In addition, this section increases the fee for a temporary license plate from \$5.00 to \$10.00.

This section becomes effective January 1, 2016, and applies to temporary license plates issued on or after that date.

**H97 - 2015 Appropriations Act, Sec. 29.40: Permanent Registration Plates (SL 2015-241)**

Sec. 29.40(r) of S.L. 2015-241 reenacts G.S. 20-84(b)(3a), which authorizes the Division of Motor Vehicles to issue permanent registration plates to qualifying charter schools.

This subsection became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.41: Maximum Funding Expended for Light Rail Transit System Projects (SL 2015-241)**

Sec. 29.41 of S.L. 2015-241 limits the cumulative amount of funds subject to the statutory transportation investment strategy formula that are expended for light rail transit system projects to the sum of \$500,000 per project.

This section became effective September 18, 2015.

**H97 - 2015 Appropriations Act, Sec. 29.8: Department of Transportation/Outside Counsel (SL 2015-241)**

Sec. 29.8 of S.L. 2015-241 expands the authority of the Department of Transportation (DOT) to engage the services of private outside counsel. DOT may obtain private outside counsel to provide legal services related to any project undertaken by the Department, and, except for legal services related to workers' compensation claims brought by DOT employees, must not be required to obtain written permission or approval from the Attorney General. DOT must develop performance metrics to evaluate its utilization of in-house and private outside counsel, and provide a semiannual report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Justice and Public Safety Oversight Committee on those performance metrics.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.9: Right-Of-Way Acquisitions/Reduce Remnant Property (SL 2015-241)**

Sec. 29.9 of S.L. 2015-241 requires the Department of Administration, in collaboration with the Department of Transportation, to develop a plan to reduce the amount of remnant property resulting from the acquisition of rights-of-way. The Departments must jointly report to the Joint Legislative Transportation Oversight Committee by February 1, 2016, on the development of the plan, and the Department of Administration must implement the plan by July 1, 2016.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.10: Department of Transportation/Report on Capital Improvement Needs Estimate (SL 2015-241)**

Sec. 29.10 of S.L. 2015-241 directs the Department of Transportation to provide a detailed report to the Joint Legislative Transportation Oversight Committee on how the Department forms the six-year capital improvement needs estimate that is statutorily required of each State agency.

This section became effective July 1, 2015.

### **H97 - 2015 Appropriations Act, Sec. 29.11: Product Evaluation Program/Increase Innovation (SL 2015-241)**

Sec. 29.11 of S.L. 2015-241 does all of the following:

- Effective September 18, 2015, requires the Board of Transportation to develop a plan to bring greater visibility and public awareness to the Product Evaluation Program, a unit within the Department of Transportation and directs the Board to (i) submit the plan to the chairs of the Joint Legislative Transportation Oversight Committee by December 1, 2015, and (ii) implement the plan by February 1, 2016.
- Creates a new law that requires the Product Evaluation Program to complete its evaluation of any technologies or products submitted for its review within one year from the date the technology or product was submitted. This provision becomes effective January 1, 2016, and applies to technologies and products submitted for review on or after that date.

### **H97 - 2015 Appropriations Act, Sec. 29.12: Various Reporting Changes (SL 2015-241)**

Sec. 29.12 of S.L. 2015-241 adjusts the frequency and timing in which various reports must be submitted or published by the Turnpike Authority, the Board of Transportation, and the Department of Transportation.

This section became effective July 1, 2015.



## **H97 - 2015 Appropriations Act, Sec. 29.5: Require County or Municipality to Pay Costs Associated with Requested Project Improvements (SL 2015-241)**

Sec. 29.5 of S.L. 2015-241 requires that pursuant to an agreement with the Department of Transportation, a county or municipality must reimburse the Department for the cost of all improvements requested by that county or municipality. Requests for safety enhancements or efforts to facilitate the flow of traffic are not considered improvements under this section unless the enhancement or effort is in excess of the standard required by law. Previously the law allowed a county or municipality to reimburse the Department but did not require it to do so.

This section became effective July 1, 2015, and applies to agreements entered into on or after that date.

## **H102 - Utility Vehicles/Move-Over Changes (SL 2015-26)**

S.L. 2015-26 does the following:

- Authorizes utility vehicles, in addition to law enforcement officials, fire, rescue, and emergency medical services personnel, to operate all-terrain vehicles on roads with a speed limit of 35 miles per hour or less.
- Authorizes all municipal and county employees to operate all-terrain vehicles and utility vehicles on roads with a speed limit of 35 mph or less.
- Effective October 1, 2015, modifies the State "move over" law to include vehicles being used in the collection of refuse, solid waste, or recycling.

Except as otherwise provided, this act became effective May 21, 2015.

## **H148 - Insurance Required for Mopeds (SL 2015-125)**

S.L. 2015-125, as amended by Sec. 42(a) and (b) of S.L. 2015-264, amends the law related to mopeds by:

- Requiring mopeds to be insured;
- Clarifying that sellers of mopeds are not required to be licensed as motor vehicle dealers; and
- Clarifying that mopeds do not have to be titled.

Clarifying changes related to motor vehicle dealer licensing and titling became effective July 1, 2015, to coincide with the effective date of the new moped registration requirement. The remainder of the act becomes effective July 1, 2016, and applies to offenses committed on or after that date.

### **H232 - Study/Update Bicycle Safety Laws (SL 2015-45)**

S.L. 2015-45 directs the Department of Transportation to convene a working group to study bicycle safety laws and recommend changes to better ensure the safety of cyclists and motorists. The Department must report its findings to the Joint Legislative Transportation Oversight Committee by December 31, 2015.

This act became effective June 2, 2015.

### **H268 - Amend Transportation Laws (SL 2015-231)**

S.L. 2015-231 makes the following changes to State law:

- Amends the highway quick clearance procedures.
- Authorizes a single encroachment of a State road for a material conveyance system.
- Delays for two years, until August 31, 2017, the sunset on the Department of Transportation's program for participation by disadvantaged minority-owned and women-owned businesses.

This act became effective August 25, 2015.

### **H350 - Restore Driving Privileges/Competency (SL 2015-165)**

S.L. 2015-165 requires the Division of Motor Vehicles to restore a person's driving privilege upon notification from the clerk of court that the person has been adjudicated to be restored to competency.

This act became effective October 1, 2015.

### **H434 - Handicap Placard/Med. Recertification (SL 2015-29)**

S.L. 2015-29 eliminates the requirement that a person provide a medical recertification that the person is handicapped when renewing a handicapped placard if the person is certified as totally and permanently disabled.

This act becomes effective July 1, 2016, except for a provision directing the Division of Motor Vehicles to develop forms to implement the act, which became effective May 21, 2015.

### **H529 - North Carolina Drivers License Restoration Act (SL 2015-186)**

S.L. 2015-186, as amended by Sec. 86 of S.L. 2015-264, limits the imposition of an additional period of revocation upon a conviction of driving while license revoked (DWLR) and makes various conforming changes.

This act became effective December 1, 2015, and applies to offenses committed on or after that date. Prosecutions for offenses prior to December 1, 2015 are not abated or affected.

### **H765 - Regulatory Reform Act of 2015, Secs. 3.5 and 3.13: Transportation Provisions (SL 2015-286)**

Secs. 3.5 and 3.13 of S.L. 2015-286 make the following changes related to transportation:

- Provide for suitably reduced size registration plates for trailers attached to motorcycles. This provision becomes effective January 1, 2016.
- Conform the law related to operation of all-terrain vehicles by persons less than 16 years of age to national safety and design standards for youth operators. These provisions became effective October 22, 2015.

### **H800 - Clarify Motor Vehicle Dealer Laws (SL 2015-209)**

S.L. 2015-209 makes changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law.

This act became effective August 11, 2015, and applies to all current and future agreements between new motor vehicle dealers and manufacturers or distributors.

### **H924 - Highway Safety/Other Changes, Secs. 1 and 2 (SL 2015-276)**

Secs. 1 and 2 of S.L. 2015-276 do the following:

- Clarifies when a law enforcement officer is required to request a blood sample when charging the offense of misdemeanor death by vehicle.
- Clarifies the law governing prohibited use of red and blue lights.

These sections became effective December 1, 2015, and apply to offenses committed on or after that date.

### **S43 - Commercial Drivers Licenses for Veterans Revisions (SL 2015-115)**

S.L. 2015-115 amends the skills test waiver for CDL applicants with military experience by:

- Expanding the time period allowed between a retired or discharged applicant being regularly employed in a qualified position and the date of application for the CDL from 90 days to one year; and
- Providing an additional method of certification of eligibility for the waiver (besides certification by a commanding officer) by allowing the applicant to provide a Form DD 214 and a military-issued drivers license.

This act became effective June 24, 2015.

### **S90 - Required Number of Operating Brake Lights (SL 2015-31)**

S.L. 2015-31, as amended by Sec. 29.36B of S.L. 2015-241, clarifies State law to require motor vehicles manufactured on or after December 31, 1970, to have two operable stop lamps.

This act became effective October 1, 2015, and applies to offenses committed on or after that date.

### **S116 - Handicapped Parking Windshield Placard (SL 2015-22)**

S.L. 2015-22 provides that when a qualifying vehicle owner is issued a handicapped license plate, the applicant must be notified that he or she is also eligible for and may receive a windshield placard at that time.

This act became effective July 1, 2015, and applies to applications for plates received on or after that date.

### **S119 - GSC Technical Corrections 2015, Secs. 40 and 41: Transportation-Related Provisions (SL 2015-264)**

Secs. 40 and 41 S.L. 2015-264 made the following changes related to Transportation:

- Delays mandatory participation date for electronic lien system.
- Exempts snow plows participating in Department of Transportation snow plowing operations from over width permit requirements.

These sections became effective October 1, 2015.

### **S182 - Automatic License Plate Readers (SL 2015-190)**

S.L. 2015-190 regulates the use by law enforcement agencies of automatic license plate reader systems. Please see the full summary for more detail.

This act became effective December 1, 2015.

### **S195 - Motor Vehicle Service Agreement Amendments (SL 2015-283)**

S.L. 2015-283 does the following:

- Defines ancillary anti-theft protection program and ancillary anti-theft protection program warranty.
- Clarifies what is included in motor vehicle service agreements.
- Clarifies that ancillary anti-theft protection programs and warranties and motor vehicle service agreements are not contracts of insurance.
- Makes conforming changes to related statutes.

This act became effective October 1, 2015.

### **S299 - Port Usage Contracts/Public Records (SL 2015-142)**

S.L. 2015-142 provides that State Ports Authority usage contracts are not public records.

This act became effective July 8, 2015.

### **S301 - Department of Transportation/Purchase of Contaminated Land (SL 2015-106)**

S.L. 2015-106 exempts the Department of Transportation from the State law requirement for approval by the Governor and Council of State prior to purchase of contaminated property.

This act became effective June 24, 2015.

### **S304 - Administration of Logo Sign Program (SL 2015-239)**

S.L. 2015-239 extends the Department of Transportation logo sign program to include partially controlled-access State roads.

This act became effective September 10, 2015.

### **S345 - Limit Storage Duration for Damaged Vehicle (SL 2015-188)**

S.L. 2015-188 limits the period of time a vehicle can be impounded after a collision to 20 days unless a court order provides otherwise.

This act became effective August 1, 2015, and applies to motor vehicles impounded on or after that date.

### **S370 - E-Signatures/Vehicle Title and Registration (SL 2015-270)**

S.L. 2015-270 does the following:

- Allows use of electronic signatures on Division of Motor Vehicles applications for titles and registration.
- Provides for electronic notice to Division of Motor Vehicles of satisfaction of a security interest through the new electronic lien system.

The electronic signature provision becomes effective August 1, 2016. The electronic notice provision became effective December 1, 2015.

**S446 - Dealership Loaners/Unmanned Aircraft/Brunswick Co., Part I: Franchised Dealer Loaner Vehicles (SL 2015-232)**

Part I of S.L. 2015-232, as amended by Sec. 42 of S.L. 2015-264, authorizes licensing of franchised dealer loaner vehicles.

This part has varying effective dates; see the full summary for details.

**S513 - North Carolina Farm Act of 2015, Sec. 7: Amend Definition of "Agricultural Spreader Vehicle" and Increase Speed Limit for Agricultural Spreader Vehicles (SL 2015-263)**

Sec. 7 of S.L. 2015-263 amends the definition of "agricultural spreader vehicle" to include vehicles designed for off-highway use on a farm to spread feed, and allow agricultural spreader vehicles that are exempt from the requirement of registration and certificate of title to travel at a speed of up to 45 miles per hour, increased from 35 miles per hour.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 8: Allow All Terrain Vehicles and Utility Vehicles Used for Agricultural Purposes to Operate on Public Roads (SL 2015-263)**

Sec. 8 of S.L. 2015-263 allows any person to operate an all-terrain vehicle or utility vehicle on a public street or highway when engaged in farming operations.

This section became effective September 30, 2015.

**S513 - North Carolina Farm Act of 2015, Sec. 9: Clarify the Road Weight Limitation Exceptions for Transportation of Agricultural Products and Supplies (SL 2015-263)**

Sec. 9 of S.L. 2015-263 clarifies that the weight limitation exceptions for transportation of agricultural products and supplies apply to vehicles carrying dairy products; transportation of agricultural products and supplies from a holding facility or to a feed mill; vehicles carrying water, fertilizer, pesticides, seeds,

fuel, or animal waste to or from a farm; and vehicles carrying feed ingredients from a storage or holding facility to a mill or farm.

This section became effective October 1, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 10: Establish Marking and Notice Requirements for Meteorological Towers (SL 2015-263)**

Sec. 10 of S.L. 2015-263 requires meteorological towers between 50 and 200 feet high to be marked and painted such that they are visible during daylight hours from a distance of at least 2,000 feet. The towers must be painted in alternating bands of orange and white, have a marker ball attached to the top third of each guy wire, and have a seven-foot long safety sleeve at each anchor point. Any person constructing a meteorological tower must also register with the Department of Transportation (DOT), provide the location and height of the proposed tower, and pay a \$350 registration fee. DOT must develop and maintain a database of these towers by January 1, 2017, and make the database available on its Web site. The Secretary of Transportation may assess a \$10,000 penalty against any person who violates either the marking or notice requirements. Towers existing on January 1, 2017, are grandfathered and not subject to the requirements of this section.

This section becomes effective January 1, 2017, and applies to meteorological towers erected on or after that date.

### **S513 - North Carolina Farm Act of 2015, Sec. 4: Modify Oversize Vehicle Permit Time Restrictions (SL 2015-263)**

Sec. 4 of S.L. 2015-263 directs the Department of Transportation (DOT) to amend its rules to allow permitted oversize vehicles to operate between sunset and sunrise, Monday through Sunday of each week. Previously, DOT rules did not permit oversize vehicles to operate on Sundays. Additionally, this section directs DOT to amend its rules to remove Labor Day, Memorial Day, and New Year's Day from the list of holidays during which an oversize vehicle may not operate from noon on the weekday preceding the holiday until noon of the weekday after the holiday.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 5: Allow Oversize Transportation of Hay Bales (SL 2015-263)**

Sec. 5 of S.L. 2015-263 provides that any vehicle carrying baled hay from place to place on the same farm, from one farm to another, from farm to market, or from market to farm, that does not exceed 12 feet in width may be operated on the highways of this State. Such vehicles exceeding 10 feet in width must operate only during daylight hours and must display a red flag or flashing warning light in the front and rear of the vehicle.

This section became effective September 30, 2015.

### **S513 - North Carolina Farm Act of 2015, Sec. 6: Amend Right-of-Center Requirements for Certain Agricultural Vehicles (SL 2015-263)**

Sec. 6 of S.L. 2015-263 amends the right of center requirements to provide that farm equipment is not required to operate to the right of the center line when the combined width of the traveling lane and the accessible shoulder is less than the width of the equipment.

This section became effective September 30, 2015.

### **S541 - Regulate Transportation Network Companies (SL 2015-237)**

S.L. 2015-237 regulates transportation network companies (TNC) by requiring a State permit to operate, maintenance of liability insurance for cars, and background checks for drivers. The act imposes a \$5,000 application fee for the permit and a \$5,000 renewal fee. The act adds vehicles operated in a TNC service to the list of vehicles that can transport persons for compensation without a for-hire license plate.

This act became effective October 1, 2015.

### **S581 - Study Subdivision Streets/Traffic Calming Devices (SL 2015-217)**

S.L. 2015-217 directs the Department of Transportation to study the process and requirements for the Department to accept subdivision streets into the State highway system for maintenance and report its findings by February 1, 2016. The act also amends a provision allowing certain subdivisions to install traffic calming devices by lowering the percentage of property owners needed to approve a device.

This act became effective August 18, 2015.

### **S654 - Map Act/Clarifications (SL 2015-151)**

S.L. 2015-151 requires the Department of Transportation to defend, indemnify, and hold harmless the Wilmington Urban Area Metropolitan Planning Organization and its members for any claims arising out of its adoption, filing, or amendment of a corridor map; and makes conforming changes.

The indemnification language added by this act became effective July 16, 2015, and applies to maps filed, adopted, or amended before that date. The remainder of this act became effective July 16, 2015, and applies to maps filed, adopted, or amended before, on, or after that date.



# Utilities

**See full summary documents for additional detail**

## **H97 - 2015 Appropriations Act, Sec. 29.18: Report/Use of Coal Combustion Residuals (SL 2015-241)**

Sec. 29.18 of S.L. 2015-241 directs the Utilities Commission to submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission, on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The Utilities Commission must submit the report by January 15, 2016.

This section became effective July 1, 2015.

## **H356 - North Carolina Utilities Commission Regulatory Fee Changes (SL 2015-134)**

S.L. 2015-134 increases the amount of funding reserves the Utilities Commission and the Public Staff may maintain, sets the utility regulatory fee in statute, partially increases the fee for the 2015 fiscal year, and authorizes the Commission to raise and lower the fee based on operating expenses.

The provision of this act related to the increase in the reserve became effective June 30, 2015. Setting the rate for the utility regulatory fee in statute, increasing the fee for noncompetitive jurisdictional revenues, and authorizing the Commission to raise or lower the fee based on operating expenses became effective July 1, 2015.

## **H765 - Regulatory Reform Act of 2015, Sec. 3.12: Amend Underground Damage Prevention Review Board, Enforcement, and Civil Penalties (SL 2015-286)**

Sec. 3.12 of S.L. 2015-286 amends the statute establishing the Underground Damage Prevention Review Board (Board). The Board is charged with reviewing reports of alleged violations of the Underground Utility Safety Act (Act) and recommending penalties for violation of the Act. This section makes a number of clarifying changes to the Board's statute, including provisions for length of Board member terms, how vacancies are filled and members are removed, what constitutes a quorum, how the Chair of the Board is appointed, and the process for how the Board recommends actions or penalties when violations of the Act occur.

This section became effective October 22, 2015.

## **S88 - Pole Attachment Disputes (SL 2015-119)**

S.L. 2015-119 moves the adjudication of pole attachment compensation disputes to the Utilities Commission from the Business Court.

This act became effective June 25, 1015, and applies to actions filed on or after that date.

### **S305 - NCEMPA Asset Sale (SL 2015-3)**

S.L. 2015-3 enacts legislative changes needed to effectuate the sale of the ownership interest in electric generation facilities of a municipal power agency to an investor-owned utility. The first part of the act provides cost recovery for a public utility that purchases generation assets from a municipal power agency. The second part of the act authorizes the municipal power agency to issue bonds to pay the difference in price paid for the assets and any outstanding amount owed on the assets. The second part of the act also makes other statutory changes necessary to allow the power agencies to enter into power purchase agreements to replace the electricity that had been provided through the ownership interest in the electric generation facilities.

This act became effective April 2, 2015.

### **S716 - Mountain Energy Act of 2015, Sec. 1: Expedited Certificate of Public Convenience and Necessity (SL 2015-110)**

Sec. 1 of S.L. 2015-110 directs the North Carolina Utilities Commission to render an expedited decision, under certain conditions, on an application for a certificate of public convenience and necessity for an applicant to construct a generating facility that uses natural gas as the primary fuel.

This section became effective June 24, 2015.

