SUMMARIES OF SUBSTANTIVE

**RATIFIED LEGISLATION**

**2018 SESSION**



LEGISLATIVE ANALYSIS DIVISION

N.C. GENERAL ASSEMBLY

**2018 Summaries of Substantive Ratified Legislation**

**2018 First Extra Session**

**See full summary documents for additional detail**

**H3 - Ballot Designations/Referenda. (SL 2018-131)**

S.L. 2018-131 provides that referendum questions be placed on the ballot without numerical or other reference of order, and removes the requirement of short descriptive captions printed on the ballot with respect to referendum questions for proposed amendments to the North Carolina Constitution.

**S3 - Party Disclosure/2018 Judicial Races. (SL 2018-130)**

S.L. 2013-130 revises the ballot language included prior to the contests for Justices and judges of the State courts on the 2018 general election ballot, and allows persons who have filed a notice of candidacy for these offices to withdraw that notice of candidacy at any time prior to August 8, 2018.

This act became effective August 4, 2018, and applies to the 2018 elections only.

**Agriculture and Wildlife**

**See full summary documents for additional detail**

**H321 - Wildlife License Changes. (SL 2018-90)**

S.L. 2018-90 makes changes to the Wildlife Resource Commission's (WRC) managed hunt program and fees, creates new licenses for residents and nonresidents to hunt American alligators and elk, and allows box-trapped rabbits to be used for the purpose of training hunting dogs.

This act became effective July 1, 2018.

**H991 - Fox Trapping Local Omnibus. (SL 2018-10)**

S.L. 2018-10 makes various changes to local acts pertaining to the hunting and trapping of foxes and coyotes.

The act becomes effective October 1, 2018.

**H1019 - Fallen Wildlife Officers Memorial License. (SL 2018-82)**

S.L. 2018-82 creates the Fallen Wildlife Officers Memorial Lifetime Sportsman License, which provides a lifetime sportsman license free of charge to a surviving spouse, child, grandchild, or great-grandchild of a wildlife enforcement officer killed in the line of duty.

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

**S99 - Appropriations Act of 2018.  
Sec. 12.5: New and Emerging Crops Program. (SL 2018-5)**

Sec. 12.5 of S.L. 2018-5 authorizes the Department of Agriculture and Consumer Services to create a program to advance and promote new and emerging crops, and permits the Department to fund the new program with up to 50% of funds appropriated for the Bioenergy Research Initiative. The section also directs that the Department merge existing bioenergy research initiatives into the new program if it is created.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 13A.1: Outdoor Heritage Council Revisions. (SL 2018-5)**

The Outdoor Heritage Advisory Council (Council) is statutorily charged with the promotion of outdoor recreational activities as well as oversight, along with the Wildlife Resources Commission (WRC), of a plan for development and implementation of the Outdoor Heritage Trust Fund for Youth Outdoor Heritage Promotion (Fund). Section 13A.1 of S.L. 2018-5 makes the following revisions to the statutes providing for the creation and operation of the Council:

* Removes limitations on consecutive terms by Council members and on the length of term of the initial chair of the Council.
* Allows expense reimbursements for Council members to be provided from the Fund.
* Sets out more specifically the categories of support for Council operations to be provided by the WRC.
* Exempts the Council from State purchase and contract requirements for the procurement of goods and services.
* Adds an annual reporting requirement for the Council of its activities and use of donated and appropriated funds to the Joint Legislative Oversight Committee on Agriculture and Natural Resources.
* Directs the WRC to allow check-off donations in any amount to the Fund. Previously, the check-off amount had been limited to no more than $2.

This section became effective July 1, 2018.

**S677 - Protect Right to Hunt and Fish. (SL 2018-96)**

S.L. 2018-96 directs that a constitutional amendment be submitted to the qualified voters of the State at a statewide general election to be held in November of 2018 to include language in the State's Constitution to provide that the people of the State have a right to hunt, fish, and harvest wildlife, subject to certain limitations.

**S711 - NC Farm Act of 2018.  
Sec. 1: Fruit and Vegetable Handlers Registration Act. (SL 2018-113)**

Sec. 1 of S.L. 2018-113 repeals the North Carolina Handler's Act (Article 44 of Chapter 106 of the General Statutes) and enacts the Fruit and Vegetable Handlers Registration Act. The Fruit and Vegetable Handlers Registration Act requires a handler, prior to conducting business in North Carolina, to register with the Department of Agriculture and Consumer Services by providing (i) the handler's name, (ii) the handler's principal place of business, (iii) the type of fruits and vegetables handled by the handler, and (iv) the annual volume, in dollars, or fruits and vegetables handled by the handler in North Carolina. The annual volume, in dollars, of fruits and vegetables handled in the State must be updated by February 1 of each year. The Commissioner of Agriculture may assess a civil penalty of up to $100 per violation of the Article or rules directed thereunder after 15 days' notice is given to the handler, and may seek an injunction for failure to comply with the Article.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section becomes effective January 1, 2019 and applies to handlers conducting business in the State on or after that date.

**S711 - NC Farm Act of 2018.  
Sec. 2: Department of Agriculture and Consumer Services Confidentiality Change. (SL 2018-113)**

Sec. 2 of S.L. 2018-113 allows the Department of Agriculture and Consumer Services to release collected information relating to agriculture that is confidential under federal law if confidentiality is waived by the federal agency that requires confidentiality.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 3: Exempt Got To Be NC Merchandise from Umstead Act. (SL 2018-113)**

Sec. 3 of S.L. 2018-113 exempts the Department of Agriculture and Consumer Services from the Umstead Act for purposes of selling merchandise related to its Got To Be NC Agriculture marketing promotion. The Umstead Act restricts the State from engaging directly or indirectly in the sale of goods or operation of businesses or services in competition with citizens of the State.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 4: Allow Distribution of Verified Propagules by Industrial Hemp Commission. (SL 2018-113)**

Sec. 4 of S.L. 2018-113 classifies "verified propagules," which are seeds or clones from an industrial hemp plant that has been laboratory tested and confirmed to have a THC concentration that complies with federal law, as hemp products. This would allow distribution of clones for cultivation. Under prior law, only certified seed was classified as a hemp product for purposes of cultivation.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 6: Direct Department of Agriculture and Consumer Services to Address Mislabeling of Plant-Based Products as "Milk". (SL 2018-113)**

Sec. 6 of S.L. 2018-113 directs the Food and Drug Protection Division of the Department of Agriculture and Consumer Services ("Department") to immediately develop an enforcement plan to enforce the United States Food and Drug Administration's standard of identity for milk and the Pasteurized Milk Ordinance, as adopted in the North Carolina Administrative Code, to prohibit the sale of plant-based products mislabeled as milk, such as soy milk and almond milk.

No later than 90 days after the enactment into law of a mandatory labeling requirement to prohibit the sale of plant-based products mislabeled as milk that is consistent with this section by any 11 of the group of states composed of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia, the Department would be required to implement its enforcement plan, including notification of the Department's intent to embargo all mislabeled products offered for sale in the State. No later than 6 months after 11 of these states adopt consistent labeling requirements, plant-based products displayed for sale in this State must be labeled in accordance with FDA's standard of identity for milk and the Pasteurized Milk Ordinance. This will prohibit beverages derived from plants from being labeled as milk, such as "soy milk" and "almond milk."

Nothing in this section should be construed to limit the Department's authority to enforce its laws and regulations.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 9: Mandatory Record Notice of Proximity to Farmlands. (SL 2018-113)**

Sec. 9 of S.L. 2018-113 directs all counties in the State to require that land records include some form of notice reasonably calculated to alert a person researching the title of a particular tract that the tract is located within one half-mile of a poultry, swine, or dairy qualifying farm or other qualifying farm or a voluntary agricultural district, or within 600 feet of any other type of qualifying farm. For purposes of this section, a qualifying farm means a farm that qualifies for inclusion in a voluntary agricultural district or an enhanced voluntary agricultural district. Under prior law, any county that has a computerized land records system had the option to require such notice.

This section also provides that no cause of action shall arise out of the failure of a person licensed by the North Carolina Real Estate Commission or the North Carolina Appraisal Board for failure to report to any person the proximity of a tract to a qualifying farm or voluntary agricultural district.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 10: Amend North Carolina Right to Farm Law. (SL 2018-113)**

Section 10.(a) of S.L. 2018-113 provides that no nuisance action may be filed against an agricultural or forestry operation unless all of the following apply:

* The plaintiff is a legal possessor of the real property affected by the conditions alleged to be a nuisance.
* The real property affected by the conditions alleged to be a nuisance is located within one half-mile of the source of the activity or structure alleged to be a nuisance.
* The action is filed within one year of the establishment of the agricultural or forestry operation or within one year of the operation undergoing a fundamental change.

Pursuant to existing law, a fundamental change does not include any of the following:

* A change in ownership or size.
* An interruption of farming for a period of no more than three years.
* Participation in a government-sponsored agricultural program.
* Employment of new technology.
* A change in the type of agricultural or forestry product produced.

This section also repeals a provision allowing nuisance suits that would otherwise be barred if the nuisance results from the negligent or improper operation of an agricultural or forestry operation.

Section 10.(b) prohibits a plaintiff from recovering punitive damages in a private nuisance action where the alleged nuisance emanated from an agricultural or forestry operation that has not been subject to a criminal conviction or a civil enforcement action taken by a State or federal environmental regulatory agency pursuant to a notice of violation for the conduct alleged to be the source of the nuisance within the three years prior to the first act on which the nuisance action is based.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 12: Amend Soil and Water Conservation District Supervisor Continuing Education Requirements. (SL 2018-113)**

Sec. 12 of S.L. 2018-113 provides that appointed and elected soil and water conservation district supervisors must receive six clock hours of training on soil, water, and natural resources conservation and the duties and responsibilities of district supervisors per four-year term in office. Under prior law, district supervisors were required to receive six clock hours of training per year.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 14: Provide Uniformity to Assessment of Farm Machinery. (SL 2018-113)**

Sec. 14 of S.L. 2018-113 directs the Department of Revenue to publish a depreciation schedule for farm equipment and make the schedule electronically available on its website. A county appraiser may use any of the appraisal methods provided in statute and must consider relevant taxpayer information. However, if the county uses a cost approach method to appraise the equipment, the county must appraise the equipment using the depreciation schedule published by the Department of Revenue.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section is effective for taxes imposed for taxable years beginning on or after July 1, 2019.

**S711 - NC Farm Act of 2018.  
Sec. 15.1: Law Enforcement Mutual Aid and Veterinarian Comity for World Equestrian Games. (SL 2018-113)**

Sec. 15.1 of S.L. 2018-113 allows any law enforcement agency in the State to enter into intergovernmental law enforcement mutual aid agreements with out-of-state law enforcement agencies or out-of-state law enforcement officers to aid in enforcing North Carolina laws within the jurisdiction of the requesting law enforcement agency for maintaining security for an international equestrian event. The agreement must be in writing and must contain certain provisions addressing standards of conduct, training requirements, and reimbursement of costs and expenses.

This section also provides that any nonresident veterinarian validly licensed in another state, territory, district of the United States, or foreign country may apply to the Veterinary Board for licensure to practice veterinary medicine. The Board must issue a license to practice veterinary medicine without written examination for no charge.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018, and expires October 1, 2018.

**S711 - NC Farm Act of 2018.  
Sec. 15.2: Allow the Dispensing of Raw Milk and Raw Milk Products to Independent or Partial Owners of Lactating Animals for Personal Use or Consumption. (SL 2018-113)**

Sec. 15.2 of S.L. 2018-113 allows the dispensing of raw milk and raw milk products to an independent or partial owner of a cow, goat, or other lactating animal for the owner's personal use or consumption.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section becomes effective October 1, 2018.

**Alcoholic Beverage Control**

**See full summary documents for additional detail**

**H500 - ABC Omnibus Legislation. (SL 2018-100)**

S.L. 2018-100 makes various changes to the laws governing alcoholic beverages. Some of the provisions in this act include:

* Allows a commercial permittee to taste alcoholic beverages for quality control premises at premises other than the permittee's licensed commercial premises.
* Directs the Alcoholic Beverage Control (ABC) Commission to amend its rules to clarify that a distiller representative need not be present for the Commission, a privately owned bonded warehouse, or a local board to destroy distressed liquor bottles.
* Directs the Alcoholic Beverage Control Commission to amend its rules to allow placement of the mixed beverages tax stamp on any vertical surface of a spirituous liquor bottle.
* Amends the definition of "restaurant" and "sports club" for the purpose of ABC permitting to clarify that the premises of an 18-hole golf course includes the entire course and the parking lot.
* Allows sports and entertainment venues to obtain certain ABC permits.
* Makes several changes to allow nonprofit organizations to hold fund-raising raffles and authorize reissuance of certain one-time ABC permits.
* Allows sale of branded merchandise at malt beverage, wine, and spirituous liquor tastings.
* Authorizes the transfer of a wholesaler business to a family member in situations other than the death of the owner.
* Removes a supplier's right to match and reassign to a designee the right to purchase an ownership interest in a wholesaler when an interest in a wholesaler business is sold, assigned, or transferred, except for a supplier whose total annual gross sales of the supplier's malt beverages sold by the selling wholesaler total no more than five percent of the selling wholesaler's total annual gross sales of wine and malt beverages in dollars.
* Prohibits a supplier from acquiring, possessing, or otherwise maintaining an ownership interest in a wholesaler except as specifically authorized by law.

For a complete explanation of these and the additional changes contained in the act, please see the full summary of the act.

Except as otherwise stated in the full summary of this act, the act became effective June 26, 2018.

**H779 - ABC Elections. (SL 2018-28)**

S.L. 2018-28 authorizes certain small municipalities with decreasing populations to hold a malt beverage and unfortified wine election at the discretion of the municipal governing board.

This act became effective June 22, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 16B.3 Ensure Enforcement of Tobacco Laws/Prevention of Sales to Youth. (SL 2018-5)**

Sec. 16B.3 of S.L. 2018-5 gives the Alcohol Law Enforcement branch jurisdiction and primary responsibility to enforce youth tobacco access prohibitions.

This section became effective July 1, 2018, and applies to offenses committed on or after that date.

**Children and Families**

**See full summary documents for additional detail**

**H688 - Certain Appeals Allowed/Clarify Disp. Orders. (SL 2018-86)**

S.L. 2018-86 allows orders or judgments pertaining to the validity of a premarital agreement to be immediately appealed. The act also clarifies when the court must make findings of fact in ceasing parental reunification efforts in juvenile cases.

The act became effective on June 25, 2018, and applies to appeals filed on or after that date and dispositions effective on or after that date.

**H776 - Adoption and Juvenile Law Changes. (SL 2018-68)**

S.L. 2018-68 makes various changes related to adoption and juvenile law. This act becomes effective October 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 24.1 Child Well-Being Transformation Council. (SL 2018-5)**

Sec. 24.1 of S.L. 2018-5 creates a new Article in Chapter 143 of the General Statues to establish the Child Well-Being Transformation Council (Council) to serve as a means for coordination, collaboration, and communication among agencies and organizations involved in providing public services to children.

Section 24.1(a) became effective on June 30, 2018. The remainder of the section became effective July 1, 2018.

**Civil Law and Procedure**

**See full summary documents for additional detail**

**S470 - Personal Injury Bankruptcy Trust Claims. (SL 2018-4)**

S.L. 2018-4 provides that in any personal injury action claiming disease based upon exposure to asbestos:

* The plaintiff must provide all parties with a sworn statement that the plaintiff has investigated all bankruptcy trust claims and has filed all bankruptcy trust claims that can be made;
* The plaintiff must provide all parties with the identity of all bankruptcy trust claims made and all materials submitted to or received from a bankruptcy trust;
* A defendant may seek discovery from a bankruptcy trust, which cannot be barred by any claim of privilege or confidentiality by the plaintiff, and the plaintiff must provide any consent required for the bankruptcy trust's release of the materials sought by the defendant;
* There is a rebuttable presumption that bankruptcy trust claims materials are relevant, authentic, and admissible in the action; and
* If a defendant has a reasonable belief that plaintiff can file additional bankruptcy trust claims, the court may grant the defendant's motion to stay the action until the plaintiff files the claim.

This act became effective on June 12, 2018, and applies to actions filed on or after that date.

**Commercial Law and Consumer Protection**

**See full summary documents for additional detail**

**H86 - Virtual Currency Changes. (SL 2018-23)**

S.L. 2018-23 makes changes to the Money Transmitters Act.

This act became effective June 22, 2018.

**H573 - Business/Regulatory Changes. (SL 2018-65)**

S.L. 2018-65 does the following:

* Authorizes cities to petition the superior court for appointment of a receiver to rehabilitate, demolish, or sell a vacant building when the owner has failed to take corrective action or when an owner voluntarily requests receivership.
* Requires the Building Code Council to provide an exemption from energy efficiency codes for residential garages.
* Amends an authorization for cities to hold a malt beverage or unfortified wine election if certain conditions are met.
* Directs the Environmental Management Commission to adopt rules to amend the Well Standard Rules.
* Directs the Environmental Management Commission to modify a rule that requires construction and demolition debris (C&D) landfills to install and maintain a groundwater monitoring program.
* Directs the Alcoholic Beverage Control Commission to revise an advertising rule.

The portion of the act pertaining to vacant building receiverships becomes effective October 1, 2018, and applies to nuisances per se that occur on or after that date or actions that have not been complied with as of that date. The provision of the act pertaining to an exemption from energy efficiency codes for residential garages becomes effective October 1, 2018. The remainder of the act became effective June 25, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 15.1: Major Manufacturing and Technology Headquarters Incentives and JDIG Changes. (SL 2018-5)**

Section 15.1 of the Appropriations Act of 2018, S.L. 2018-5, modifies the Job Development Investment Grant Program (JDIG) in a number of ways, including by increasing the annual commitment authority, imposing geographical limitations on annual JDIG commitments to promote more even distribution of awards throughout the State, strengthening provisions related to recruiting transformative projects, and making other administrative and general changes. Notable changes include:

* Increasing the annual JDIG cap from $20 million to $35 million in years in which a high-yield project (HYP) is not awarded and from $35 million to $45 million in years in which a HYP is awarded.
* Restricting the $35 million annual JDIG cap by prohibiting more than $20 million from being used for projects located in counties with a total employment of 500,000 and reserving $5 million for projects located in counties with an annual ranking in the highest 50% of the remaining counties.
* Reducing the required minimum metrics for transformative projects (TPs) and adjusting the basis and duration of the award paid to the business.
* Increasing the Utility Account diversion for TPs and HYPs in years in which an enhanced percentage is paid.

This section has various effective dates, but essentially applies to grants awarded, applications received, and agreements executed on or after June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 15.2: Eliminate Adjustment Factors to Development Tier Areas. (SL 2018-5)**

Sec. 15.2 of S.L. 2018-5, eliminates the adjustment factors that the Department of Commerce applied to change county's tier designation for various programs including the Job Development Investment Grant Program (JDIG). The new methodology for ranking counties applies to economic development awards occurring on or after January 1, 2019.

**S622 - Business Corporation Act Revisions. (SL 2018-45)**

S.L. 2018-45 amends the Business Corporation Act, as recommended by the Business Corporations Committee of the Business Law Section of the North Carolina Bar Association, to incorporate provisions based on revisions to the Model Corporation Act and to corporation law of other selected jurisdictions.

The act becomes effective on October 1, 2018.

BILL ANALYSIS:

**Constitution and Elections**

**See full summary documents for additional detail**

**H335 - Restore Last Saturday Early One-Stop. (SL 2018-129)**

S.L. 2018-129 does the following:

* Restores early voting hours on the last Saturday before the elections, required from 8:00 AM until 1:00 PM on that day and optional from 1:00 PM until 5:00 PM on that day;
* Allows a county with an inhabited barrier island accessible only by marine vessel to offer early voting sites on flexible days during the early voting period, under certain circumstances.

**H496 - Fair and Nonpartisan Ballot Placement. (SL 2018-99)**

S.L. 2018-99 applies the same random selection process to determine candidate order on official ballots to the primary and the general election in the same year. This act became effective June 26, 2018, and applies to elections held on or after that date.

**H551 - Strengthening Victims' Rights. (SL 2018-110)**

S.L. 2018-110 places a constitutional amendment on the November 2018 ballot to expand the rights of victims of certain crimes and acts of delinquency.

**H659 - Filling Vacancies/U.S. Senate. (SL 2018-102)**

S.L. 2018-102 requires the Governor to appoint from a list of three nominees to fill a vacancy in the office of United States Senator submitted by the State executive committee of the political party, if the vacating member was the nominee of a political party. This act became effective June 26, 2018, and applies to vacancies filled on or after that date.

**H913 - Bipartisan Ethics and Elections Enforcement. (SL 2018-117)**

S.L. 2018-117 proposes amendments to the North Carolina Constitution to make the following changes:

* Establish a bipartisan board of elections and ethics enforcement, consisting of eight members appointed by the General Assembly.
* Clarify the legislative powers to control the powers, duties, responsibilities, appointments, and terms of office of any board or commission prescribed by general law, and the powers of the Governor to faithfully execute those laws.
* Clarify that members of the General Assembly may not serve on Executive or Judicial Branch boards or commission that exercise non-advisory powers.

The proposed constitutional amendments are placed on the ballot in the November 2018 general election.

**H1092 - Const. Amendment - Require Photo ID to Vote. (SL 2018-128)**

S.L. 2018-128 proposes amendments to the North Carolina Constitution to require photo identification for voters voting in person, and places the amendments on the ballot in the November 2018 general election.

**S75 - Const. Amd. - Max. Income Tax Rate of 7.0%. (SL 2018-119)**

S.L. 2018-119 proposes an amendment to the North Carolina Constitution to cap the tax rate on both personal and corporate incomes at 7% for taxable years beginning on or after January 1, 2019, and places that amendment on the ballot in the 2018 general election. The cap is currently 10%.

Except as otherwise provided, the act became effective June 28, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 23.1: Help America Vote Act Funds. (SL 2018-5)**

Sec. 23.1 of S.L. 2018-5 requires the Bipartisan State Board of Elections and Ethics Enforcement (State Board) to submit a status report on the use of 2018 Help America Vote Act (HAVA) funds to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Elections Oversight Committee by October 1, 2018. The report must include a budget, a time frame for using the HAVA funds for security upgrades and other necessary improvements, and report on any remaining HAVA funds awarded from prior federal grants.

This section became effective July 1, 2018.

**S325 - The Uniform & Expanded Early Voting Act. (SL 2018-112)**

S.L. 2018-112 makes the following changes, as amended by S.L. 2018-129:

* Amends the time period for early voting to begin no earlier than the third Wednesday before an election, and end no later than the last Saturday before the election. On the last Saturday before the election, a county board of elections must conduct one-stop voting from 8:00 A.M. until 1:00 P.M. and may conduct early voting until 5:00 P.M. on that Saturday.
* Establishes hours for one-stop early voting sites to be open during the early voting period, including requirements that:
  + All sites remain at the same location throughout early voting.
  + All sites be open uniformly on the days they are open.
  + All sites on weekdays during early voting must be open from 7:00 A.M. to 7:00 P.M.
  + All sites open on Saturdays other than the last Saturday of early voting must be open for a uniform number of hours.

**S486 - The Elections Security and Transparency Act. (SL 2018-13)**

S.L. 2018-13 makes the various changes to elections laws, including:

**S655 - Change Date When Primary Elections Held. (SL 2018-21)**

S.L. 2018-21 moves the date of the general primary election and the presidential preference primary to March and provides for notices of candidacy in primary elections to be filed in December.

This act becomes effective January 1, 2019, and applies to even-year elections held on or after that date.

**S757 - Various Court Districts Changes. (SL 2018-14)**

S.L. 2018-14, effective with phasing in beginning with the 2018 elections, re-establishes the following judicial districts:

* Superior Court districts, Mecklenburg County, fully effective January 1, 2023.
* District Court districts, Mecklenburg County, fully effective January 1, 2021.
* Superior Court districts, Pender and New Hanover Counties, fully effective January 1, 2019.
* District Court districts, Wake County, fully effective January 1, 2021.

**S814 - Judicial Vacancy Sunshine Amendment. (SL 2018-118)**

S.L. 2018-118 proposes amendments to the North Carolina Constitution to establish nonpartisan judicial merit commissions for the nomination and recommendation of nominees to fill vacancies in the office of Justice or Judge of the General Court of Justice, and places the amendments on the ballot in the November 2018 general election.

**Courts, Justice, and Corrections**

**See full summary documents for additional detail**

**H717 - Judicial Elections Changes. (SL 2018-121)**

S.L. 2018-121 does all of the following:

* Re-establishes judicial divisions, reducing the number of divisions from eight to five, effective July 1, 2018.
* Combines Duplin, Jones, Onslow, and Sampson Counties into one district for Superior Court.
* Restructures the assignments of Burke, Caldwell, and Catawba Counties to establish two districts for Prosecutorial districts, and establish residency requirements for filing in District Court.
* Restructures the assignment of Hoke and Moore Counties to establish a two county district consisting of those counties for Superior, District, and Prosecutorial districts.
* Restructures the assignment of Anson, Richmond, and Scotland Counties to establish a three county district consisting of those counties for Superior, District, and Prosecutorial districts.

**H774 - Amend Certificates of Relief. (SL 2018-79)**

S.L. 2018-79 amends the criminal law procedure for an individual to petition a court for a Certificate of Relief in order to alleviate some of the collateral consequences of a criminal conviction.

This act becomes effective December 1, 2018, and applies to petitions filed on or after that date.

**H945 - Rape Evidence Collection Kit Tracking Act. (SL 2018-70)**

S.L. 2018-70 establishes a statewide sexual assault kit tracking system, and requires tracking of all untested sexual assault kits as recommended by the Joint Legislative Oversight Committee on Justice and Public Safety (JPS Oversight). This act also directs the Director of the Crime Lab and the Secretary of the Department of Public Safety to implement protocols related to sexual assault kits; and creates a working group to examine the prioritization of untested kits.

This act became effective June 25, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 16C.1: Extend Reentry Council Contracts. (SL 2018-5)**

Sec. 16C.1 of S.L. 2018-5 permits the Department of Public Safety to use existing Treatment for Effective Community Supervision funds to continue support for Local Reentry Councils in the following five pilot sites:

1. Hoke/Scotland/Robeson Counties â€“ Robeson County Manager's Office.
2. Nash/Edgecombe/Wilson Counties â€“ NC Community Action Association.
3. Pitt County â€“ Life of NC, Inc., dba STRIVE.
4. Buncombe County â€“ Buncombe County Health & Human Services/RHA.
5. Mecklenburg County â€“ Mecklenburg Criminal Justice Services, Mecklenburg County Manager's Office.

This section became effective June 30, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 17.1: Criminal Justice Fellows Program. (SL 2018-5)**

Sec. 17.1 of S.L. 2018-5, as amended by Sec. 5.1 of S.L. 2018-97, establishes under the North Carolina Criminal Justice Education and Training Commission (Commission), the Criminal Justice Fellows Program to provide forgivable loans to exceptional individuals in order to increase the number of criminal justice professionals in counties with smaller populations.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 17.2: Report on Attorney General's Office Management Flexibility Reduction. (SL 2018-5)**

Sec. 17.2 of S.L. 2018-5 requires the Attorney General to report to the Joint Legislative Oversight Committee on Justice and Public Safety by August 1, 2018, on the implementation of the management flexibility reduction that was mandated by the 2017 Appropriations Act.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18A.1: Modify Report Date/Public Defender Workload Formula. (SL 2018-5)**

Sec. 18A.1 of S.L. 2018-5, requires Indigent Defense Services to make a final report recommending the allocation of public defenders to the General Assembly by December 1, 2018, in addition to the previously required May 1, 2018 report.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18A.2: New Public Defender District in McDowell and Rutherford Counties-Expand Dist 3B. (SL 2018-5)**

Section 18A.2 of S.L. 2018-5 adds Craven and Pamlico counties to Public Defender District 3B and creates new Public Defender District 29A, which includes McDowell and Rutherford counties.

This act became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18A.3: Opt-Out/Uniform Fee Schedule IDS Pilot Project. (SL 2018-5)**

Sec. 18A.3 of S.L. 2018-5 permits the Administrative Office of the Court, in consultation with the Office of Indigent Defense Services, to grant a written request by the chief district judge of a county to withdraw that county from participating in all or some portions of the pilot project establishing a uniform fee schedule for payment of attorneys' fees for indigent legal representation.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18B.1: Notice of Fee Waiver/Implementation Report. (SL 2018-5)**

Sec. 18B.1 of S.L. 2018-5 requires the Administrative Office of the Courts (AOC) to report annually to the Joint Legislative Oversight Committee on Justice and Public Safety (JPS Oversight) on the implementation of the notice of waiver of costs to government entities directly affected when a court waives costs in a criminal action.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18B.2: Study Appropriate Housing/Treatment for DWI Offenders. (SL 2018-5)**

Sec. 18B.2 of S.L. 2018-5 provides the North Carolina Sentencing and Policy Advisory Commission (Commission), in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, must study the most effective setting to house and provide appropriate treatment services for Driving While Impaired Aggravated Level One and Level One offenders. The study will consider whether State prisons, county jails, or dedicated multicounty jail treatment facilities are the most appropriate setting.

The Commission will report its findings and recommendations, including any legislative proposals, to the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety by February 1, 2019.

This section became effective on July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18B.3 Five-Year Projection Statewide Misdemeanant Confinement Beds. (SL 2018-5)**

Sec. 18B.3 of S.L. 2018-5 requires the North Carolina Sentencing and Policy Advisory Commission (Commission) to do both of the following:

* Develop projections of available bed space in the Statewide Misdemeanant Confinement Program (Program). The projections must cover the next five fiscal years. The Commission must report its projections to the Chairs of the Senate Appropriations Committee on Justice and Public Safety and the Chairs of the House Appropriations Committee on Justice and Public Safety no later than February 15, 2019, and annually thereafter.
* Study the feasibility of developing five-year population projections for the Program, including an examination of whether or not the existing population simulation model should be modified or replaced. The Commission must report the results of the feasibility study to the Chairs of the Senate Appropriations Committee on Justice and Public Safety and the Chairs of the House Appropriations Committee on Justice and Public Safety no later than February 15, 2019.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 18B.6: Allocation of Assistant District Attorneys. (SL 2018-5)**

Sec. 18B.6 of S.L. 2018-5 changes the number of full-time assistant district attorneys for certain counties as follows:

* Franklin, Granville, Person, Vance, and Warren Counties now have 14, not 13, assistant district attorneys.
* Caswell and Rockingham Counties now have 9, not 10, assistant district attorneys.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 16.1: Grants for Law Enforcement Cameras/Statewide Sex Offender Registry/Samarcand Training Simulator Upgrades. (SL 2018-5)**

Sec. 16.1 of S.L. 2018-5 reallocates funds previously appropriated to the Department of Public Safety (DPS) for body-worn camera grants in S.L. 2015-241 and S.L. 2017-57 as follows:

* $75,000 to Samarcand Training Academy for upgrades to its training simulator to support school safety.
* $500,000 to the North Carolina Sheriffs' Association (NCSA) to implement a statewide sex offender database.
* The remaining funds, in maximum grant amounts of $100,000 administered by the Governor's Crime Commission, to local law enforcement agencies in counties with less than 75,000 people for the purchase and placement into service of body-worn or dashboard cameras and training and related expenses.
* For the fiscal year 2017-2018, the Governor's Crime Commission must submit a report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by August 1, 2018. For the fiscal year 2018-2019, the report is due no later than August 1, 2019.
* No later than July 1, 2019, the NCSA must report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the use of the $500,000 for the sex offender database.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on June 30, 2018, and applies to funds not obligated on that date.

**S99 - Appropriations Act of 2018.  
Sec. 18A.4: Final Report on Standards for Indigency. (SL 2018-5)**

Sec. 18A.4 of S.L. 2018-5 amends the reporting requirements relating to the study and development of statewide standards for determining indigency for defendants being conducted by the Administrative Office of the Courts (AOC) and Indigent Defense Services (IDS) by adding an interim report and making the final report due to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by October 1, 2018.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**S168 - AOC Omnibus Changes. (SL 2018-40)**

S.L. 2018-40 makes a number of changes, clarifications, or technical corrections in statutes governing the administration of justice, including distribution of appellate decisions; court-appointed counsel minimum qualifications; costs assessed in power of attorney proceedings; duplicative interim guardian appointment language; notice to clerks of postponed or canceled foreclosure sales; adoption proceedings records; court proceeding notification systems; arrest warrant procedures; funds and property held for minors; and a surviving spouse's support allowance.

This act has various effective dates. Please refer to the full summary for more detail.

**S335 - Budget Technical Corrections & Study.  
Sec. 5.6: Transfer North Carolina Human Trafficking Commission to the Administrative Office of the Courts; Conforming Changes. (SL 2018-97)**

Sec. 5.6 of S.L. 2018-97 amends the 2018 Appropriations Act (S.L. 2018-5) by transferring the North Carolina Human Trafficking Commission (Commission) from the Department of Justice to the Administrative Office of the Courts (AOC) as a Type II transfer. The AOC is responsible for staffing the Commission, and its Director must allocate money to fund the Commission.

This section became effective July 1, 2018.

**S768 - People First Language 2018. (SL 2018-47)**

S.L. 2018-47 updates the North Carolina General Statutes with People First language by changing the phrase "mental retardation" to "intellectual disability" and the phrase "the mentally retarded" to "individuals with an intellectual disability" in certain sections and makes other amendments and technical amendments in those sections, as recommended by the General Statutes Commission. People First language is a style of drafting that refers to a person with a disability as a person first and seeks to avoid equating a person with the person's disability and the use of derogatory language when describing a person's disability.

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

**Criminal Law and Procedure**

**See full summary documents for additional detail**

**H325 - Amend Arson Law. (SL 2018-31)**

S.L. 2018-31 expands the criminal law regarding arson. Sections 1 and 2 of this act become effective December 1, 2018, and apply to offenses committed on or after that date. The remainder of this act became effective June 22, 2018.

**H670 - Protect Educational Property. (SL 2018-72)**

S.L. 2018-72 creates new Class H felonies for communicating a threat of mass violence on educational property and communicating a threat of mass violence at a place of religious worship. This act provides for conditional discharge of persons convicted of those offenses when the offense is committed under the age of 20, and requires a judge to set conditions of pretrial release for those offenses. This act becomes effective December 1, 2018, and applies to offenses committed on or after that date.

**H744 - Trespass/Eastern Band Cherokee Indians Lands. (SL 2018-66)**

S.L. 2018-66 makes it a first degree trespass for a person to enter or remain on lands of the Eastern Band of Cherokee Indians after the person has been excluded by a duly enacted Tribal Council resolution.

This act becomes effective December 1, 2018.

**H969 - Enhance Prison Security. (SL 2018-67)**

S.L. 2018-67 expands the prisoner conduct classified as malicious; prohibits the possession of a tool for escape by a prisoner; and authorizes the Information Sharing Analysis Center (ISAC) to analyze certain threats to public safety and notify local law enforcement.

Sections 1.2 and 4 of this act became effective June 25, 2018. The remainder of this act becomes effective December 1, 2018, and applies to offenses committed on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 16.2: Governor's Crime Commission Grant Reports. (SL 2018-5)**

Sec. 16.2 of S.L. 2018-5 requires the Governor's Crime Commission to report all grant awards to the General Assembly. Grant awards from state funds will be reported annually starting August 1, 2018, and grant awards from federal funds will be reported annually starting December 1, 2018.

This section of the act became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 16B.1: Viper In-Kind Contributions/User Survey/Increase Outreach. (SL 2018-5)**

Sec. 16B.1 of S.L. 2018-5 directs the Department of Public Safety (DPS) to do the following:

* Determine the value of all in-kind contributions made by units of local government, the federal government, and nongovernmental entities to support the North Carolina Voice Interoperability Plan for Emergency Responders (VIPER) system.
* Increase outreach to VIPER stakeholders beyond those that participate in the State Interoperability Executive Committee.
* Conduct an annual survey of local, State, and federal users of VIPER in order to track and measure user satisfaction and feedback over time.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 16B.2: Voice Interoperability Plan for Emergency Responders Build-Out/Support. (SL 2018-5)**

Sec. 16B.2 of S.L. 2018-5 allocates nonrecurring funds to upgrade and support North Carolina's Voice Interoperability Plan for Emergency Responders.

This section of the act became effective July 1, 2018.

**S162 - Human Trafficking Restorative Justice. (SL 2018-75)**

S.L. 2018-75 enacts several provisions to assist victims of human trafficking as follows:

* Provides an affirmative defense to prosecution for human trafficking for persons who are victims and were coerced or deceived into committing the offense.
* Provides confidentiality for victims of human trafficking and their immediate family members.
* Expands the restitution provision to cover additional needs.
* Authorizes restitution to be paid to the clerk of court for an unavailable victim and held for two years, and to escheat to the Crime Victims Compensation Fund if not claimed within that time.
* Amends the definition of abused juvenile to include all human trafficking victims under 18.
* Amends the rules of evidence related to admission of evidence of sexual behavior to apply to charges of sexual servitude.
* Adds three new ex officio members to the North Carolina Human Trafficking Commission.
* Directs the North Carolina Human Trafficking Commission to study sentencing and post-conviction relief for human trafficking offenses.

This act has varying effective dates. Please see the full summary for more detail.

**Education**

**See full summary documents for additional detail**

**H90 - Changes to Education and Election Laws. (SL 2018-2)**

S.L. 2018-2 does the following:

* Ensures local school administrative units (LEAs) in counties impacted by the Atlantic Coast Pipeline (ACP) are the sole recipients of the funds that are the subject of the Memorandum of Understanding (MOU) associated with the ACP
* Phases in class size requirements over a four-year time period
* Creates an allotment category for kindergarten through fifth grade program enhancement teachers separate from the classroom teacher allotment
* Authorizes local boards of education to transfer positions from the program enhancement allotment to the classroom teacher allotment
* Starting in 2021, allows program enhancement teachers for kindergarten through fifth grade to only be funded by the program enhancement allotment
* Phases in an appropriation for kindergarten through fifth grade program enhancement teachers over a period of four years
* Modifies eligibility criteria for personal education savings accounts (PESAs)
* Establishes a statutory appropriation for NC Pre-K
* Makes changes to the Bipartisan State Board of Elections and Ethics Enforcement (State Board)

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

**H92 - Cherokee Reg. Plate/Teaching Agreement.  
Sec. 2: Cherokee Teaching Agreement. (SL 2018-7)**

Sec. 2 of S.L. 2018-7 allows local school administrative units to employ unlicensed individuals that meet criteria established by a memorandum of understanding (MOU) between the State Board of Education and Eastern Band of Cherokee Indians to provide instruction in Cherokee language and culture. The MOU must identify the criteria an individual must meet to be approved to teach Cherokee language and culture classes, including the following:

* Requirements for approval of individuals employed under the exception, including a requirement that the individual has demonstrated mastery of the Cherokee language through a credential issued by the Eastern Band of Cherokee Indians.
* A three-year approval period, which may be renewed, for individuals employed under the exception.
* Authority of the Superintendent of Public Instruction or designee to approve and renew approval of individuals employed under the exception, subject to the requirements of the MOU.
* Requirements for renewing approval of individuals employed under the exception after three years.
* A clear statement that an individual authorized to teach pursuant to the exception is not permitted to provide instruction in other content areas unless the individual possesses a teaching license.

This section became effective June 13, 2018.

**H514 - Permit Municipal Charter School/Certain Towns. (SL 2018-3)**

S.L. 2018-3 authorizes the Towns of Matthews, Mint Hill, Huntersville, and Cornelius to apply to open charter schools and grant priority enrollment to students domiciled in those towns in those charter schools.

This act became effective June 7, 2018, and applies to applications to establish a charter school on or after that date.

**H611 - Employment Contract Exception. (SL 2018-26)**

S.L. 2018-26 creates an exception to the restriction on public officers benefiting from public contracts for superintendents of local school administrative units whose spouses have been employed by a local board of education after the spousal relationship has been disclosed to and approved by the local board.

This act became effective June 22, 2018.

**H852 - Clarify Eligibility for Needs Based Public School Capital Fund Grants.  
Sec. 3A.1: Clarify Eligibility for Needs Based Public School Capital Fund Grants. (SL 2018-80)**

S.L. 2018-80, Sec. 3A.1 allows counties to be considered to be designated as a development tier one area for purposes of priority award of a Qualified Zone Academy Bond (QZAB) if the county was either (i) so designated by the Department of Commerce in 2017 or 2018 or (ii) the county filed a grant application for a QZAB in 2017.

This section became effective July 1, 2018.

**H986 - Various Changes to Education Laws. (SL 2018-32)**

S.L. 2018-32 does all of the following:

* Requires the State Board of Education (SBE) and the Department of Public Instruction (DPI) to report annually on the implementation of the statutory requirements regarding cursive writing and multiplication tables.
* Directs that students who score a level five on end-of-year math tests must be placed in advanced math classes the following year.
* Requires the SBE to provide information from annual performance reports for educator preparation providers in a user-friendly format that allows comparability of data and provides that the Board of Governors of The University of North Carolina is not required to incorporate that information into the Teacher Quality Dashboard.
* Directs the State Superintendent of Public Instruction to study and make recommendations on ways to reduce testing not otherwise required by State or federal law.
* Directs the DPI to develop content standards for a mental health training program and model program, and minimum requirements for a suicide risk referral protocol and model protocol.
* Creates a "Renewal School System" model that authorizes a qualifying local school administrative unit to become a renewal school system and therefore be subject only to certain statutes and SBE rules and policies.

This act became effective June 22, 2018, but please see the full summary for specific effective dates for the various Parts of the act.

**H1031 - Local Education Funding Dispute Process. (SL 2018-83)**

S.L. 2018-83 makes adjustments to the local education funding dispute process, including all of the following:

* Eliminates actions in superior court when there is a dispute between a local board of education and a board of county commissioners as to the necessary appropriation for local current expenses.
* If the local board of education and the board of county commissioners are unable to reach an agreement through mediation, the amount to be appropriated by the board of county commissioners to the local current expense fund would be determined by a formula.
* Local boards of education can continue to file an action in superior court when no agreement is reached through mediation on the amount of money to be appropriated for the capital outlay fund.
* The Local Government Commission and the School of Government at the University of North Carolina at Chapel Hill are required to convene a working group to develop and recommend statutory parameters for fund balances maintained by local boards of education and for disputes related to the capital outlay fund. The working group must report no later than March 30, 2019 to the Joint Legislative Education Oversight Committee.

This act became effective June 25, 2018 and applies to budget ordinances adopted on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 7.9: Extend Advanced Teaching Roles Pilot for Five Years. (SL 2018-5)**

Sec. 7.9 of S.L. 2018-5 extends the advanced teaching roles pilot program from three years to eight years. The selected local school administrative units will now operate until the end of the 2024-2025 school year.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.11: Clarify Driver Education Program Funds. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 7.11 of S.L. 2018-5 provides that no funds can be transferred into or out of the driver education allotment category. In addition, if a local school administrative unit does not comply with any reporting requirements, the Department of Public Instruction (DPI) may withhold up to five percent of the State funds allocated to the local school administrative unit until it reports the required information. DPI must have a full-time director and other professional, administrative, technical, and clerical personnel as needed for the statewide administration of the driver education program. Of the funds appropriated to DPI from the clear proceeds of the motor vehicle registration late fees, DPI may use up to two percent of those funds for the direct costs of the statewide administration of the driver education program, including any necessary personnel positions.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.13: Extend Pilot/Virtual Charter Schools.. (SL 2018-5)**

Sec. 7.13 of S.L. 2018-5 extends the pilot program for two virtual charter schools for an additional four years. The pilot was scheduled to end in 2018-2019, and is extended to the 2022-2023 school year. Reports on findings from the pilot program by the State Board of Education to the Joint Legislative Education Oversight Committee are also extended, with a report on findings from five years of operation of the pilot program due by November 15, 2020, and a report on findings from seven years of operation of the pilot program due by November 15, 2022.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.14: State Board of Education Roll Call Votes. (SL 2018-5)**

Sec. 7.14 of S.L. 2018-5 requires that votes no longer be done viva voce and instead be done by roll call vote. A record of these votes must be kept in the minute book.

This section became effective July 1, 2018 and applies to all votes by the State Board of Education taken at any meeting occurring on or after July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.16: Regional School Withdrawal Moratorium. (SL 2018-5)**

Sec. 7.16. of S.L. 2018-5 requires the Joint Education Oversight Committee (JLEOC) to study the current statutory requirements for the formation, approval, and expansion of regional schools and whether a withdrawal process for participating units from a regional school should be added to the statutes governing regional schools. JLEOC must make its recommendations to the General Assembly no later than January 15, 2019. Additionally, participating units in an approved regional school cannot withdraw from the school unless the General Assembly provides a statutory process for such withdrawal.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.17: Funds for Workforce Development/Hospitality Jobs. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 7.17 of S.L. 2018-5 provides that of the funds appropriated to the Department of Public Instruction (DPI) for the 2018-2019 fiscal year, up to $200,000 must be made available to the North Carolina Hospitality Education Foundation (Foundation) of the North Carolina Restaurant and Lodging Association. These funds are to provide nationally certified programs in career and technical education focused on developing critical skills necessary for students to succeed in the hospitality sector. The funds must be used to support instructor and student training and student testing to increase the State's workforce in the restaurant and lodging sectors. The Foundation must match State funds on the basis of $1.00 in State funds for every $1.00 in non-State funds.

In consultation with DPI, the Foundation must submit a report by April 1 of each year in which the Foundation spends State funds. The report must be submitted to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on its activities and the use of the State funds.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.18: Permit Military Children to Enroll Prior to Residency in North Carolina. (SL 2018-5)**

Sec. 7.18 of S.L. 2018-5 will allow military children to remotely register to enroll in a local school administrative unit or charter school prior to residency in the State when certain conditions are met.

To qualify to remotely enroll prior to residency, the military child must have a parent or legal guardian (parent) on active military duty who is transferred or pending transfer pursuant to an official military order to a military installation or reservation in the State. A copy of the official military order transferring the parent must be provided to the school upon request. The parent must complete and submit required enrollment forms and documentation, other than proof of residency and documentation related to disciplinary actions.

The military child may then remotely enroll in a local school administrative unit or charter school, and may participate in school assignment, registering for courses, and applying for any other programs that require additional request or application, including lottery for admission to a charter school.

After the military child transfers into the State and prior to attendance, proof of residency and documentation related to disciplinary actions must be provided to the school.

This section becomes effective January 1, 2019, and applies to enrollment applications received on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 7.19: Charter School Transportation Grant Pilot Program Report. (SL 2018-5)**

Sec. 7.19 of S.L. 2018-5 requires the Department of Public Instruction to provide a report by December 1, 2018 to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Education Oversight Committee on the results of the Charter School Transportation Grant Pilot Program (Program). The report must include all of the following:

* The number of charter schools that received grant funds.
* The amount of grant funds awarded to those charter schools.
* Whether implementing the Program led to an increase in charter schools offering lunch.
* Whether implementing the Program led to an increase in student lunch participation at charter schools offering lunch.
* Whether implementing the Program increased or expanded the offering of student transportation by charter schools.
* The modes of student transportation offered by charter schools that received grant funds.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.20: Modify Prohibition on Department of Public Instruction Serving as Innovative School Operator. (SL 2018-5)**

Sec. 7.20 of S.L. 2018-5 authorizes the Innovative School District (ISD) to act as an Innovative School (IS) operator in certain situations. If necessary, the ISD can be a temporary IS operator in the event of a contract termination, lack of a qualified IS operator, or other unforeseen emergency. If there are no other qualified IS operators, the ISD is authorized to act as an IS operator. If the State Board of Education is not able to find a qualified IS operator by the end of the third year of ISD operation, the ISD must remain the operator until the end of the fifth year and must develop a transition plan to return the school to the local school administrative unit.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.21: Add School Systems to the Teacher Assistant Tuition Reimbursement Program. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 7.21 of S.L. 2018-5 makes several changes to the Teacher Assistant Tuition Reimbursement Program (Program). It adds the following local school administrative units as participating units beginning with the 2018-2019 school year: Alleghany County Schools, Ashe County Schools, Bladen County Schools, Cherokee County Schools, Clay County Schools, Columbus County Schools, Davidson County Schools, Graham County Schools, Greene County Schools, Jackson County Schools, Jones County Schools, Lenoir County Public Schools, Macon County Schools, McDowell County Schools, Mitchell County Schools, Public Schools of Robeson County, Swain County Schools, Yadkin County Schools, and Yancey County Schools.

The section increases the tuition reimbursement to $4,600 per academic year. Finally, it clarifies that the report to the Joint Legislative Education Oversight Committee must be by September 1 of each year following the first full year of participation in the Program.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.23: Extend Deadline for Implementation of Read to Achieve Assessment Instruments. (SL 2018-5)**

Sec. 7.23 of S.L. 2018-5 extends the deadline from 2018-2019 to 2019-2020 for implementation of reading assessments for kindergarten through third grade reading yielding data that can be used with the Education Value Added Assessment System (EVAAS) to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them. The section also removes the deadline for requests for proposals to vendors of these diagnostic reading assessment instruments, and requires an evaluation panel, with the approval of the State Superintendent to select a vendor to provide the instruments for the 2019-2020 school year by December 1, 2018.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.24: Clarify Reporting Requirements for Read to Achieve Data . (SL 2018-5)**

Sec. 7.24 of S.L. 2018-5 as amended by Sec. 2.10 of S.L. 2018-97, makes various clarifying changes and additions to the reporting and accountability requirements of the Read to Achieve Program (Program) that include the following:

* In addition to the previous requirements, each local board of education must also publish annually on its website and report in writing to the State Board of Education by September 1 of each year:
  + The name of each alternative assessment used to assess reading comprehension and the number and percentage of third grade students who take and pass each alternative assessment.
  + For each grade level, the number and percentage of students eligible for priority enrollment in reading camp and the number and percentage of those students who attend reading camp.
* Each local board of education must report annually in writing to the State Board of Education the following information from the prior school year by September 1 of each year:
  + A description of all reading interventions provided to students who have been retained.
  + The number of first and second grade students attending a reading camp offered by the local board of education.
  + The license area or areas, years of licensed teaching experience, grade level assignment, and any other specific subject-area assignments of each teacher providing instruction at a reading camp.
  + The number and percentage of teachers providing instruction at a reading camp who were paid a reading performance bonus during the school year immediately preceding the reading camp and the grade level on which the bonus was based.
* Each local board of education must report annually in writing to the State Board of Education the following information from the prior school year by November 15 of each year:
  + The number and percentage of third grade students who did not demonstrate proficiency upon entering reading camp and who became proficient after completing reading camp.
  + For each grade level, the number and percentage of first and second grade students who demonstrated reading comprehension below grade level upon entering camp and who demonstrated reading comprehension at or above grade level after completing reading camp.
* The State Board of Education shall include all of the above information in its State-level summary submitted annually by December 15. The information must be broken down by local school administrative unit.
* Local boards of education must submit all of the required information to the State Board of Education using the uniform format established by the State Board.
* The Department of Public Instruction must provide for the Education Value-Added Assessment System (EVAAS) analysis all formative and diagnostic assessment data on reading proficiency for kindergarten through third grade.
* In addition to the previous requirements, each charter school must also publish annually on its website and report in writing to the State Board of Education by September 1 of each year the name of each alternative assessment used to assess reading comprehension and the number and percentage of third grade students who take and pass each alternative assessment.

This section became effective July 1, 2018, applies beginning with the 2018-2019 school year, and includes the reporting of required data from the 2017-2018 school year.

**S99 - Appropriations Act of 2018.  
Sec. 7.25: Schools that Lead Pilot Program. (SL 2018-5)**

Sec. 7.25 of S.L. 2018-5 requires the Department of Public Instruction (DPI) to contract with Schools That Lead, Inc. to provide professional development to teachers and principals in up to 60 schools, beginning with the 2018-2019 school year and ending in the 2020-2021 school year. Charter schools and schools under the authority of a local school administrative unit are eligible. The program must offer services to at least three cohorts of schools, including:

* High schools working to increase on-time graduation.
* Middle schools working to prepare students to succeed in high school by reducing the likelihood of retention in the ninth grade for multiple school years.
* Elementary schools working to reduce the number of students with early warning indicators of course failures, absences, and discipline.

DPI must contract with an independent research organization to measure the impacts on student outcomes, including:

* On-time graduation in high school.
* Ninth grade retention rates.
* Course failures, absences, and discipline in elementary school.

The research organization must submit annual interim reports to DPI by June 30, starting in 2019, and a final report no later than June 30, 2022. DPI must submit an annual report between October 1, 2019, and October 1, 2022, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.26: Statewide Anonymous Safety Tip Line Application. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 7.26 of S.L. 2018-5 amends the statutes related to anonymous tip lines. This section provides that the governing body of each public secondary school must develop and operate an anonymous tip line in coordination with local law enforcement and social services agencies to receive information on risks to the school population, school buildings, and school-related activities.

The governing body of each public secondary school can use the anonymous tip line available statewide developed by the Department of Public Safety and the Department of Public Instruction (DPI) or it may use another application that meets standards and guidelines developed by DPI. However, the State Board of Education must use the tip line developed by the State agencies for all public secondary schools under its control. Public secondary schools must inform students about the application and provide opportunities for the students to learn about its purpose and function. The governing body of each public secondary school must also work with the Division of School Operations and the Center for Safer Schools at DPI to ensure that employees of the public secondary schools receive adequate training for the application. The section further clarifies that the Department of Public Safety is to work together with DPI on issues related to the anonymous tip line.

This section creates a definition of "public secondary school" which includes any of the following public schools serving grades six or higher:

* A school under the control of a local school administrative unit.
* A school under the control of the State Board of Education.
* A school under the control of The University of North Carolina.
* A charter school.
* A regional school.

Of the funds appropriated to DPI for the 2018-2019 fiscal year, up to $5,000,000 in nonrecurring funds must be used to support the anonymous tip line application implemented by DPI. By July 1, 2019, DPI must make the statewide anonymous tip line application available to all public secondary schools in the State.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 7.27: School Safety Grants Program. (SL 2018-5)**

Sec. 7.27 of S.L. 2018-5 creates the School Safety Grant Program (Program) to improve safety in public school units by providing grants for (i) school safety resource officers, (ii) services for students in crisis, (iii) school safety training, (iv) safety equipment in schools, and (v) additional school mental health support personnel. The Program is administered by the Superintendent of Public Instruction (Superintendent), who must develop criteria and guidelines for the administration and use of the grants by August 1, 2018. The Superintendent may retain up to $100,000 for administrative costs.

* Eligible Applicants. - Grants may be applied for by a public school unit (a local school administrative unit, regional school, innovative school, laboratory school, or charter school) or a community partner (a public or private entity, including, but not limited to, a nonprofit corporation or a local management entity/managed care organization (LME/MCO), that partners with a local school administrative unit to provide services for the unit), as appropriate. Applications must include an assessment performed in conjunction with a local law enforcement agency of the need for improving school safety within the public school unit and identification of current and ongoing needs and estimated costs associated with those needs. Grants provided to public school units pursuant to the Program must be used to supplement and not to supplant State or non-State funds already provided for these services.
* Assessments. - The following must be considered by the Superintendent of Public Instruction in assessing grant applications:
  + The level of resources available to the public school unit that would receive the funding or services.
  + Whether the public school unit has received other grants of funding for school safety.
  + The overall impact on student safety in the public school unit if the identified needs are funded.
* School Resource Officer Grants. - Up to $12 million dollars in recurring funds for grants to public school units for school resource officers in elementary and middle schools. Grants must be matched on the basis of $2.00 in State funds for every $1.00 in non-State funds. The funds may be used to employ school resource officers in elementary and middle schools, train them, or both. Training must be provided by a community college, a local law enforcement agency, or the North Carolina Justice Academy, and must include instruction on research into the social and cognitive development of elementary school and middle school children. A program providing for similar grants enacted in 2013 is also repealed by this section.
* Students in Crisis Grants. - In consultation with the Department of Health and Human Services, up to $2 million dollars in nonrecurring funds for grants to community partners to provide the following crisis services:
  + Crisis respite services for parents or guardians of an individual students to prevent more intensive or costly levels of care.
  + Training and expanded services for therapeutic foster care families and licensed child placement agencies that provide services to students who need support to manage their health, welfare, and safety and have cognitive or behavioral problems, developmental delays, or aggressive behavior.
  + Evidence-based therapy services aligned with targeted training for students and their parents or guardians.
  + Up to 10% of those funds for any other crisis service, including peer-to-peer mentoring, that is likely to increase school safety.
* Training to Increase School Safety Grants. â€“ In consultation with the Department of Health and Human Services, up to $3 million dollars in nonrecurring funds for grants to community partners to address school safety by providing training to help students develop healthy responses to trauma and stress. The training must be targeted and evidence based and must include any of the following services:
  + Counseling on Access to Lethal Means training for school mental health support personnel, local first responders, and teachers on the topics of suicide prevention and reducing access by students to lethal means.
  + Training for school mental health support personnel on comprehensive and evidence-based clinical treatments for students and their parents or guardians.
  + Training for students and school employees on community resilience models to improve understanding and responses to trauma and significant stress.
  + Training for school mental health support personnel on Modular Approach to Therapy for Children with Anxiety, Depression, Trauma, or Conduct problems.
  + Up to 10% of those funds for any other training, including the training on the facilitation of peer-to-peer mentoring, that is likely to increase school safety.
* Safety Equipment Grants. â€“ In consultation with the Department of Health and Human Services, up to $3 million dollars in nonrecurring funds for grants to local school administrative units, regional schools, innovative schools, or laboratory schools for the purchase of safety equipment for government owned school buildings.
* School Mental Health Support Personnel Grants. - Up to $10 million dollars in nonrecurring funds for grants to public school units for salary and benefits costs to employ additional school mental health support personnel (school nurses, school counselors, school psychologists, and school social workers) during the 2018-2019 fiscal year. The provision expresses the intent of the General Assembly to provide an additional $10 million dollars for grants for school mental health support personnel in the 2019-2020 fiscal year.
* Reports. â€“ By April 1, 2019, the Superintendent of Public Instruction must report on the Program to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division. The report must include the identity of each entity that received a grant, the amount of funding provided, the use of funds, and recommendations for the implementation of additional effective school safety measures.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.3: Remove Outdated Statutory Reference. (SL 2018-5)**

Sec. 9.3 of S.L. 2018-5 removes references to the "NC Works Career Coach Program" and replaces them with "NC Career Coach Program."

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.4: Extend Career- and College-Ready Graduate Program Implementation Date. (SL 2018-5)**

Sec. 9.4 of S.L. 2018-5 extends the full implementation of the career- and college-ready graduate program ("the program") from the 2018-2019 school year to the 2020-2021 school year. This program will provide developmental courses and remediation opportunities for students in their senior year of high school. The program will be phased in by cohorts beginning with the 2019-2020 school year, with professional development for high school faculty beginning in the 2018-2019 school year.

Additionally, related policies adopted by the State Board of Community Colleges (SBCC) and the State Board of Education (SBE) must require the North Carolina Community College System Office to periodically review the remedial courses and professional development requirements set by the SBCC.

This section also modifies existing reporting requirements related to the program. By March 15, 2019, the SBCC and the SBE must jointly report to the Joint Legislative Education Oversight Committee on the implementation and professional development efforts in the 2018-2019 school year, as well as any final changes in curriculum, policy, and rules. The report date on program outcomes is changed from October 15, 2019 to October 15, 2020.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.6: Eliminate NCCCS Instructional Trust Fund. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 9.6 of S.L. 2018-5 repeals the North Carolina Community Colleges Instructional Trust Fund (Trust Fund). The cash balance remaining in the Trust Fund is transferred to the Board of Governors of The University of North Carolina for the 2018-2019 fiscal year to be allocated to the State Education Assistance Authority to award tuition grants to State residents who are graduates of the North Carolina School of Science and Mathematics.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.7: Community College Residency Determination Formula. (SL 2018-5)**

S.L. 2018-5, Sec. 9.7 (SB 99, Sec. 9.7) requires the State Board of Community Colleges (SBCC) to develop a funding formula for computing the North Carolina Community College System costs of the residency determination service administered by the State Education Assistance Authority for the purposes of potential inclusion of the formula in future enrollment growth requests.

The SBCC must report on the proposed funding formula by December 1, 2018, to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, the Fiscal Research Division, and the Office of State Budget and Management.

The funding formula may not be included in an enrollment request to the General Assembly prior to submission of the report. If the Community Colleges System Office includes the funding formula when submitting enrollment requests for the 2019-2020 or subsequent fiscal years following the report, the portion of the request resulting from the formula must be distinguished in the request.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.8: Incentives for Institutional Performance Accountability . (SL 2018-5)**

Sec. 9.8 of S.L. 2018-5 allows a community college to use funds allocated to it by the State Board of Community Colleges in recognition of successful institutional performance to give one-time, performance-based bonuses to faculty and staff. A bonus awarded with these funds is not considered compensation.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 9.10: Community College Study on Earning Full-Time Equivalents for Instruction in Local Jails. (SL 2018-5)**

Sec. 9.10 of S.L. 2018-5 requires the State Board of Community Colleges (SBCC) to study the cost of earning regular budget full-time equivalents (FTE) for community college courses offered in local jails, including projections for future fiscal years with potential expansion of correction education programs. Additionally, the study must include the cost of reporting FTE student hours for correction education programs on the basis of student membership hours instead of contact hours for courses offered in (i) State prisons and (ii) in local jails, if the General Assembly were to authorize FTE to be earned for those courses.

By December 1, 2018, the SBCC must report on the study to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, the Fiscal Research Division, and the Office of State Budget and Management.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10.1: UNC Laboratory School Changes. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 10.1 of S.L. 2018-5 makes various clarifying changes to the UNC Laboratory Schools statutes including the following:

* Requires the local school administrative unit in which the laboratory school is located to administer the National School Lunch Program for the school.
* Allows a sibling of a child who is eligible to attend a laboratory school to also attend the laboratory school even if the sibling does not meet the eligibility requirements.
* Allows the laboratory school to give enrollment priority to the sibling of an enrolled student who attended the laboratory school in the prior school year.
* Allows the campus police department of the constituent institution to also be a designated entity that can require additional information from persons who have to have criminal history checks.
* Requires that the annual report submitted to the Joint Legislative Education Oversight Committee include the number of enrolled students who are siblings of otherwise eligible students.

This section became effective July 1, 2018, and applies beginning with the 2018-2019 school year.

**S99 - Appropriations Act of 2018.  
Sec. 10.3 Modify Appointment Process for Board of Governors Committee on Free Expression. (SL 2018-5)**

Sec. 10.3 of S.L. 2018-5 changes the process for appointment of The University of North Carolina Board of Governor's (BOG) Committee on Free Expression (Committee). The section eliminates the following requirements for the Committee:

* Membership of 11 appointed by the BOG.
* Selection by the Committee of a chair.
* Terms of office on the Committee equal to the remaining term of office on the BOG.

Instead, the section gives the chair of the BOG the authority to designate a standing or special committee of the BOG to act as the Committee.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10.5: NC Promise "Buy Down"/Report. (SL 2018-5)**

Sec. 10.5 of S.L. 2018-5 requires the Board of Governors and the chancellors of Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University to submit a report to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division on the amount of any financial obligation resulting from the tuition rate established in the NC Promise Tuition Plan incurred at each of the three constituent institutions, and at least the following additional information:

* The amount required to offset the forgone tuition receipts at each of the three constituent institutions as a result of the tuition rate established by the NC Promise Tuition Plan and how those funds were allocated to each constituent institution.
* The number of enrolled resident students at each constituent institution.
* The number of enrolled nonresident students at each constituent institution.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10A.1: Modify and Align the K-12 Scholarship Programs. (SL 2018-5)**

Sec. 10A.1 of S.L. 2018-5 makes several changes to the various K-12 scholarship programs (Special Education Scholarships, Opportunity Scholarships, and Personal Education Savings Accounts).

This section makes the following changes to the Special Education Scholarships:

* Prohibits the State Education Assistance Authority (SEAA) from counting actual days of attendance to determine whether a child was enrolled in a qualifying school for the previous semester for the purposes of eligibility. A student who becomes eligible for a scholarship in the 2018-2019 school year solely due to this prohibition must receive priority in award of scholarships over all applicants except those previously awarded scholarships.
* Expands eligibility to include children in foster care or those who have been adopted within one year prior to the submission of the application, and gives those students a second-level priority behind students who received a scholarship during the previous school year.
* Requires SEAA to make applications available not later than February 1 annually.
* Requires SEAA to award scholarships according to priority criteria by March 15 each year.
* Removes the requirement that scholarships be awarded in the order in which applications are received.
* Authorizes an applicant to demonstrate disability status through a continuing verification form provided by a private psychologist or psychiatrist, if the initial determination was made by a local education agency.
* Authorizes a lottery for the selection of scholarship recipients within the established criteria.

This section makes the following changes to the personal education savings accounts (PESAs):

* Authorizes PESA funds to be distributed through either a debit card or an electronic account.
* Authorizes an applicant to demonstrate disability status through a continuing verification form provided by a private psychologist or psychiatrist, if the initial determination was made by a local education agency.

Additionally, the SEAA annual report for each of these scholarship programs is now due by October 15.

This section became effective July 1, 2018. The prohibition on counting previous semester days of attendance applies to any student who was otherwise eligible to receive a special education scholarship on or after January 1, 2017, for any scholarship application for the 2018-2019 school year or later. The other eligibility modifications related to special education scholarships apply beginning with scholarship applications for the 2019-2020 school year. The PESA funds and eligibility changes apply beginning with the award of scholarship funds for the 2018-2019 school year.

**S99 - Appropriations Act of 2018.  
Sec. 10A.2: Changes to the North Carolina Teaching Fellows Program. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 10A.2 of S.L. 2018-5 makes various changes to the North Carolina Teaching Fellows Program (Program) that include the following:

* Allows monies in the North Carolina Teaching Fellows Program Trust Fund (Trust Fund) to also be used for mentoring and coaching support for the recipients of the North Carolina Teaching Fellows forgivable loans.
* Directs the State Education Assistance Authority (SEAA) to transfer the greater of $600,000 or ten percent of the available funds from the Trust Fund to the General Administration of The University of North Carolina at the beginning of each fiscal year for the Program's administrative costs, the salary of the Director of the Program and other Program staff, expenses of the North Carolina Teaching Fellows Commission (Commission), and funds to use for extracurricular enhancement activities of the Program.
* Allows the SEAA to use the greater of $250,000 or four percent of the funds appropriated to the Trust Fund each fiscal year for administrative costs associated with the Program.
* Directs the SEAA to provide the Commission with up to $600,000 from the Trust Fund in each fiscal year for the Commission to provide mentoring and coaching support to the recipients of the North Carolina Teaching Fellows forgivable loans through the North Carolina New Teacher Support Program as follows:
* Up to $2,000 for each recipient of the North Carolina Teaching Fellows forgivable loans who is serving as a teacher in a North Carolina public school identified as low-performing.
* Up to $1,000 for each recipient of the North Carolina Teaching Fellows forgivable loans who is serving as a teacher in a North Carolina public school not identified as low-performing.
* Clarifies the amount of the forgivable loans as follows:
* North Carolina high school seniors â€“ up to $4,125 per semester for up to eight semesters.
* Students applying for transfer to a selected educator preparation program at an institution of higher education â€“ up to $4,125 per semester for up to six semesters.
* Individuals currently holding a bachelor's degree seeking preparation for teacher licensure â€“ up to $4,125 per semester for up to four semesters.
* Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program â€“ up to $4,125 per semester for up to four semesters.
* Specifies that the forgivable loans may also be used for expenses related to obtaining licensure.
* Provides that the annual report due to the Joint Legislative Education Oversight Committee must be written in coordination with the Department of Public Instruction and the selected educator preparation programs and must also include the following additional information:
* The number of recipients of the North Carolina Teaching Fellows forgivable loans who received mentoring and coaching support through the North Carolina New Teacher Support Program when employed at a school identified as low-performing.
* The number of recipients of the North Carolina Teaching Fellows forgivable loans who received mentoring and coaching support through the North Carolina New Teacher Support Program when employed at a school not identified as low-performing.
* Turnover rates by educator preparation program graduates who received the North Carolina Teaching Fellows forgivable loans including the turnover rate for those who also received mentoring and coaching support through the North Carolina New Teacher Support Program.
* Clarifies that all forgivable loans must be evidenced by notes payable to the SEAA that bear interest at no more than 10% and begin on the first day of September after the completion of the program leading to teacher licensure or 90 days after graduation, whichever is later. If a forgivable loan is terminated, the note must be made payable to the SEAA 90 days after the termination.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10A.3: Changes to the NC Principal Fellows Program. (SL 2018-5)**

Sec. 10A.3 of S.L. 2018-5 makes the following changes to the NC Principal Fellows Program (Program), administered by the North Carolina Principal Fellows Commission (Commission) in collaboration with the State Education Assistance Authority (SEAA), which provides two-year scholarship loans and extracurricular activities to recipients completing full-time programs in approved school administration programs:

* Repeals the prior authorizations for an institutional trust fund and university trust fund for the Program and creates the Principal Fellows Trust Fund (Trust Fund) for funds appropriated to or otherwise received by the Program.
* Requires monies in the Trust Fund to be used only for scholarship loans granted under the Program, administrative costs, and costs associated with Program operations in accordance with statute. The SEAA may use up to $800,000 from the Trust Fund each fiscal year for administrative costs, salary and benefits for the director of the Program, expenses of the Commission, and funds for program monitoring and evaluation and extracurricular enhancement activities for program recipients.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10A.4: Principal Prep Program Changes. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 10A.4 of S.L. 2018-5 codifies into statutes the Transforming Principal Preparation Grant Program (Program) that was first enacted by the General Assembly in 2015. Beginning with the 2018-2019 fiscal year, of the funds appropriated each fiscal year for the Program, $380,000 must be allocated to the State Education Assistance Authority (SEAA) to contract with the nonprofit corporation to administer the Program. Up to five percent of the funds may be used by the SEAA for administrative costs. The section also repeals the requirement that unexpended funds appropriated to award grants to recipients that remain at the end of each fiscal year must revert to the General Fund.

This section became effective July 1, 2018 and applies to the administration of the Program and the award of grants on or after July 1, 2018. The provision repealing the requirement that unexpended funds revert to the General Fund became effective June 30, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10A.5: One-Year Tuition Grants for Certain Graduates of the North Carolina School of Science and Mathematics for the 2019-2020 Academic Year. (SL 2018-5)**

Sec. 10A.5 of S.L. 2018-5 creates a one-year tuition grant administered by the State Education Assistance Authority (SEAA) for each State resident who graduates from the North Carolina School of Science and Mathematics at the end of the 2018-2019 year and who enrolls as a full-time student in a constituent institution of The University of North Carolina for the 2019-2020 academic year. If an eligible student also receives an additional scholarship, then the tuition grant must be reduced by an appropriate amount so that the sum of all grants and scholarship aid does not exceed the cost of attendance. This section allocates $1,001,869 of the funds appropriated to the Board of Governors of The University of North Carolina to cover the tuition grants. In the event these funds are not sufficient, each eligible student must receive a pro rata share of these funds, and the Board of Governors may transfer additional available funds to meet the needs of the tuition grant program.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 10A.6: Access to Private Institution Need-Based Scholarships for Veterans. (SL 2018-5)**

OVERVIEW and ANALYSIS: Sec. 10A.6 of S.L. 2018-5, as amended by Sec. 2.17 of S.L. 2018-97, creates two new categories of students who would be eligible for a need-based scholarship to attend a private institution of higher education in North Carolina:

* Veterans if the veteran's abode is in North Carolina and the veteran provides the eligible private postsecondary institution a letter of intent to establish residency in North Carolina.
* Active duty members of the Armed Forces if the active duty member is abiding in the State incident to active military duty in the State.

This section became effective July 1, 2018, and applies beginning with the 2018-2019 academic year.

**S99 - Appropriations Act of 2018.  
Sec 36.6: University of North Carolina Board of Governors Planning Task Force. (SL 2018-5)**

Sec. 36.6 of S.L. 2018-5 creates the UNC Board of Governors Planning Task Force (Task Force) consisting of four current Board members appointed by the Board of Governors (BOG) no later than August 1, 2018. One of the four members shall be designated as chair.

The Task Force must conduct a systemwide analysis of the capital needs of the campuses of each constituent institution in relation to the Science, Technology, Engineering, and Mathematics (STEM) subject area to compile a UNC System Plan. The Task Force must use the $3 million appropriated to the BOG in conducting the analysis. The Task Force must take into account strengths, weaknesses, opportunities, and needs of each constituent institution, regional similarities and differences, and the impact of any relevant currently utilized programmatic planning elements that can be implemented as a best practice among other similar programmatic areas to encourage systemwide efficiencies. In particular, the Task Force must consider the capital needs relating to the Brody School of Medicine at East Carolina University, the UNC Applied Physical Sciences and Institute for Convergent Science in Chapel Hill, and other STEM projects to determine areas where capital funds may be used more efficiently and effectively.

By April 1, 2019, the Task Force must submit a report containing the UNC System Plan and any legislative recommendations to the Joint Legislative Capital Improvements Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2018.

**S125 - Various Changes to Education.  
Sec. 1: Encourage Local Boards of Education to Adopt Student Attendance Recognition Programs. (SL 2018-37)**

S.L. 2018-37, Sec. 1 encourages local boards of education to adopt student attendance recognition programs. If adopted, those programs may not include a student's absence due to service as a legislative or Governor's page as part of the student's record of attendance for the purpose of the attendance recognition program.

This section became effective June 22, 2018, and applies beginning with the 2018-2019 school year.

**S125 - Various Changes to Education.  
Sec. 2: Expand Eligibility of Children to Obtain Certain Wartime Veterans Scholarships.. (SL 2018-37)**

S.L. 2018-37, Sec. 2 changes the definition of "child" for certain scholarships awarded to children of veterans. Various classes of scholarships are provided by the State to children of veterans who meet specific criteria. Two classes of these scholarships (Class II and Class III) are limited to no more than 100 children yearly. Part II expands the definition of "child" for purposes of qualifying for Class II and Class III scholarships to align with the federal definition of "child" used for determination of Pay and Allowances of the Uniformed Services, as follows:

* A stepchild of the member. This does not include a stepchild after the divorce of the member from the stepchildâ€™s parent by blood.
* An adopted child of the member, including a child placed in the home of the member by a placement agency (recognized by the Secretary of Defense) in anticipation of the legal adoption of the child by the member.
* An illegitimate child of the member if the memberâ€™s parentage of the child is established in accordance with criteria prescribed in regulations by the Secretary of the relevant service branch.

The Department of Military and Veterans Affairs must document the number of applicants who apply for Class II and Class III scholarships, including the total number of applications received and total number of applications made eligible as a result of this Part and report on this information to the Joint Legislative Oversight Committee on General Government by March 30, 2019.

This section became effective June 22, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.4: Codify Center for Safer Schools. (SL 2018-97)**

Sec. 2.4 of S.L. 2018-97 codifies and makes adjustments to the Center for Safer Schools (Center). These adjustments include the following:

* The Center is no longer part of the Division of Safe and Healthy Schools Support at the Department of Public Instruction (DPI), but is administratively located in DPI. Other conforming changes are made to reflect this move.
* The Center consists of an executive director, and other professional, administrative, technical, and clerical personnel as necessary. The Executive Director is appointed by and reports to the Superintendent of Public Instruction.
* All State agencies and departments must cooperate with the Center for Safer Schools in carrying out its powers and duties.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.6: Authorize Additional Requests for Proposal for Advanced Teaching Roles Pilot. (SL 2018-97)**

Sec. 2.6 of S.L. 2018-97 authorizes the State Board of Education (SBE) to issue additional requests for proposal (RFPs) as necessary in order to meet the requirements of the advanced teaching roles pilot program. Local boards of education may submit one of these additional RFPs if they meet the requirements of the SBE. Additionally, local school administrative units (LEAs) have flexibility on the 2017-2018 pilot start date, allowing LEAs added through subsequent RFPs to begin after that point.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.12: Exclusion of Estate Distributions for Income Calculation for Opportunity Scholarship Grants. (SL 2018-97)**

Sec. 2.12 of S.L. 2018-97 prohibits the inclusion of any distribution from the estate of a decedent in calculating the income level of the household of an applicant for an opportunity scholarship for the purposes of determining income eligibility for that scholarship grant. Opportunity scholarship grants provides funds for tuition at nonpublic schools for students residing in a household with an income level not in excess of 133% of the amount required for the student to qualify for the federal free or reduced price lunch program and meeting certain other criteria.

This section became effective June 26, 2018, and applies to any student who was otherwise eligible to receive an opportunity scholarship on or after January 1, 2017, for any scholarship application for the 2018-2019 school year or later. A student who becomes eligible for a scholarship in the 2018-2019 school year solely due to the change in law created by this section must receive first priority in award of scholarships in the same manner as those previously awarded scholarships.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.13: Innovation Zone Model Grants/Innovative School District Administrative Costs. (SL 2018-97)**

Sec. 2.13 of S.L. 2018-97 allows the State Board of Education to award innovation zone model grants from the funds appropriated to the Department of Public Instruction for that purpose for the 2018-2019 fiscal year. For the 2018-2019 fiscal year, the Department of Public Instruction can also use these funds to cover the administrative costs of the Innovative School District during the 2018-2019 fiscal year.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.16: School Performance Grade Update to Comply with the Every Student Succeeds Act (ESSA). (SL 2018-97)**

Sec. 2.16 of S.L. 2018-97 requires, for school performance grades based on data from the 2017-2018 school year only, the State Board of Education to combine the career and college readiness measures for school performance grades so a high school earns one point for each percent of students who are either college ready or career ready. School report cards based on data from the 2017-2018 school year will be required to show the combined indicator, as well as what the indicators would look like separately.

This section became effective June 26, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 12.1: Study/Fair Treatment of College Athletes. (SL 2018-97)**

Sec. 12.1 of S.L. 2018-97 creates the Legislative Commission on the Fair Treatment of College Student-Athletes (Commission) to examine the needs and concerns of college students participating in athletics on behalf of the constituent institutions of The University of North Carolina and to propose appropriate legislation where needed to implement the objectives of the Commission.

The Commission consists of the following:

* Six members of the Senate, appointed by the President Pro Tempore of the Senate in proportion to the legislative makeup.
* Six members of the House of Representatives, appointed by the Speaker of the House of Representatives in proportion to the legislative makeup.
* The Lieutenant Governor, serving as chair of the Commission.

Vacancies will be filled by the appointing authority making the initial appointment. The Commission will meet upon the call of the chair, with a quorum of the majority of the Commission members.

The Commission will study issues related to the provision of health insurance, sports injuries and non-sports injuries, and profit sharing for student athletes, including the following:

* Physical and mental health and safety concerns arising out of participation in athletic competition or resulting from injuries sustained during athletic competition, including, but not limited to, concussions and other life impacting injuries.
* Long-term physical and mental health and wellness issues grounded in participation in athletic competition but not manifesting until later in an athlete's life, and the ability of former athletes to receive adequate long-term treatment for these issues.
* The need for full-time enrolled college students to have adequate time to devote to educational responsibilities separate and apart from time demands for athletic competition.
* Educational opportunities for choosing majors and classes consistent with the nonathletic participating students' opportunities at a constituent institution.
* The right to receive academic instruction from qualified faculty members at the constituent institutions and to be taught at an academic level consistent with the standards of accredited higher education institutions.
* The right to a fair and impartial hearing and the right to be independently represented before being disciplined for alleged eligibility rules violations by any school, conference, or membership association governing participation in college athletics.
* In exchange for his or her participation on behalf of any constituent institution, a fair and adequate financial aid or scholarship assistance package to the extent financial aid or scholarship sources are provided to selected students in exchange for their participation on institutional athletic teams.
* Consideration of remuneration or profit sharing for student athletes for the use by institutional or commercial entities of the students' image, or other identifiable source, such as television rights or collegiate apparel that produce commercial profit for the institutions, membership associations, or commercial entities.
* The right of students participating in college athletics to be adequately represented by attorneys, agents, or financial advisors throughout their college careers without being subject to losing their eligibility to participate in college athletics.
* A review of regulatory rules and punishments imposed on student athletes by any governing membership organization that limits a student's ability to transfer between schools, or participate on college athletic teams by restricting the student's ability to engage in outside work or compensatory services.
* The obligation of the university to provide the means for a student athlete to finish their academic requirements to obtain an undergraduate degree after their athletic eligibility or athletic scholarship has expired.
* Any other issue the Commission deems relevant based on testimony or evidence presented to the Commission.

The Commission must submit a report on the results of its study, including any proposed legislation, by March 1, 2019, to the members of the Senate and the House of Representatives by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Commission terminates on March 1, 2019, or upon the filing of its report, whichever occurs first.

This section became effective July 1, 2018.

**S420 - Community College Governance/Amend Medical Board. (SL 2018-92)**

S.L. 2018-92 (i) allows the State Board of Community Colleges (SBCC) to appoint an interim board of trustees to assume the powers and duties of a board of trustees of a local community college in certain instances; (ii) allows the SBCC to appoint an advisory committee; (iii) establishes remediation actions that must be completed prior to vacating the entire board; (iv) requires that the boards of trustees of local community colleges meet at least once every two months; (v) authorizes the SBCC to require financial audits in certain cases; and (vi) adjusts the membership of the North Carolina Medical Board.

This act became effective June 25, 2018.

SECTION 1.(a)

**S462 - Change Name of UNC General Administration. (SL 2018-12)**

S.L. 2018-12 changes the name of "The University of North Carolina General Administration" to "The University of North Carolina System Office." All statutory and legal authority powers, duties, functions, records, personnel, property, and unexpended balances of appropriations or other funds of The University of North Carolina General Administration remain those of The University of North Carolina System Office (System Office). The System Office is not required to immediately replace any stationary, other supplies, or any emblems or other symbols used by the System Office as they existed prior to enactment. The System Office must use funds within its budget to replace these items as necessary.

This act became effective July 1, 2018.

**Environment, Natural Resources, and Energy**

**See full summary documents for additional detail**

**H374 - Regulatory Reform Act of 2018. (SL 2018-114)**

S.L. 2018-114 amends State laws as follows:

* Allow electronic delivery of agency decision documents in contested cases
* Allow temporary food establishments to operate: (i) for up to 30 days, with a possible one-time 15-day extension, and (ii) operate at agritourism businesses
* Change the required office location for the North Carolina Board of Cosmetic Art Examiners from Raleigh to Wake County
* Amend the law on contracts with automatic renewal clauses to exempt real estate professionals from the applicable requirements
* Make motorcycle financing changes to exempt motorcycles with a purchase price of $7,500 or more from the prohibition on balloon payments
* Add employees who install or service an electronic security system in a commercial business establishment to those persons who must be registered with the Alarm Systems Licensing Board
* Modify the timing for renewable precertification for persons transporting essentials or restoring utilities during emergency declarations
* Require the Division of Mitigation Services (DMS) to review and revise its bidding and contracting procedures for procurement of mitigation services
* Clarify improvement permit and construction authorization extensions for wastewater systems to provide that for purposes of extending a permit's duration, site activities begun or completed pursuant to requirements from the local health department under the original permit would not be construed to be altered conditions and cannot constitute a basis for refusal of the permit extension
* Require the Legislative Research Commission (LRC) to study mandatory connection authority relating to use of the engineer option permit for wastewater
* Revise wastewater permitting requirements
* Expand the definition of "accepted wastewater dispersal system" to include approved trench dispersal systems
* Cap Title V air quality permit fees for air curtain burners
* Require the Environmental Management Commission (EMC) to review local government implementation of certain water quality laws
* Authorize replacement of certain temporary erosion control structures
* Authorize certain coastal stormwater program variances
* Allow American eels to be imported from Maryland for aquaculture purposes
* Clarify applicability of institutional controls and notice recordation for aboveground tanks, and modify other requirements for underground storage tanks
* Expand exemptions for certain local governments' authority to enact flow control
* Clarify landfill life-of-site/franchise requirements for sanitary landfills
* Amend recoverable costs in the fuel clause rider for electric public utilities that have fewer than 150,000 North Carolina retail jurisdictional customers to include the cost of Public Utility Regulatory Policies Act of 1978 (PURPA) qualifying facilities (QF) purchased power, and subject them to the current 1% annual cap on cost increases
* Amend the process for vacancy appointments to the Utilities Commission and the Industrial Commission
* Adjust the number of assistant district attorneys in Prosecutorial Districts 10 and 22
* Exempt the personal property of charter schools from property tax so long as the property is wholly and exclusively used for educational purposes
* Amend legislation regarding maintenance of roads surrounding schools
* Repeal State Board of Education policies inconsistent with State law, as affirmed by the North Carolina Supreme Court, and address State Board of Education rules
* Prohibit the North Carolina Board of Funeral Service from revoking or refusing to renew a funeral license under certain circumstances

This act has various effective dates. Please see the full summary for details.

This bill was vetoed by the Governor on June 25, 2018. The veto was overridden by the General Assembly on June 27, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 13.1: Water Safety. (SL 2018-5)**

OVERVIEW:

Sec. 13.1 of S.L. 2018-5, as amended by Sec. 4.4 of S.L. 2018-97, provides for the following measures:

* Authorizes the Governor to require a facility to cease all operations and activities that result in the production of a pollutant, under certain circumstances.
* Requires the Secretary of Environmental Quality (Secretary), upon direction of the Governor, to order any person who the Secretary finds responsible for the discharge or release of industrial waste that includes per- and poly-fluoroalkyl substances ("PFAS"), including the chemical known as "GenX" (chemical abstracts service (CAS) registry number 62037-80-3 or 13252-13-6), into the air, groundwater, surface water, or onto the land that results in contamination of a private drinking water well, to establish permanent replacement water supplies for each household with such a well.
* Establishes within the Department of Environmental Quality (DEQ) the PFAS Recovery Fund, and appropriate moneys to the Fund to provide funding to local governments for necessary expenditures that local governments may incur as a result of activities to connect households with drinking water wells contaminated with PFAS to public water supplies.
* Makes various appropriations to fund water quality sampling, remediation activities, and research, to address the presence of PFAS, including GenX, in drinking water resources in the State, including funds to:
  + The Cape Fear Public Utility Authority (Authority) for water quality sampling, and testing of treatment techniques, to address PFAS, including GenX.
  + The North Carolina Policy Collaboratory at The University of North Carolina at Chapel Hill (Collaboratory) for distribution to institutions of higher education in the State to perform targeted and non-targeted analysis for PFAS, including GenX, at all public water supply surface water intakes and one public water supply well selected by each municipal water system that operates groundwater wells for public drinking water supplies as identified by DEQ, and to perform research to address such contaminants.
  + DEQ for:
    - Positions and operations support of water quality sampling and targeted analysis of samples related to PFAS, including GenX.
    - Addressing permitting backlogs.
    - Sampling and analysis of atmospheric deposition of PFAS, including GenX.
    - Sampling and analysis of PFAS, including GenX, in groundwater wells, soil, and sediment.
    - Acquisition of a mass spectrometer to perform targeted analysis of water samples related to discharges of PFAS, including GenX.
  + Requires every applicant for a new permit, or permit renewal, of an individual National Pollutant Discharge Elimination System (NPDES) permit to submit documentation to DEQ in an electronic format to facilitate immediate public disclosure of the pollutants by certified test method included in the person's discharge.

**S99 - Appropriations Act of 2018.  
Sec. 13.11: Volkswagen Settlement Fund. (SL 2018-5)**

The State of North Carolina is a beneficiary of the environmental mitigation trust (Volkswagen Trust) established in the consent decree resolving the extensive federal civil litigation concerning Volkswagen's marketing and emissions test practices for its line of "Clean Diesel" vehicles. The consent decree requires the Governor to designate a lead agency to prepare and implement a Beneficiary Mitigation Plan (Plan) for the use of over $90 million designated for distribution to the State through the Volkswagen Trust.

Sec. 13.11 of S.L. 2018-5 provides the following directives and restrictions to the Department of Environmental Quality (DEQ) as the lead agency currently designated by the Governor:

* Revises language regarding approval of the Plan by the General Assembly in Section 13.2 of the Appropriations Act of 2017 (S.L. 2017-57) to specify that DEQ may not direct payment of funds received from the Volkswagen Trust to any third party until the funds are deposited in the State Treasury and appropriated by an act of the General Assembly.
* Allows DEQ to direct use of the funds as set forth in the Plan after its approval by the General Assembly and the appropriation of the funds.
* Establishes the Volkswagen Litigation Environmental Mitigation Fund as a special fund in the State Treasury to receive funds from the Trust and directs the State Controller to reserve in that Fund any funds received from the Trust.

This section became effective July 1, 2018.

**S124 - LEO Managed CBD Oil Drop Box. (SL 2018-36)**

S.L. 2018-36 requires all residual oil from hemp extract that is lawfully possessed by a caregiver for treatment of a patient diagnosed with intractable epilepsy to be disposed of at a secure collection box that is managed by law enforcement, and requires neurologists approving dispensation to a caregiver of residual oil from hemp extract to inform the caregiver of this disposal requirement.

This act will become effective December 1, 2018.

**Finance**

**See full summary documents for additional detail**

**H320 - PUV Changes. (SL 2018-95)**

S.L. 2018-95 creates an additional way land may be used to qualify for present-use value (PUV) taxation as wildlife conservation land. Property that qualifies for PUV taxation is appraised and taxed at its present-use value as opposed to its fair market value. S.L. 2018-95 extends the PUV classification and treatment to land that is actively and regularly used as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities. If the land qualifies under this new provision, up to 800 acres of land can be classified for PUV taxation.

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2019.

**H374 - Regulatory Reform Act of 2018.  
Sec. 25: Exempt Personal Property of Charter Schools from Property Tax. (SL 2018-114)**

Section 25 of S.L. 2018-114 exempts the personal property of charter schools from property tax so long as the property is wholly and exclusively used for educational purposes.

This section became effective for taxes imposed for taxable years beginning on or after July 1, 2018.

**H569 - Pretax Supplemental Benefits. (SL 2018-64)**

S.L. 2018-64 provides that supplemental insurance plans offered to State employees through the Employee Insurance Committees may be offered on a pre-tax basis if the offering complies with Section 125 of the Internal Revenue Code.

**S99 - Appropriations Act of 2018.  
Sec. 5.6: Tax Deduction for Certain Hurricane Relief Payments. (SL 2018-5)**

Secs. 5.6(j) and 5.6(k) of the Appropriations Act of 2018, S.L. 2018-5, adds two tax deductions for hurricane relief payments from the State Emergency Response and Disaster Relief Reserve Fund:

* Individual taxpayers may deduct hurricane relief payments from adjusted gross income under new G.S. 105-153.5(b)(13) excluding payments for goods or services provided by the taxpayer.
* Corporate taxpayers may deduct hurricane relief payments from federal taxable income under new G.S. 105-130.5(b)(29) excluding payments for goods or services provided by the taxpayer.

The deductions are effective for taxable years beginning on or after January 1, 2017.

**S99 - Appropriations Act of 2018.  
Sec. 35.17: Require Submission of Pay Plan Design. (SL 2018-5)**

Sec. 35.17 of S.L. 2018-5 requires any agency requesting an allocation from the Pay Plan Reserve of the General Fund to first submit to the Office of State Budget and Management (OSBM) a detailed description of the pay plan design, including the salary or salary range at each step within the pay plan, and the criteria for movement between steps of the pay plan.

**S99 - Appropriations Act of 2018.  
Sec. 35.25: State Troopers Increase/Training Loan Reimbursement. (SL 2018-5)**

Sec. 35.25, as amended by Sec. 8.1 of S.L. 2018-97, implements a new pay plan for the State Highway Patrol and establishes a trooper training cost recovery program applicable after training to cadets and to certain law enforcement employers that hire cadets. To avoid possible federal income tax consequences associated with creating a forgivable loan program, Section 8.1 of the Budget Technical Corrections act (S.L. 2018-97, Senate Bill 335) restructured the program into a contract to reimburse the training expenses if the trooper separates from the Highway Patrol before 36 months of service. Instead of excusing liability monthly under a promissory note effective during training with forgiveness over the 36-month period, a trooper will agree to reimburse the State only if they leave State employment prior to the agreed upon contract period of 36 months. Covered law enforcement employers who hire a trooper who is still under contract requirements will be liable to the State for training costs in the amount of $36,000.

The changes became effective for the 2018-2019 fiscal year.

**S99 - Appropriations Act of 2018.  
Sec. 38.1: IRC Update. (SL 2018-5)**

Sec. 38.1 of S.L. 2018-5 updates the reference to the Internal Revenue Code (IRC) from January 1, 2017, to February 9, 2018. Therefore, to the extent North Carolina follows federal tax provisions in calculating State tax liability, changes made to the IRC by the federal Tax Cuts and Jobs Act (TCJA) and the Bipartisan Budget Act of 2018 (Budget Act) will apply to North Carolina.

**S99 - Appropriations Act of 2018.  
Sec. 38.2: Business Tax Changes. (SL 2018-5)**

Sec. 38.2 of S.L. 2018-5, as amended by Sec. 11.2(a) of S.L. 2018-97, makes various changes to the business tax statutes to make the laws more equitable, intelligible, easier to administer, and concise by eliminating unnecessary provisions.

This section has various effective dates. Please see the full summary for more detail.

**S99 - Appropriations Act of 2018.  
Sec. 38.3: Federal Determinations and Amended Returns. (SL 2018-5)**

Sec. 38.3 of S.L. 2018-5 makes various changes to the federal corrections statutes, which are statutes that address a taxpayer's obligation when their federal taxable income is changed or corrected at the federal level and that change affects the amount of State tax payable. Specifically, the changes create a distinction between situations where the changes are the result of an action initiated by the Internal Revenue Service (IRS) and situations where the changes are the result of an amended return voluntarily filed by a taxpayer.

This section became effective June 12, 2018, and applies to federal amended returns filed on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 38.4: Automatic Extension of Time to File Tax Returns. (SL 2018-5)**

Sec. 38.4 of S.L. 2018-5 provides that a taxpayer who is granted an automatic extension to file a federal income tax return is granted an automatic extension to file a State income and franchise tax return.

This section applies to taxable years beginning on or after January 1, 2019.

**S99 - Appropriations Act of 2018.  
Sec. 38.5: Sales and Use Tax Changes. (SL 2018-5)**

Sec. 38.5 of S.L. 2018-5 does the following:

* Provides an option for a retailer who pays sales and use tax on property or services, and subsequently resells them at retail, to recover the sales and use taxes the retailer originally paid.
* Extends the Sales Tax Base Expansion Protection Act for an additional year to better ensure retailers with sales tax obligations understand the applicable tax law changes.
* Clarifies the sales and use tax treatment of frequently questioned transactions.
* Streamlines, clarifies, and modernizes statutory language to comport with recent sales and use tax changes.
* Makes other miscellaneous and technical sales and use tax changes.

This section has various effective dates. Please see the full summary for more detail.

**S99 - Appropriations Act of 2018.  
Sec. 38.6: Excise Tax Changes. (SL 2018-5)**

Sec. 38.6 of S.L. 2018-5 makes various excise tax changes, including the following:

* Requiring certain ABC permit holders to register with the Department of Revenue (Department) in order to aid in tax compliance.
* Increasing the motor fuel rate authorized to be charged by a certain class of gas stations allowed to charge the South Carolina rate due to the gas station being considered in North Carolina because of the NC/SC border recertification in 2016. The rate increase will be 2Â¢ each year over the next six years, totaling 12Â¢, to mirror the motor fuel rate increase imposed in South Carolina.

Sec. 38.6(c), requiring certain listed ABC permit holders to register with the Department and to notify the Department when a permittee discontinues their business, becomes effective July 1, 2018.

Except as otherwise provided, this section became effective June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 38.7: Modified Risk Tobacco Product Tax Reduction. (SL 2018-5)**

Sec. 38.7 of S.L. 2018-5 provides an excise tax rate reduction for modified risk tobacco products. A modified risk tobacco product is a product that is sold or distributed for use to reduce harm or the risk of tobacco-related disease associated with commercially-marketed tobacco products. For a product to qualify as a modified risk tobacco product, it must be issued an order by the United States Food and Drug Administration (FDA). To date, the FDA has not issued any such orders.

This section became effective June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 38.8: Allow Cities to Use Revenues for Public Education. (SL 2018-5)**

Sec. 38.8 of S.L. 2018-5, as amended by Sec. 11.1 of S.L. 2018-97, authorizes, but does not require, cities to levy property taxes to supplement funding for elementary and secondary public education that benefits the residents of the city and to appropriate those revenues, in addition to any other unrestricted revenues,for that purpose.

This section became effective July 1, 2018, and applies to revenues derived from taxes levied on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 38.9: Waive Certain Property Tax Penalties and Interest. (SL 2018-5)**

Sec. 38.9 of S.L. 2018-5, as amended by Sec. 9.5 of S.L. 2018-76, provides an additional circumstance under which certain property tax deadlines are extended to the next business day. The additional circumstance is when all of the following conditions occur on the due date: (i) the tax office is closed, (ii) the U.S. Postal Service did not provide service to the taxpayer's address, and (iii) a disaster has been declared.

This section is effective for taxes imposed for taxable years beginning on or after July 1, 2017.

**S99 - Appropriations Act of 2018.  
Sec. 38.10: Other Tax Changes. (SL 2018-5)**

Sec. 38.10 of S.L. 2018-5 makes several miscellaneous tax changes, including the following:

* Clarifies that when a corporation's articles of incorporation or a limited liability company's articles of organization are suspended, the entity is nevertheless liable for its tax obligations.
* Provides that meals other than breakfast served at a bed and breakfast home or inn must be separately stated rather than added to the room rate. The change more accurately reflects the intended result when the General Assembly changed the law in 2017 to allow bed and breakfast inns to serve lunch and dinner. The effect of this change means that those meals will be subject to State and local sales tax and the prepared food tax, if there is one, but not the occupancy tax.
* Repeals a provision enacted last year that inadvertently created a double tax benefit for funds placed in a Personal Education Savings Account. The deduction will remain in place, but the exclusion from income is repealed. This provision is effective for taxable years beginning on or after January 1, 2018.
* Authorizes the Secretary of Revenue (Secretary) to make provisions for the electronic filing of returns and modifies the penalties related to informational returns in an effort to combat refund fraud and identity theft.

This section has various effective dates. Please see the full summary for more detail.

**S220 - Motor Fuel Tax Exemption for Joint Agency. (SL 2018-39)**

S.L. 2018-39 exempts a joint agency created by interlocal agreement for the purposes of fire protection, police protection, or emergency services from having to pay motor fuel excise taxes.

This act becomes effective October 1, 2018, and applies to purchases made on or after that date.

**S411 - Various Motor Vehicle Law Revisions.  
Secs. 6, 7, and 8: Motor Vehicle Taxes. (SL 2018-42)**

Secs. 6, 7, and 8 of S.L. 2018-42 clarify the applicability of local and regional public transportation registration taxes and DMV fee adjustments on motor vehicles sold by a motor vehicle dealer by making clear that the applicable rate or fee is the one in effect on the date of sale, regardless of the date of submission of the title and registration application.

These sections became effective June 22, 2018, and apply to any tax or tax increase with an effective date on or after that date.

**S561 - Violate Tax Law/Venue/Property Tax. (SL 2018-98)**

S.L. 2018-98 does the following:

* Exempts from property tax leasehold interests in exempt property. This change is effective for taxes imposed for taxable years beginning on or after July 1, 2019.
* Changes the venue for the prosecution of criminal tax violations from Raleigh to the county where the charged offense occurs. This change becomes effective December 1, 2018, and applies to offenses committed on or after that date.

**S711 - NC Farm Act of 2018.  
Sec. 15: Clarify Cemetery Property Tax Exemption. (SL 2018-113)**

Under existing law, real property set apart for burial purposes, where the property is not offered for sale or rental or sale of burial rights therein, is not subject to property tax. Sec. 15 of S.L. 2018-113 provides that the owner of the property is not required to apply for the property tax exemption for burial property. A county is prohibited from denying the exemption to a taxpayer who lacks a survey or plat detailing the exempt property.

This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018. This section became effective June 27, 2018.

**Health and Human Services**

**See full summary documents for additional detail**

**H156 - Medicaid PHP Licensure & Transformation Mods. (SL 2018-49)**

S.L. 2018-49 does the following:

* Creates a Prepaid Health Plan (PHP) Licensure Act governing the Department of Insurance's licensure of Medicaid PHPs as part of Medicaid transformation.
* Makes various changes to laws pertaining to health insurance and Medicaid transformation.

This act became effective June 22, 2018. The sections pertaining to the lock-in program for certain controlled substances apply to health benefit plan contracts issued, renewed, or amended on or after June 22, 2018.

**H277 - Naturopathic Study. (SL 2018-24)**

S.L. 2018-24 requires on or before September 15, 2018, the Secretary of the Department of Health and Human Services (DHHS), or designee, must convene a work group to study the delivery of naturopathic medicine in North Carolina. The work group must consist of: two naturopathic doctors selected by the NC Association of Naturopathic Physicians; one medical doctor with knowledge of naturopathic medicine selected by the NC Medical Society; the chairperson of the North Carolina Medical Board or designee; and the Secretary of DHHS or designee. The work group is required to develop recommendations which must include the following:

* Identification of an approved program of study for naturopathic medicine offered by an institution of higher education that leads to a degree as a Doctor of Naturopathic Medicine.
* A scope of practice for naturopathic doctors.
* Whether the practice of naturopathic medicine should constitute the practice of medicine or surgery as defined in Chapter 90 of the General Statutes.
* Recommendations on appropriate fees for application, examination, certification, renewals, and late renewals, which may be necessary to cover the costs of oversight.

The work group is required to report findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services on or before January 15, 2019. The recommendations must include appropriate fees for application, examination, certification, renewals, and late renewal, as appropriate to cover the associated costs for oversight.

The act became effective June 14, 2018.

**H357 - Modernize Dietetics/Nutrition Practice Act. (SL 2018-91)**

S.L. 2018-91 amends the Dietetics/Nutrition Practice Act by adding new definitions, changing the composition of the North Carolina Board of Dietetics/Nutrition, modifying the requirements to obtain a license and the acts that are prohibited to unlicensed individuals, permitting telepractice and enteral nutrition therapy, instituting background checks, and making conforming changes.

The portion of the act concerning the unlawful use of certain titles becomes effective October 1, 2018, and applies to acts committed on or after that date. The remainder of the act became effective July 1, 2018.

**H403 - Medicaid and Behavioral Health Modifications. (SL 2018-48)**

S.L. 2018-48 modifies components of the 2015 Medicaid Transformation legislation as follows: (i) allows Prepaid Health Plans (PHPs) to cover certain behavioral health services when capitated PHP contracts begin; (ii) adds certain populations to the list of populations that will not be covered by PHP contracts; (iii) increases the number of statewide PHPs required from three to four; and (iv) directs a planning period for and the implementation of BH IDD Tailored Plans to serve individuals with severe behavioral health needs, to be initially operated by local management entities/managed care organizations (LME/MCOs), and to begin one year after the 1115 demonstration waiver begins.

This act became effective June 22, 2018.

**H512 - Monitor Implementation of TBI Waiver. (SL 2018-81)**

S.L.2018-81 requires the Department of Health and Human Services (Department) to make quarterly reports on the status and implementation of the 1915(c) waiver for individuals with traumatic brain injury (TBI). The Department is also required to adopt rules or medical coverage policies relating to service programs for individuals with TBI, develop a best practice model and strive to maintain adequate reimbursement rates. In addition, the bill allows township hospitals that continue to operate under Article 2 of Chapter 131 of the General Statutes, pursuant to Section 3 of Chapter 775 of the 1983 Session Laws to exercise many of the powers currently permitted to public hospitals under Article 2 of Chapter 131E of the General Statutes. It also amends G.S. 131E-184(h) to extend the period in which the acquisition or reopening of a Legacy Medical Facility is exempt from Certificate of Need review by 36 months. Finally, it changes the definition of "Legacy Medical Facility" to include facilities that provided outpatient care.

This act became effective June 25, 2018.

**H741 - DHHS Study/Maternal and Neonatal Care. (SL 2018-93)**

S.L. 2018-93 directs the Department of Health and Human Services (DHHS) to study and report on North Carolina's ability to provide access to high-quality, risk-appropriate maternal and neonatal care. It also permits the simultaneous cremations of fetuses or infants born to the same mother at the same time.

This act became effective June 25, 2018.

**H998 - Improving NC Rural Health. (SL 2018-88)**

S.L. 2018-88 directs the actions outlined below in order to improve access to health care in rural areas.

* Graduate Medical Education and New Teaching Hospitals â€“ Directs the Department of Health and Human Services (DHHS) to study incentives for medical education in rural areas and to assist rural hospitals in becoming designated as teaching hospitals and report to Joint Legislative Oversight Committee on Health and Human Services (JLOC-HHS) and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice (JLOC-Medicaid & Health Choice) by October 1, 2018. Also directs DHHS to conduct a study to identify rural hospitals that desire to be designated as new teaching hospitals, determine the technical assistance required, and calculate the expected costs. DHHS must provide an interim report by October 1, 2018, and a final report by October 1, 2019, to the JLOC-HHS and the JLOC-Medicaid & Health Choice.
* Target Loan Repayment Program â€“ Directs the Office of Rural Health, DHHS, to ensure the NC State Loan Repayment Program is targeted to increase the number of health care providers in rural areas of the State and encourage both recruitment and retention, and to identify the need for dentists in rural areas. DHHS must provide an interim report to JLOC-HHS by October 1, 2018, and a final report by October 1, 2019.
* Improve Access to Dental Care â€“ Amends the law to improve access to dental care in rural areas by facilitating the license by credentials process for current license holders in one of the four states that border NC. This section becomes effective October 1, 2018.
* Medicaid Health Outcomes Programs â€“ Directs DHHS to conduct a study to propose two new Medicaid coordinated quality outcomes programs designed to reduce unnecessary and inappropriate service utilization and generate sustainable savings to the Medicaid program. DHHS must report to JLOC-Medicaid & Health Choice by October 1, 2018.

This act became effective June 25, 2018, except as otherwise noted.

**S99 - Appropriations Act of 2018.  
Sec. 11A.2: Restriction on Use of Salary Reserve by Division of Central Management and Support. (SL 2018-5)**

Sec. 11A.2 of S.L. 2018-5 prohibits the Division of Central Management and Support, Department of Health and Human Services, from using salary reserve funds to establish new positions, or to adjust the salary of existing positions, until the Director and all employees are hired for the Office of Program Evaluation Reporting and Accountability, as established by Part 31A, Article 3, of Chapter 143B. This section does not affect legislatively mandated salary increases. The Department must notify the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division when the Division of Central Management and Support has fulfilled this condition.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11B.1: Adjustments to NC Pre-K Funding. (SL 2018-5)**

Sec. 11B.1.(a) of S.L. 2018-5 (SB 99) repeals G.S. 143B-168.10B, as enacted by Sec. 7 of S.L. 2018-2, which provided increased funds for the NC Prekindergarten (NC Pre-K) program to the General Fund for the 2019-20 and 2020-2021 fiscal years.

**S99 - Appropriations Act of 2018.  
Sec. 11B.2: Separate Star-Rated License/Birth Through Two Years of Age/Report. (SL 2018-5)**

Sec. 11B.2 of S.L. 2018-5 directs the Department of Health and Human Services, Division of Child Development and Early Education (Division) to develop a separate birth through two years of age, star-rated license for child care facilities. In developing the separate, star-rate license, the Division must consider staff qualifications, staff turnover rate, educational outcomes, as well as the evaluation of certified religious-based child care centers for rate payments and the minimum requirements for certification.

Sec. 11B.2 of S.L. 2018-5 requires the Division to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by November 1, 2018, with its recommendations regarding the separate, star-rated license and recommendations for revising the current star-rated system.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11B.3: Additional Child Care Subsidy Market Rate Increases/Certain Age Groups and Counties. (SL 2018-5)**

Sec. 11B.3 of S.L. 2018-5 amends S.L. 2017-57, Sec. 11B.4 to add new language requiring the Department of Health and Human Services, Division of Child Development and Early Education (Division) to increase the child care subsidy market rates for children three to five years of age in three, four and five star rated child care centers and homes in tier three counties. New language is also added to require that as of October 1, 2018, the Division must increase child care subsidy market rates for children birth through five years of age in three, four and five star rated child care centers and homes in tier one and tier two counties.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11B.4: Report Date for Match Requirements/Allow Fund-Raising with State Funds. (SL 2018-5)**

Sec. 11B.4 of S.L. 2018-5 amends S.L. 2017-57, Sec. 11B.8 to add new language requiring the North Carolina Partnership for Children, Inc. to submit a report with information on private cash and in-kind contributions by October 1 of each year to the Joint Legislative Oversight Committee on Health and Human Services.

This section allows the North Carolina Partnership for Children, Inc. and local partnerships to use up to 1% of State funds for fund-raising activities and provides that this use is not subject to the expenditure restrictions of Sec. 11B.8.(h) of S.L. 2017-57. The North Carolina Partnership for Children, Inc. must submit an additional report to the Joint Legislative Oversight Committee on Health and Human Services beginning October 1, 2019, containing the amount of funds expended on fund-raising, any return on fund-raising investment, and other information deemed relevant.

**S99 - Appropriations Act of 2018.  
Sec. 11B.5: Clarify Language/Dolly Parton's Imagination Library Early Literacy Iniative. (SL 2018-5)**

Sec. 11B.5 of S.L. 2018-5 amends S.L. 2017-57, Sec. 11B.9(b) to allow the North Carolina Partnership for Children, Inc. to use up to 1% (previously 2%) of funds for statewide program management and up to 1% of the funds for program evaluation. The funds are not subject to administrative cost requirements, child care services funding requirements, child care subsidy expansion requirements or match requirements.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11C.1: Final Report on Child Welfare System Changes . (SL 2018-5)**

Sec. 11C.1 of S.L. 2018-5 amends Sec. 11C.7 of S.L. 2017-57 to update reporting requirements and directs the Division of Social Services (DSS), Department of Health and Human Services (DHHS), to: (i) notify the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division within 30 days of the complete implementation of the federal Program Improvement Plan (Plan) to bring North Carolina into compliance with national standards for child welfare policy and practices and (ii) require DSS to submit a final report no later than 90 days after implementation of the Plan is complete.

This section also amends prior reporting requirements to require DSS to notify the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division within 30 days of the completion of the child welfare component of the North Carolina Families Accessing Services through Technology (NC FAST) system and to submit a final report no later than 90 days after complete implementation.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11C.2: Expand Eckerd Kids and Caring for Children's Angel Watch Program. (SL 2018-5)**

Sec. 11C.2 of S.L. 2018-5 amends Sec. 11C.14 (a) of S.L. 2017-57 to require the Division of Social Services, Department of Health and Human Services, to expand the Eckerd Kids and Caring for Children's Angel Watch program to include the siblings of any children being served by the program as long as the siblings are under 18 years of age. This foster care program provides services to children, ages 0 to 10, who are not in the custody of a county department of social services and whose families are temporarily unable to care for them due to a crisis.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11C.4: Criminal Background Checks of Applicants and Current Employees Who Access Federal Tax Information Under Federal Law. (SL 2018-5)**

Section 11C.4 of S.L. 2018-5 adds a new Subpart to Part 4 of Article 13 of Chapter 143B of the General Statutes. The new Subpart allows the Department of Public Safety to provide criminal histories of employment applicants, current employees, contractual employees, and the employees of contractors to the Divisions of Social Services and Medical Assistance of the Department of Health and Human Services upon request of those Divisions. The Department of Public Safety may charge a fee to cover the cost of conducting the background check, and the agencies requesting the information must keep all information obtained confidential.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec 11D.1: Plan for Eastern Band of Cherokee Indians to Assume Responsibility for Administering HCCBG. (SL 2018-5)**

Sec. 11D.1 of S.L. 2018-5 requires the Division of Aging and Adult Services, Department of Health and Human Services (DHHS), in consultation with the Eastern Band of Cherokee Indians (EBCI), to develop and submit a plan to enable the ECBI to assume responsibility for administering the Home and Community Care Block Grant (HCCBG). The section outlines specified report requirements, including: funding amounts and sources; the number of individuals eligible for HCCBG services and plans to avoid double counting individuals; information on how eligibility will be determined; State and federal laws, rules or other guidance that should be considered; a federal waiver application or State Plan amendment that DHHS would be required to file; explanation and recommendations to address any information technology issues; identification of recurring and nonrecurring implementation costs; a proposed time line for EBCI to assume responsibility; and any other information the DHHS Secretary deems relevant to the EBCI successfully assuming the responsibility. The plan must be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by February 1, 2019.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec 11E.1: Changes to Newborn Screening Program. (SL 2018-5)**

Sec. 11E.1 of S.L. 2018-5 pertains to newborn screening and amends G.S. 130A-125 as follows:

* Requires the Commission for Public Health to ensure that each condition listed on the Recommended Uniform Screening Panel (RUSP) is included in the Newborn Screening Program.
* Exempts the Commission from rule making with respect to adding screening tests for Pompe disease, Mucopolysaccharidosis Type I (MPS I), and X-Linked Adrenoleukodystrophy (X-ALD)
* Increases the screening fee from $44 to $128 and requires that $31 of each fee go to the newly established nonreverting Newborn Screening Equipment Replacement and Acquisition Fund to be used to purchase or replace laboratory instruments, equipment, and information technology systems for the Newborn Screening Program.
* Requires an annual report by the Department of Health and Human Services to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division, on the Newborn Screening Program with regard to: services funded, budget and expenditures, fees and receipts, anticipated additions to the RUSP and any needs associated with these additions; the Fund balance; and other information relevant to maintain the Newborn Screening Program as a fee-supported program. The first report must be submitted by March 1, 2019, and continue to be submitted annually on March 1.

This section became effective July 1, 2018, and the newly authorized fee applies to laboratory tests performed on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 11E.2: Study Concerning Vital Records Fee. (SL 2018-5)**

Sec. 11E.2 of S.L. 2018-5 requires the Division of Public Health, Department of Health and Human Services, to examine the capacity of the revenue generated from vital records fees to cover the operational costs of the vital records system and to report the findings to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than December 1, 2018.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.1: Single-Stream Funding for Mental Health/Developmental Disabilities/Substance Abuse Services Community Services. (SL 2018-5)**

Section 11F.1 of S.L. 2018-5 amends section 11F.2(b) of S.L. 2017-57 to require the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, to reduce its allocation for single-stream funding in the 2018-19 fiscal year by $36,440,895 in recurring funds and by $71,189,458 in nonrecurring funds. The reductions originally called for in section 11F.2(b) of S.L. 2017-57 were $36,002,854 in recurring funds and $54,605,823 in nonrecurring funds.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.2: Use of Dorthea Dix Hospital Property Funds to Purchase Additional Behavioral Health Beds. (SL 2018-5)**

Section 11F.2 of S.L. 2015-5 amends section 11F.5 of S.L. 2017-57 to require the Department of Health and Human Services to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number of beds or bed days purchased by the Department under the State-administered, three-way contract and the number of beds or bed days purchased by Local Management Entities/Managed Care Organizations for individuals who are indigent or are Medicaid recipients. It also requires funds which are not expended or encumbered as of June 30, 2019, to remain in the Dorthea Dix Hospital Property Fund.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.3: Use of Dorthea Dix Hospital Property Funds to Improve School Safety. (SL 2018-5)**

Section 11F.3 of S.L. 2018-5 transfers $10 million in nonrecurring funds from the Dorthea Dix Hospital Property Fund to the Department of Public Instruction to provide all or a portion of the salary and benefits costs needed to employ additional school mental health support personnel during the 2018-2019 fiscal year.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.4: Funds for TROSA to Expand Substance Use Disorder Treatment & Recovery Services. (SL 2018-5)**

Sec. 11F.4 of S.L. 2018-5 appropriates non-recurring funds as a grant-in-aid to Triangle Residential Options for Substance Abusers (TROSA), Inc., a nonprofit organization. The funds appropriated must be used for the construction of a new satellite TROSA facility in the Triad area of the State for the provision of comprehensive, long-term residential substance use disorder recovery services. Sec. 11F.4 of S.L. 2018-5 requires TROSA to submit a report on the status of the construction project, including a breakdown of all expenditures from the allocated funds and a projected completion date for the construction project.

No later than May 1, 2019, the Department of Health and Human Services must submit a report on the information above to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.5: Funds for Vaya Health to Expand Facility-Based Crisis Services. (SL 2018-5)**

Sec. 11F.5of S.L. 2018-5 appropriates non-recurring funds as grant-in-aid to to Vaya Health (Vaya). The funds appropriated must be used for the construction of a facility-based crisis center in Wilkes County. Sec. 11F.5 of S.L. 2018-5 requires Vaya to submit a report on the status of the construction project, including a breakdown of all expenditures from the allocated funds and a projected completion date for the construction project.

No later than May 1, 2019, the Department of Health and Human Services must submit a report on the information above to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.6: Cost Analysis for Expansion of the Wright School. (SL 2018-5)**

Sec. 11F.6 of S.L. 2018-5 requires the Department of Health and Human Services to develop and submit a detailed cost analysis for expanding the Wright School to two additional locations within the State to (i) provide statewide access to best practice, cost-effective, residential mental health treatment to children ages 6 to 13 with serious emotional and behavioral disorders and (ii) support their families and communities in building the capacity to meet their children's special needs at home, school, and within the community. The report must include a detailed cost estimate for two State-operated facilities, one west of Interstate 77 and one east of Interstate 95, projected operating costs for three years for the facilities, and a projected analysis of how the Medicaid program will be impacted by this expansion over a three year period. The report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2018.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.7: Funds for Evidence-Based Supported Employment Services for Individuals with Serious Mental Illness, Intellectual Disabilities, or Developmental Disabilities. (SL 2018-5)**

Sec. 11F.7 of S.L. 2018-5 provides for a grant to the North Carolina Association of People Supporting Employment First (NC ASPE) to develop and implement training programs, including online training modules, for the Department of Health and Human Services (DHHS). These training programs will focus on the provision of supported employment services to assist individuals in targeted populations to prepare for, obtain, and maintain competitive employment. The targeted populations are individuals with serious mental illness who are at risk of entering an adult care home, and individuals with intellectual or developmental disabilities. These training programs will be available to employers who are willing to hire individuals in the targeted populations, providers of services to targeted populations, and other organizations as determined by DHHS.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec 11F.9: Funds for New Broughton Hospital. (SL 2018-5)**

Sec. 11F.9 of S.L. 2018-5 provides that of the funds appropriated by the act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the new Broughton Hospital for the 2018-2019 fiscal, up to $5 million in recurring funds must be used exclusively for the following:

* Creation of no more than 169 full-time equivalent positions assigned to the new Broughton Hospital;
* Costs directly related to planning for and transitioning patients from the old to the new Broughton Hospital
* Operational costs for the new beds at the new Broughton Hospital.

However the total annualized costs of the above must not exceed $15,000,000 in recurring funds.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11F.10: Establish Ranges for LME/MCO Solvency. (SL 2018-5)**

Sec. 11F.10 of S.L. 2018-5 amends Chapter 122C of the General Statutes to create a new section G.S. 122C-125.2 establishing solvency ranges applicable to each local management entity/managed care organization (LME/MCO), beginning September 1, 2018. The solvency range is determined by a formula based on: (i) the LME/MCO's ability to pay current liabilities, including incurred but not reported claims; (ii) amounts required to cover catastrophic or extraordinary events that the LME/MCO may experience; (iii) intergovernmental transfers that the LME/MCO is required to make; (iv) projected operating losses for the LME/MCO during the subsequent 24 months; and (v) qualifying expenditures in the LME/MCO's reinvestment plan. On a quarterly basis, the Department of Health and Human Services (DHHS) must compare the cash balance, including cash and investment balances and amounts in the Medicaid Risk Reserve account, of each LME/MCO against the LME/MCO's calculated solvency range and notify the LME/MCO and the General Assembly's Fiscal Research Division of the results. An LME/MCO with a cash balance that is more than 5% above or below the calculated solvency range will be subject to a corrective action plan developed by DHHS in collaboration with the LME/MCO to bring the LME/MCO into the calculated solvency range.

This section also makes conforming changes to other laws pertaining to LME/MCO solvency, including changes to G.S. 122C-124.2. As amended, G.S. 122C-124.2 allows the Secretary of DHHS to assign the contract of an LME/MCO that is not in compliance with a corrective action plan required by the new solvency statute to an LME/MCO that is in compliance with the requirements of the new solvency statute.

The changes to G.S. 122C-124.2 are effective September 1, 2018. The remainder of this section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11G.1: Approval for Nursing Home Administrators to Serve as Adult Care Home Administrators. (SL 2018-5)**

Sec. 11G.1 of S.L. 2018-5, as amended by Sec. 3.8 of S.L. 2018-97, amends the definition of "administrator" in G.S. 131D-2 as it pertains to the licensing of adult care homes, and adds a new statute to Article 20A, Chapter 90, pertaining nursing home administrators serving as adult care home administrators. The new statute (G.S. 90-288.14A) allows the Department of Health and Human Services (DHHS) to approve as an adult care home administrator any individual licensed as a nursing home administrator who within 90 calendar days after commencing employment as an adult care home administrator successfully completes the written exam administered by DHHS for assisted living administrator certification. The conforming change to G.S. 131D-2 defines an adult care home administrator as a person approved by DHHS as an assisted living administrator (under G.S. 90-288.14) or an adult care home administrator (under G.S. 90-288.14A).

This section as amended became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.3: Medicaid Coverage for Nurse Family Partnership Model Pilot. (SL 2018-5)**

**S99 - Appropriations Act of 2018.  
Sec. 11H.4: Establish Medicaid Coverage for Ambulance Transports to Alternative Appropriate Care Locations. (SL 2018-5)**

Sec. 11H.4 of S.L. 2018-5 requires the Department of Health and Human Services (DHHS) to submit, no later than November 1, 2018, a State Plan amendment or waiver to the Centers for Medicare and Medicaid (CMS) to establish Medicaid reimbursement for ambulance transports to alterative care locations for Medicaid recipients in behavioral health crisis. This coverage will begin July 1, 2019, or upon CMS approval, whichever is later. DHHS must submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by December 1, 2018, on the expected costs, savings, and outcomes associated with this coverage, as well as whether the coverage will be included in capitated Prepaid Health Plan contracts, contracts with local management entity/managed care organizations, or both.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.5: Amend Audit Frequency/County Accuracy of Medicaid Eligibility Determinations. (SL 2018-5)**

Sec. 11H.5 of S.L. 2018-5 amends Part 11 of Article 2 of Chapter 108A, pertaining to audits by the Department of Health and Human Services of the accuracy of Medicaid eligibility determinations made by county departments of social services. This section changes the required audit frequency for each county department of social services from once a year to at least once every three years. County departments of social services that are subject to corrective action for failure to meet accuracy or quality standards must be audited annually.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.6: Conform to Federal Repeal of Medicaid Subrogation Provisions. (SL 2018-5)**

Sec. 11H.6 of S.L. 2018-5 repeals Sec. 11H.23 of S.L. 2017-57, which made changes to the State Medicaid subrogation laws to conform to the federal law changes that took effect October 1, 2017. On February 9, 2018, the federal law changes that had taken effect on October 1, 2017, were retroactively repealed. This section retroactively repeals the changes to the State law made in S.L. 2017-57, in conformance with the federal retroactive repeal. Medicaid subrogation refers to a process where the Medicaid program recovers amounts that Medicaid paid for care to a recipient when the recipient later receives a settlement or other compensation from a third party who is liable for the cost of the care. For subrogation recovery cases that may have been adversely affected by the change in federal and State law and the retroactive repeal of those laws, this section provides a process for seeking relief.

The portion of this Section that repeals Sec. 11H.23 of S.L. 2017-57, is retroactively effective to July 1, 2017. The remainder of this section became effective June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.7: Study Expansion of PACE Program. (SL 2018-5)**

Sec. 11G.1 of S.L. 2018-5 requires a follow-up study by the Department of Health and Human Services in response to the March 14, 2018, report entitled "Study of the Program of All-Inclusive Care for the Elderly." The study and report must explore expansion of the Program of All-Inclusive Care for the Elderly (PACE) and include the following elements:

* No less than three options for expansion, including alternatives that involve statewide expansion and expansion by zip code specific service areas.
* The fiscal impact to the State of each expansion option.
* The impact to unserved and underserved counties based upon each expansion option.
* An analysis of potential options for delivery of care, including strategies to adapt the PACE model of care to serve populations that are currently ineligible, diagnostic criteria other than a need for skilled nursing level care, and options to allow individuals in assisted living to participate in the PACE program.
* An analysis of the cost to the State as well as any anticipated savings associated with each potential option for delivery of care.
* Specific recommendations regarding options for expansion provided under the first bulleted item above and options for delivery of care provided under the fourth bulleted item above.

The report on the follow-up study must be submitted to the Joint Legislative Oversight Committee on Medicaid and Health Choice by December 1, 2018. The report must include any legislation required to implement the recommendations.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.8: Evaluation of Administrative and Policy Staffing Needs in a Managed Care Service Delivery Environment. (SL 2018-5)**

The Department of Health and Human Services (DHHS) is required to conduct an evaluation of its staffing in the Division of Medical Assistance (DMA) and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), as well as future staffing in the Division of Health Benefits (DHB), as those staffing levels relate to conducting operations in a managed care service delivery environment. The evaluation must consider all of the following:

* The changing functional needs and required staff experience based upon the introduction of capitated contracts.
* Whether any administrative or policy functions are duplicative between DMA and DMH/DD/SAS.
* Whether any administrative or policy functions performed by staff within DMA or DMH/DD/SAS are duplicative of functions either contractually required to be performed by LME/MCOs or through vendor contracts.
* Whether the administrative and policy staffing needs of DMA and DMH/DD/SAS correspond to similar administrative and policy staffing needs for DHB. This evaluation shall include how the administrative and policy staffing needs of DHB are predicted to change under the seven-year forecast prepared by DHHS.
* Whether the current positions within DMA, DMH/DD/SAS, and DHB ensure effective monitoring of, oversight of, and analysis of relevant data to assess the success of the Medicaid and State-funded behavioral health system.
* Divisional staffing changes and changes to contractual agreements to align more appropriately with a managed care delivery environment for the Medicaid and State-funded behavioral health system.

DHHS must report its findings to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division no later than October 1, 2019.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.9: Medicaid Transformation Seven-Year Forecast. (SL 2018-5)**

Sec. 11H.9 of S.L. 2018-5 requires the Department of Health and Human Services to submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by November 1, 2018, a detailed seven-year forecast for Medicaid Transformation that includes an annual budget detailing anticipated requirements, receipts, and appropriations for each fiscal year starting with the 2018-2019 fiscal year and ending with the 2024-2025 fiscal year.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.10: Clarify Scope of Authority to Define Medicaid Program Eligibility. (SL 2018-5)**

Sec. 11H.10 of S.L. 2018-5 makes clarifying changes to the laws limiting the Department of Health and Human Services' authority to modify eligibility criteria for the Medicaid and NC Health Choice programs, to specify that resource limits, in addition to eligibility categories and income thresholds, can only be modified by the General Assembly.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.11: Increase Number of Medical Professional Providers Eligible for Supplemental Payments. (SL 2018-5)**

Sec. 11H.11 of S.L. 2018-5 adds 60 new slots for eligible medical providers who may receive supplemental payments that increase those providers' reimbursement to the average commercial rate, as described in the Medicaid State Plan, beginning July 1, 2018. The Department of Health and Human Services (DHHS) must allocate the slots among the entities listed in the Medicaid State Plan, which include the East Carolina University Brody School of Medicine, the University of North Carolina at Chapel Hill (UNC) Faculty Physicians, UNC Hospital's Pediatric Clinic, and UNC Physicians Network, and Chatham Hospital. This section requires DHHS to submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2018, explaining how DHHS allocated the 60 slots and how the increase in the slots will increase access to health care in rural areas.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 11H.12: Medicaid and Health Choice Provider Screening Changes. (SL 2018-5)**

Sec. 11H.12 of S.L. 2018-5 amends G.S. 108C-3, which categorizes Medicaid and NC Health Choice provider types as either limited, moderate, or high risk for purposes of provider screening and enrollment, in accordance with federal regulations. The change to the statute made in this section moves the following provider types from the high-risk category to the limited-risk category: (i) nationally-accredited behavioral health and intellectual and developmental disability provider agencies and (ii) licensed outpatient behavioral health providers. This section also deletes outdated references to Critical Access Behavioral Health Agencies in the statute.

This section became effective June 12, 2018, and applies to initial provider applications and revalidation requests made on or after that day.

**S99 - Appropriations Act of 2018.  
Sec. 11I.1: Use of Medicaid Transformation Fund for Medicaid Transformation Needs. (SL 2018-5)**

Sec. 11I.1 of S.L. 2018-5 directs the use of up to $60 million from the Medicaid Transformation Fund for information technology, staffing, and contracts associated with qualifying needs related to Medicaid transformation requirements to implement a managed care delivery system. The Office of State Budget and Management must verify that the funds will be used for a qualifying need during the 2018-2019 fiscal year and that total requirements (State and federal share combined) does not exceed the amount budgeted, prior to transferring the funds to the Department of Health and Human Services. Any portion of the State share of the cost of these needs that are later reimbursed by federal funds must be returned to the Medicaid Transformation Fund.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 2.11: Extend Initial Terms/Advisory Council on Rare Diseases. (SL 2018-97)**

Sec. 2.11 of S.L. 2018-97, amends Part X of S.L. 2018-5, to extend the terms of the initial members appointed to the Advisory Council on Rare Diseases to July 1, 2023.\*

This section became effective July 1, 2018.

\*Note: Legislation extending the terms for the Advisory Council on Rare Diseases was enacted twice. Section 8 of S.L. 2018-41 extends the terms of the members until July 31, 2023, effective June 22, 2018. However, Sec 2.11 of S.L. 2018-97 extended the terms to July 1, 2023 and because it has a later effective date of July 1, 2018, it replaces the provision in S.L. 2018-41.

**S335 - Budget Technical Corrections & Study.  
Sec. 3.11: Study Increasing Group Home Services. (SL 2018-97)**

Sec. 3.11 of S.L. 2018-97 adds a new Sec. 11H.9A to the 2018 Appropriations Act, S.L. 2018-5, requiring the Department of Health and Human Services (DHHS), in conjunction with stakeholders, to develop a plan for increased utilization of 1915(b)(3) services and "in-lieu-of" services for group home residents. The plan must include standardized processes, methodologies, service definitions, and rates of reimbursement for the services. DHHS must provide a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Joint Legislative Oversight Committee on Health and Human Services by January 7, 2019, containing the plan and details about cost, funding, and other needs for implementation of the plan.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec. 3.13: Increase Rate for CAP/DA In-Home Aide Services and Provide Adult Optical Coverage. (SL 2018-97)**

Sec. 3.13 of S.L. 2018-97 adds a new Section 11H.13 to the 2018 Appropriations Act, S.L. 2018-5, requiring the Department of Health and Human Services (DHHS) redirecting funds from the Medicaid Rebase for the 2018-2019 fiscal year to be used for two purposes, effective January 1, 2019: (i) to increase the Medicaid rate paid for in-home aide services provided under the CAP/DA Waiver to the maximum amount allowed within the funding provided, but no more than $3.90 paid per 15-minute billing unit; and (ii) to provide adult optical Medicaid coverage. Subsection (d) of this section requires DHHS to submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2019, on all new services and rate increases implemented for the Medicaid or NC Health Choice programs during the 2017-2019 fiscal biennium, including any pending waivers or State Plan amendments containing new services or rate increases.

This section became effective July 1, 2018.

**S368 - Update False Claims Act/Rare Disease Appt/HIE. (SL 2018-41)**

S.L. 2018-41 does the following:

* Updates the False Claims Act, effective June 22, 2018, and applies to actions brought on or after that date.
* Extends the terms of the current members of the Advisory Council on Rare Diseases until July 31, 2023, effective June 22, 2018.\*
* Extends the HIE Network deadlines for ambulatory surgical centers, dentists, and pharmacies effective June 22, 2018. Ambulatory surgical centers and dentists are required to begin submitting demographic and clinical data by June 1, 2021. Pharmacies must begin submitting claims data by June 1, 2021.

The effective dates for this act are noted above.

\* Note: Legislation extending the terms for the Advisory Council on Rare Diseases was enacted twice. Sec. 2.11 of S.L. 2018-97 extended the terms to July 1, 2023. Because it has a later effective date of July 1, 2018, it replaces Sec. 8 of S.L. 2018-41.

**S616 - Heroin & Opioid Prevention & Enforcement Act. (SL 2018-44)**

S.L. 2018-44 does the following:

* Amends laws pertaining to the North Carolina Controlled Substances Act.
* Amends laws pertaining to the North Carolina Controlled Substances Reporting System Act.
* Establishes conditions and requirements for the release of information from the Controlled Substances Reporting System to local law enforcement.
* Revises and establishes penalties for certain violations.
* Expresses the intent to appropriate additional funds in the future for community-based substance use disorder treatment and recovery services, the purchase of overdose medications, Operation Medicine Drop, and a special agent position with the State Bureau of Investigation.
* Amends the statewide Telepsychiatry program that delivers mental health and substance abuse care.

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

**S630 - Revise Involuntary Commitment Laws to Improve Behavioral Health. (SL 2018-33)**

S.L. 2018-33 makes changes to the laws for voluntary and involuntary commitment for the mentally ill and substance abusers, which are found in Chapter 122C of the General Statutes.

Section (c1) of G.S. 122C-55, as amended, Section 44, Section 45.(a), and Section 45.(b) of this act became effective June 22, 2018. The remainder of the act will be effective October 1, 2019, and apply to proceedings initiated on or after that date.

**S750 - Health in Local Confinement/Veterinarians Controlled Substances/Wendell Holmes Murphy Freeway/Tax Due Date. (SL 2018-76)**

S.L. 2018-76 does the following:

* Addresses health issues in local confinement facilities.
* Ensures State prisons are full participants in the NC Health Information Exchange, known as NC HealthConnex.
* Amends the duties of law enforcement officers related to involuntary commitment.
* Amends the North Carolina Controlled Substances Act and the Controlled Substances Reporting System pertaining to the practice of veterinary medicine.
* Requires continuing education for veterinarians on the abuse of controlled substances.
* Includes the North Carolina Veterinary Medical Board on the Prescription Drug Abuse Advisory Committee.
* Amends various budget provisions.

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

**Information Technology**

**See full summary documents for additional detail**

**S99 - Appropriations Act of 2018.  
Sec. 37.1: Growing Rural Economies with Access to Technology (GREAT) Program. (SL 2018-5)**

Sec. 37.1 of S.L. 2018-5 establishes the Growing Rural Economies with Access to Technology (GREAT) Program, a broadband infrastructure grant program operated by the Broadband Infrastructure Office of the Department of Information Technology to provide grants to broadband providers and cooperatives for projects designed to extend broadband service to unserved areas in economically distressed counties of the State.

Provisions in this section relating to the leasing of state-owned property for the purpose of allowing colocation of broadband transmitters became effective on June 12, 2018. The remainder of this section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 37.2: Cybersecurity Regional Training Center. (SL 2018-5)**

Sec. 37.2 of S.L. 2018-5 directs the Department of Information Technology (DIT) to use $2 million of the funds appropriated to DIT for the 2018-2019 fiscal biennium to assist Montreat College in establishing a Cybersecurity Regional Training Center in Black Mountain.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 37.3: IT Internal Service/Fund/Rates Changes.. (SL 2018-5)**

Sec. 37.3 of S.L. 2018-5 clarifies a provision in last year's budget that set a cap on Information Technology Internal Service Fund receipts during the 2017-2019 biennium and that directed funds in excess of the cap to be maintained in a separate fund to be used to offset agency budget shortfalls.

This section provides that, for purposes of calculating the rate cap, the rates approved by the Office of State Budget and Management during the 2017 2019 fiscal biennium to support the Information Technology Internal Service Fund shall not include personnel costs from consolidated State agencies.

**S99 - Appropriations Act of 2018.  
Sec. 37.5: Exempt DOR/IT from Transition to DIT. (SL 2018-5)**

Sec. 37.5 of S.L. 2018-5, as amended by Sec. 10.4 of S.L. 2018-97, provides that the Department of Revenue is not subject to the migration of information technology functions and personnel to the Department of Information Technology. Sec. 10.4 of S.L. 2018-97 provides that the Community College System Office has until October 1, 2019, to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on its transition plan to the Department of Information Technology.

Please see the full summary for details on the various effective dates.

**Insurance**

**See full summary documents for additional detail**

**H382 - DOI Omnibus. (SL 2018-120)**

S.L. 2018-120 makes various changes to North Carolina's insurance laws as follows:

* Incorporates model act language from the National Association of Insurance Commissioners (NAIC) into North Carolina's Life and Health Insurance Guaranty Association Act.
* Amends the Surplus Lines Act to allow an insurer to be designated a Domestic Surplus Lines Insurer ("DSLI") and be domiciled in and write surplus lines insurance in North Carolina.
* Amends the notice provisions in the consent to rate statute and adds data collection provisions.
* Amends and makes technical changes to other insurance laws, as recommended by the Department of Insurance.

This act was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 28, 2018. Except as otherwise provided, this act became effective June 28, 2018.

**H931 - UI Technical Changes. (SL 2018-94)**

S.L. 2018-94 makes the following changes to the unemployment insurance (UI) system:

* Excludes direct sellers from the definition of employment for UI.
* Delays the effective date for a requirement that employers respond to UI claims in 10 days until January 1, 2019.
* Reduces the number of job contacts required for UI to 3 contacts per week.
* Requires electronic filing of employer's quarterly report if the employer has 10 or more employees (currently, employer with 25 or more employees must file electronically).
* Creates a procedure to withdraw a UI claim for good cause.

S.L. 2018-94 is currently effective, except the electronic filing requirement which becomes effective January 1, 2019.

**S99 - Appropriations Act of 2018.  
Sec. 22.1: Workers' Compensation/Allow Alternative Employer Penalty. (SL 2018-5)**

Sec. 22.1 of S.L. 2018-5 reduces the penalty for employers in noncompliance with the coverage requirements of the Workers' Compensation Act (the Act) for employers with fewer than fifty employees, provides an alternative penalty for first-time noncompliant employers, and prohibits assessment of a penalty for a period of noncompliance that occurred more than three years prior to the date the penalty was first assessed. This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 22.2: Insurance Regulatory Fee. (SL 2018-5)**

North Carolina law requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 22.2 of S.L. 2018-5 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2019 calendar year.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**Local Government**

**See full summary documents for additional detail**

**H826 - Clarify System Development Fees. (SL 2018-34)**

S.L. 2018-34 amends the laws governing the imposition of system development fees to:

* Provide that the planning horizon used in calculating the system development fee is not less than five years, rather than 10 years, effective October 1, 2018.
* Clarify that if revenues from the system development fees are pledged to secure revenue bonds, the revenues may be used in accordance with the bond order, resolution, trust agreement or similar instrument authorizing and securing the bonds, effective July 1, 2018.
* Clarify the timing of the collection of system development fees, effective July 1, 2018.

The act also requires the Environmental Management Commission to review and revise certain rules related to per day usage to reflect newer construction methods no later than January 1, 2020.

**H948 - Building Code Regulatory Reform. (SL 2018-29)**

S.L. 2018-29 makes changes to the building inspection procedure for cities and counties and to the inspector licensing requirements to:

* Clarify that cities and counties accept authorized inspections by licensed architects or engineers, or persons they supervise, of building components or elements designed by a licensed architect or engineer.
* Authorize the North Carolina Code Officials Qualification Board (Q Board) to establish a marketplace pool of qualified Code-enforcement officials available Statewide for code-enforcement duties.
* Require the Insurance Commissioner to assign marketplace pool inspectors to conduct building inspections when a local inspection department cannot conduct an inspection within two business days of a permit holder's inspection request and authorizes the Commissioner to fix and collect fees for these inspections.
* Authorize cities and counties to enter into mutual aid contracts specifically for North Carolina State Building Code enforcement and administration.
* Require that building framing inspection reports that finding 15 or more violations be submitted to the Department of Insurance, from July 1, 2018 until October 1, 2019.
* Authorize the Q Board to grant a three year provisional certificate to Code-enforcement officials who are certified and in good standing either in another State or by the International Code Council (ICC).
* Define inspector misconduct to include requiring installation of appliances and equipment in a method or manner not required by the State Building Code and contrary to the manufacturer's instructions.

[This act becomes effective October 1, 2018, except as otherwise provided.]

**Military, Veterans, and Indian Affairs**

**See full summary documents for additional detail**

**S99 - Appropriations Act of 2018.  
Sec. 19.1: Improvements to Veterans Cemetery. (SL 2018-5)**

Sec. 19.1 of S.L. 2018-5 authorizes the Department of Military and Veterans Affairs (DMVA) to apply for federal funds for future improvements to Coastal Carolina State Veterans Cemetery and limits the amount applied for to a sum not requiring a State match that exceeds the excess cash balance in a specified DMVA fund and requires DMVA to submit a report by November 1, 2018, to the Joint Legislative Oversight Committee on General Government providing the details of any improvement projects and federal grant requests, including match requirements and a time line for project development and completion.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 19.2: Veterans Administration Scholarships/Technical Amendment. (SL 2018-5)**

Sec. 19.2 of S.L. 2018-5, expands the class of individuals eligible for a Veterans Administration Scholarship. This section of the act became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 19.3: Military Affairs Commission/Members and Payment of Expenses from BRAC Funds. (SL 2018-5)**

Sec. 19.3 of S.L. 2018-5 amends the laws governing expenditure of funds from the Military Presence Stabilization Fund and the voting authority of members of the General Assembly serving on the North Carolina Military Affairs Commission (NCMAC) to:

* Eliminate the restriction limiting expenditure of certain Military Presence Stabilization Funds to the 2017-2018 fiscal year.
* Require the Department of Military and Veterans Affairs (DMVA) to pay from its appropriations certain expenses approved by the NCMAC within 30 days of receiving a payment request by the NCMAC, and to make payment on any contract or grant awarded by the NCMAC no later than its due date without need of a request from the NCMAC.
* Extend to February 15, 2019, the due date of a report by the NCMAC to the Joint Legislative Oversight Committee on General Government on expenditures from the Military Presence Stabilization Fund.
* Prohibit any member of the General Assembly appointed to the NCMAC from voting on matters that expend funds appropriated by the General Assembly.

This act was vetoed by the Governor on June 6, 2018, and that veto was overridden by the General Assembly on June 12, 2018. This section became effective on July 1, 2018.

**S559 - Study on Indian Tribes Eligibility for Grants. (SL 2018-46)**

S.L. 2018-46 directs the Legislative Research Commission to study the legal status of certain Indian Tribes and report findings and recommendations to the 2019 General Assembly. This act also retroactively amends the law regarding funds allocated to The Golden Long-Term Economic Advancement Foundation.

This section became effective June 22, 2018.

**Occupational Boards and Licensing**

**See full summary documents for additional detail**

**H529 - Amend Funeral Laws. (SL 2018-78)**

S.L. 2018-78 makes various changes to the laws pertaining to the practice of funeral service, many of which are technical, clarifying, or codifications of existing rules. Some of the more notable substantive changes include the following:

* Provides an exception to the prohibition against the simultaneous cremation of human remains of more than one person when the cremation is for (1) the human remains of multiple fetuses from the same mother and same birth, or (2) human remains of multiple persons up to the age of one year old from the same mother and the same birth. This provision became effective June 25, 2018.
* Authorizes the process of alkaline hydrolysis for the disposal of human remains. Generally, the license for the hydrolysis of human remains has the same requirements and fees as licensing of crematories, and the Board has the same powers over hydrolysis licensees.
* Requires unembalmed human remains retained in the custody of a funeral establishment for more than 24 hours be kept in a refrigeration unit.
* Requires individuals permitted to transport and remove dead human bodies for a fee to obtain and maintain a professional liability insurance policy with liability limits of at least $500,000.
* Makes it a Class 2 misdemeanor for any person to knowingly and willfully abuse, mutilate, or not treat with reasonable care a dead human body in that person's custody. This provision becomes effective December 1, 2018.

Except as otherwise provided, this act becomes effective October 1, 2018.

**Property, Trusts, and Estates**

**See full summary documents for additional detail**

**H852 - Real Prop. Tech Correc/Solicitation of Copies. (SL 2018-80)**

S.L. 2018-80 does the following:

* Makes changes to various real property statutes as recommended by the Real Property Section of the North Carolina Bar Association. These changes have various effective dates, so please see the full summary for details.
* Regulates the solicitation of a fee for copies of documents recorded with registers of deeds offices. This provision becomes effective October 1, 2018.
* Clarifies eligibility for needs-based public school capital fund grants. This provision, which became effective July 1, 2018, is summarized separately and can be found under the "Education" heading.

**S140 - Title Insurance Revisions/Bailbondsmen Deposits. (SL 2018-38)**

S.L. 2018-38 makes various changes to the law governing regulation of real estate title insurance companies, including:

* Revising the requirements and release formula related to the statutory premium reserve;
* Repealing the specific requirements for how the statutory premium reserve was to be held and utilized; and
* Repealing the specific requirements and limitations for a title insurance company whose statutory premium reserve falls below what is required

The act also reduces the deposit required of professional bondsmen who act as sureties on bail bonds in this State.

The reduction in the deposit required of professional bondsmen became effective June 22, 2018. The remainder of the act becomes effective October 1, 2018.

**S224 - Landlord Recovery of Expenses/Rule 60 Motion. (SL 2018-50)**

S.L. 2018-50 permits landlords to collect certain out-of-pocket expenses incurred in proceedings in summary ejectment or for money owed by tenants.

The act became effective on June 25, 2018.

**Retirement**

**See full summary documents for additional detail**

**H9 - Allow Election Day Service - Retired LEOs. (SL 2018-25)**

S.L. 2018-25 allows a retired law enforcement officer to be employed to provide service to a county board of elections on an election day without impacting payments from the officer's special separation allowance benefit. This act became effective June 22, 2018.

**H284 - 25-Year LEO Retirement Option. (SL 2018-22)**

S.L. 2018-22 makes the following changes: 1) allows separation buyouts for law enforcement officers, effective June 22, 2018; 2) permits transfers under the special retirement allowance in the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees Retirement System (LGERS) to be paid in whole or in part with employer contributions, effective July 1, 2019; 3) allows law enforcement officers with 25 years of creditable service who are members of the TSERS and the LGERS to retire with reduced benefits, effective July 1, 2019; and 4) effective June 22, 2018, allows the Retirement Systems Division of the Department of State Treasurer to use retirement assets to cover the costs associated with the administration of the changes in the act.

**H651 - State Pension/Ret. Health Ben. Fund Solvency. (SL 2018-30)**

S.L. 2018-30 creates the Unfunded Liability Solvency Reserve as a reserve in the General Fund to serve as an account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

The act becomes effective October 1, 2018.

**H977 - Administrative Changes Retirement System/Treasurer - 2018. (SL 2018-84)**

S.L. 2018-84 makes clarifying and administrative changes to laws relating to the State Treasurer, to the Teachers' and State Employees' Retirement System (TSERS), to the Local Government Employees' Retirement System (LGERS), to the State Health Plan (SHP), and to other related statutes.

This act became effective on June 25, 2018.

**H985 - Retirement Technical Corrections Act of 2018. (SL 2018-85)**

S.L. 2018-85 makes technical changes to the Disability Income Plan, the Local Governmental Employees' Retirement System, the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, the State Health Plan, and the NC Firefighters' and Rescue Squad Workers' Pension Fund.

The act became effective June 25, 2018.

**H1056 - FAIR 2018. (SL 2018-52)**

S.L. 2018-52, the Financial Accountability, Integrity, and Recovery (FAIR) Act of 2018, amends statutes pertaining to the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, the Firefighters' and Rescue Squad Workers' Pension Fund, the Disability Income Plan, and the State Health Plan. These amendments broadly include the following areas: recovery of overpayment and erroneous payment; State Health Plan recovery; garnishment; liens; prohibiting the repurchase of forfeited benefits; reciprocity of creditable service; settlement agreements; average final compensation and the contribution-based benefit cap; and short term disability.

The act became effective June 25, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 35.28: Provide One-Time Cost-of-Living Supplement for Retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. (SL 2018-5)**

Sec. 35.28 of S.L. 2018-5 provides a one-time cost-of-living supplement payment to beneficiaries of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System who are living as of September 1, 2018, and whose retirement commenced on or before September 1, 2018. The payment will be one percent (1%) of the beneficiary's annual retirement allowance payable as of September 1, 2018, and will not be prorated for date of retirement commencement.

If the beneficiary dies before the payment is made, then the payment will be payable to the member's legal representative. No beneficiary will be deemed to have acquired a vested right to any future supplemental payments. This section became effective on July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec.35.29: Increase and Expand Public Safety Death Benefit. (SL 2018-5)**

Sec. 35.29 amends the title of Article 12A of Chapter 143 to "Public Safety Employees' Death Benefits Act" and expands death benefit coverage to include dependents of noncustodial employees of the Division of Adult Correction and Juvenile Justice (DACJJ) of the Department of Public Safety, who are killed by an individual or individuals in the custody of the DACJJ. The amount awarded by the Industrial Commission to any covered person who is killed in the line of duty is increased to $100,000. Additionally, the payment section is amended to specify that when there is no surviving spouse, surviving dependent child, or surviving parent, the payment must be made to the estate of the deceased covered person. The section makes a number of other amendments to the Article and makes conforming changes to other statutes. The amended statutes specify that provisions in the Article apply to noncustodial employees of the DACJJ who are killed in the line of duty on or after April 1, 2017.

This section became effective retroactively to April 1, 2017, and applies to qualifying deaths occurring on or after that date.

**State Government**

**See full summary documents for additional detail**

**H15 - Convey State Property to Wrightsville Beach. (SL 2018-73)**

S.L. 2018-73 requires the State of North Carolina to transfer specific portions of land to the Town of Wrightsville Beach. The act became effective June 25, 2018

**H379 - Recodification Working Group. (SL 2018-69)**

S.L. 2018-69 does the following:

* Directs State entities to compile and submit a list of crimes adopted by the entity to the Joint Legislative Administrative Procedures Oversight Committee (APO) and the Joint Legislative Oversight Committee on Justice and Public Safety (JPS).
* Directs the Administrative Office of the Courts (AOC) to compile a list of all crimes at common law and in the General Statutes that are deemed unnecessary and submit the list to APO and JPS.
* Directs counties, towns, and metropolitan sewerage districts to submit a list of all ordinances punishable as a misdemeanor to APO and JPS.

The act became effective on June 25, 2018.

**H388 - Modernize Mutual Assistance Statutes. (SL 2018-87)**

S.L. 2018-87 allows for a law enforcement agency to provide assistance to another law enforcement agency unless specifically prohibited or limited by ordinance.

This act became effective June 25, 2018.

**H414 - Official Fly Fishing Museum/Outdoor Festival. (SL 2018-11)**

S.L. 2018-11 designates Swain County as the home of the Fly Fishing Museum of the Southern Appalachians, and designates the North Carolina Outdoor Festival held in Montgomery County as the official outdoor festival of the State. This act became effective June 15, 2018.

**H425 - State Woolly Worm Festival. (SL 2018-89)**

OVERVIEW: S.L. 2018-89 adopts the Woolly Worm Festival in the Town of Banner Elk in Avery County as the official Wooly Worm festival in the State.

The act became effective June 25, 2018.

**H613 - Transfer Certain State Property. (SL 2018-71)**

S.L. 2018-71 requires the State of North Carolina to transfer the following properties:

* A specific 12 acre tract of land to the Granville County Board of Commissioners to be utilized as a cemetery.
* Approximately 109 acres to the Bladen County Board of Commissioners to be utilized as a driver training facility for first responders.

The act became effective July 1, 2018.

**H646 - Amend PED Statutes. (SL 2018-101)**

S.L. 2018-101 amends the laws governing the Program Evaluation Division (PED) of the General Assembly to:

* Authorize PED to evaluate non-State entities that receive or expend any State funds.
* Require the Joint Legislative Program Evaluation Oversight Committee (JLPEOC) to adopt a biennial work plan in every odd-numbered year.
* Add administration of measurability assessments as a PED function.
* Standardize PED evaluation reports.
* Revise the powers and duties of the JLPEOC.

[This act became effective June 26, 2018.]

**S99 - Appropriations Act of 2018.  
Sec. 16.3: Samarcand Training Academy. (SL 2018-5)**

Sec. 16.3 of S.L. 2018-5 exempts the Samarcand Training Academy from the requirement that all State agencies transfer all passenger motor vehicles under their ownership, custody or control to the ownership, custody or control of the Department of Administration.

This section became effective on July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 26A.1: Office of State Human Resources/Criminal Record Checks for Prospective Temporary Employees. (SL 2018-5)**

Section 26A.1 of S.L. 2018-5 authorizes fingerprint background checks on prospective temporary employees of State agencies and departments, if a criminal record check is a requirement for employment by the agency or department to which the temporary employee will be assigned, the Department of Public Safety is authorized to charge a fee for the costs incurred. Effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 26A.2: OSHR/Temporary Employment Needs of Cabinet & Council of State Agencies. (SL 2018-5)**

Sec. 26A.2 of S.L. 2018-5 allows Council of State agencies to have discretion in utilizing the Temporary Solutions Program administered by the Office of State Human Resources when hiring temporary employees to perform work that is not information technology-related.

Cabinet agencies granted an exception from using the Temporary Solutions Program and Council of State agencies electing not to use the Temporary Solutions Program are required to record time worked by each temporary employee in the agency, and, to the extent possible, use BEACON for payroll purposes.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 27.1: Office of State Auditor/State Agencies Required to Prepare Financial Statements Prior to Audit. (SL 2018-5)**

Sec. 27.1 of S.L. 2018-5 requires each State agency or department receiving a financial statement audit by the Office of the State Auditor to prepare a financial statement and supplementary information in the format required by the Auditor and submit those items to the Auditor not later than 60 days after the deadline for the agency's or department's Comprehensive Annual Financial Report submission as established by the State Controller.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 31.1: Department of Administration - Contract Management Training for Certain State Employees. (SL 2018-5)**

Sec. 31.1 of S.L. 2018-5 amends a subdivision of G.S. 143-49, which authorizes the Secretary of Administration to develop a rigorous contract management training program, to require mandatory certification in the contract management training program for all State employees who monitor compliance and/or award contracts. The Department of Administration (DOA) must report by November 1, 2018 to the Joint Legislative Oversight Committee on General Government on State agencies' compliance with the new requirements.

This section also provides that DOA must develop and implement a contracting specialist training program for the Department of Health and Human Services (DHHS) and consult with the University of North Carolina School of Government to develop and implement the program. The DOA must report by November 1, 2018 to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Health and Human Services on the status of the contracting specialist training program for DHHS.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 35.18: Statutory Authority Regarding Certain Law Enforcement Officer Benefits. (SL 2018-5)**

Section 35.18 of S.L. 2018-5 adds sworn law enforcement officers with the power of arrest in the Department of Natural and Cultural Resources to the list of officers eligible for the salary continuation plan if that officer is incapacitated in the line of duty due to violence, resistance or other special hazards that occur while performing official duties, effective June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 35.19: Council of State Agencies/Exempt Employees. (SL 2018-5)**

Sec. 35.19 of S.L. 2018-5 provides Council of State agencies the sole authority to set the salary of its exempt policymaking and exempt managerial positions. This salary cannot be set lower than the minimum rate, and cannot exceed 10% above the maximum rate, as established by the State Human Resources Commission.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 35.24: State Human Resources Act/RIF Clarification/UNC. (SL 2018-5)**

Section 35.24 of S.L. 2018-5 clarifies that no loss of funds is required as a precondition for a reduction in force under the State Human Resources Act. This section also adds The University of North Carolina and its constituent institutions to the list of entities authorized to reorganize and restructure its positions through a voluntary separation process, in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget and Management.

This section became effective July 1, 2018.

**S335 - Budget Technical Corrections & Study.  
Sec 8.3: Certain State Agencies/Classification and Salary Administration Flexibility/Pilot Program. (SL 2018-97)**

Sec. 8.3 of S.L. 2018-97 amends Part XXXV adding a new Sec. 35.19A to S.L. 2018-5 allowing classification and salary administration flexibility for the 2018-2019 fiscal year for Council of State agencies, the Office of State Controller, the Community College System Office, and the University of North Carolina. The flexibility includes: classifying or reclassifying vacant positions within the current classification system; making hiring decisions based on the flexibility; and making salary adjustments provided that funding is available within the budgeted salary appropriated and provided the salary remains within the minimum and maximum of the salary range associated with the position classification. The Human Resources Director for each State agency must ensure that each new hire employed pursuant to this flexibility meets the minimum qualifications for the position.

By June 30, 2019, the above State agencies must submit post-implementation studies and supporting documentation to the Office of State Human Resources (OSHR).

By March 1, 2019, the above entities must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of classification actions taken; salary adjustments made and total additional salary funds awarded; a comparison of the number of employees recruited from and agency employees hired by cabinet agencies; the impact of the flexibility on hiring time, recruitment, and retention; any remaining classification disagreements with OSHR; and recommendations on program extension and adjustments.

This section became effective July 1, 2018.

**Transportation**

**See full summary documents for additional detail**

**H92 - Cherokee Reg. Plate/Teaching Agreement.  
Sec. 1: Eastern Band of Cherokee Special Registration Plate. (SL 2018-7)**

Sec. 1 of S.L. 2018-7 authorizes the Division of Motor Vehicles (DMV) to produce a special registration plate for the Eastern Band of Cherokee Indians, a federally recognized tribe. The plate is issuable to any member of the Eastern Band of Cherokee Indians who presents a tribal identification card, and may bear a phrase or emblem representing the Eastern Band of Cherokee Indians. The plate is not subject to the special registration plate fee or the special plate approval process.

This section became effective June 13, 2018.

SECTION 1: SPECIAL REGISTRATION PLATE FOR THE EASTERN BAND OF CHEROKEE INDIANS

**H223 - Special Plates/Handicapped Placard Renewal. (SL 2018-77)**

S.L 2018-77 makes the following changes to the law as it relates to special registration plates:

* Authorizes the Division of Motor Vehicles (Division) to issue a 100% Disabled Veteran motorcycle plate and a Partially Disabled Veteran motorcycle plate, and authorizes the Division to issue free of charge, upon request, a single 100% Disabled Veteran motorcycle plate.
* Authorizes the Division to produce new Alpha Phi Alpha and Order of the Eastern Star special registration plates.
* Reduces the number of applications required, from 300 to 100, before the Division develops a collegiate insignia plate for a public military college or university.
* Provides that handicap placards that expire after a person has reached 80 years of age do not have to be renewed and remain valid.
* Authorizes Secretaries of participating Departments to delegate budgetary decisions under a certain dollar threshold to their Chief Information Officers for the purpose of State information technology consolidation under the Department of Information Technology.

The new Alpha Phi Alpha and Order of the Eastern Star Prince Hall Affiliated plates will become effective February 1, 2019. The authorization for Department Secretaries to delegate certain budgetary decisions became effective July 1, 2018. The remainder of the act became effective June 25, 2018.

**H619 - Clarify Motor Vehicle Dealer Laws. (SL 2018-27)**

S.L. 2018-27 makes changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law by:

* Prohibiting a vehicle manufacturer, factory branch, or distributor from coercing a motor vehicle dealer to change locations of or make substantial alteration to dealership facilities in certain circumstances.
* Clarifying that existing requirements, as specified by the vehicle manufacturer or distributors, regarding dealer warranty obligations and compensation apply to recall service performed by dealers.
* Amending existing requirements for dealership customer data protection.
* Prohibiting vehicles manufactures from establishing performance criteria for its dealers for purposes of terminating franchise agreements.
* Delaying the date for mandatory use of Loaner/Dealer (LD) license plates on service loaner vehicles under certain circumstances.

This act became effective June 22, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.5: Toll Road and Lane Clarifications. (SL 2018-5)**

Section 34.5 of S.L. 2018-5 clarifies toll revenue uses and revises amounts the North Carolina Department of Transportation (NCDOT) must make available for construction of projects using funding from toll revenue.

This section became effective on June 12, 2018. Modifications to toll revenue uses apply to revenues derived on or after that date. The HOT lane reporting requirement applies to projects whose contracts are advertised on or after that date.

**S99 - Appropriations Act of 2018.  
Sec. 34.6: Clarify STI Law. (SL 2018-5)**

Section 34.6 of S. L. 2018-5 clarifies various funding aspects for transportation projects under Article 14B of Chapter 136, Strategic Prioritization Funding Plan for Transportation Investments (STI), including:

* Clarifying that project caps apply to a single project or group of projects, regardless of being contiguous for the purposes of Statewide Strategic Mobility Projects funding under STI law.
* Clarifying the disposition of allocated bonus funds for projects utilizing tolling, but tolls are not implemented or removed subsequently.
* Clarifying that certain federal program activities utilizing State funds to match federal Congestion Mitigation and Air Quality Improvement program funds are not subject to the prioritization criteria.
* Modifying the variance limitations for obligated funding for Statewide Strategic Mobility Projects, Regional Impact Projects, and Division Need Projects.
* Raises total State investment caps for Division Need Projects requested by the North Carolina Department of Transportation (NCDOT) in support of time-critical job creation opportunities, and requires NCDOT to report to the Joint Legislative Transportation Oversight Committee detailing these projects.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.7: STI/Additional Requirement For High Cost Projects. (SL 2018-5)**

Sec. 34.7 of S.L. 2018-5, as amended by Sec. 7.5 of S.L. 2018-97, amends Article 14B of Chapter 136, Strategic Prioritization Funding Plan for Transportation Investments (STI), by adding additional requirements for high-costs projects, including light rail projects.

This section became effective June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.9: Extend Map Act Moratorium. (SL 2018-5)**

Sec. 34.9 of S.L. 2018-5 extends the moratorium on transportation corridor official map adoptions until July 1, 2019.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.14: Replacement ROW for Utility Relocation. (SL 2018-5)**

Sec. 34.14 of S.L. 2018-5 authorizes the Department of Transportation (DOT) to, upon agreement with a utility owner, acquire replacement right-of-way (ROW) and assign the easement rights to the ROW to the utility owner.

This section became effective July 1, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.15: Unanticipated Bridge or Road Closure/Waiver of Bidding Requirements. (SL 2018-5)**

Sec. 34.15 of S.L. 2018-5 defines the term "emergency" as it relates to the authority of the Department of Transportation to contract for construction, maintenance, or repair without complying with bidding requirements upon a determination of the Secretary of Transportation that an emergency exists.

This section became effective July 1, 2018.

CURRENT LAW: The Department of Transportation may enter into construction, maintenance, or repair contracts without complying with bidding requirements upon a determination of the Secretary of Transportation that an emergency exists and that it is not feasible or not in the public interest to comply with the bidding requirements. The term "emergency" was not previously defined as it relates to this authority under G.S. 136-28.1(e).

**S99 - Appropriations Act of 2018.  
Sec. 34.18: Zoning or Permit Request/Prohibit City from Requiring Waiver by School of Certain Rights and Requirements. (SL 2018-5)**

Sec. 34.18 of S.L. 2018-5, as amended by Sec. 7.4 of S.L. 2018-97, prohibits including as a basis for denying a zoning or rezoning request from a school, the level of service of a road facility or facilities abutting or near the school within a city.

This section became effective June 12, 2018 and applies retroactively to August 1, 2017. Any ordinance, resolution, regulation, or policy in effect on or after August 1, 2017, that violates or is not consistent with the provisions of this section is null and void as of June 12, 2018.

**S99 - Appropriations Act of 2018.  
Sec. 34.27: Special Registration Plates/State and National Mottos. (SL 2018-5)**

Sec. 34.27 of S.L. 2018-5, as amended by Sec. 16.10 of S.L. 2018-74, authorizes the issuance of a "National/State Mottos" license plate.

This section became effective July 1, 2018.

**S145 - DOT/DMV Legislative Requests. (SL 2018-74)**

S.L. 2018-74 makes various changes to transportation laws, and includes:

* Amendments to the North Carolina Department of Transportation (NCDOT or Department) property acquisition and right-of-way claim report laws with related changes to the North Carolina Appraisers Act.
* Revisions to various NCDOT reporting requirements (Sections 2 through 4, and 6).
* Repeal of NCDOT's annual construction program.
* Elimination of the mailing requirement for rules and regulations related to motor vehicle dealers and manufacturers.
* Authorization for the Division of Motor Vehicles to waive the commercial drivers license knowledge and skills test for certain trained and experienced military drivers.
* Authorization for the Division of Motor Vehicles to share confidential driver medical records with other state and federal agencies for limited purposes.
* Registration plate clarifications, fee increases, and plate authorizations. (Sections 11 through 14, and 16).
* Exemption of firefighting or emergency equipment operators from the CDL requirement.
* Repeal of the unmarked police vehicle signage law.
* Clarifications to manufactured home security interest and improvement permit laws.
* Clarification to weigh in motion requirements related to ready-mixed concrete trucks.

Section 2 of the act, amending DOT Report Program Requirements, became effective June 15, 2018, however, the reports must be provided to the General Assembly until the performance dashboard is updated with the information. Section 9, authorizing a CDL exemption for certain military drivers, becomes effective October 1, 2018. Sections 11 and 12, authorizing new special registration plates, becomes effective February 1, 2019. The remainder of the act became effective July 1, 2018.

**S411 - Various Motor Vehicle Law Revisions.  
Electronic Lien Sys. Req. & Motor Veh. Dealer Law Revisions. (SL 2018-42)**

Secs. 1 through 5 of S.L. 2018-42 make the following changes to motor vehicle dealer and titling laws:

* Requires all individuals and lienholders who conduct at least five motor vehicle transactions a year to use the electronic lien system.
* Makes various changes to laws related to the process of motor vehicle dealers transferring certain motor vehicles when a vehicle's statement of origin or certificate of title are unavailable.
* Delays the date dealers are required to start using LD plates for loaner vehicles from January 1, 2019, to January 1, 2021.
* Requires dealers issuing temporary registration plates to purchasers to deliver sales documents and fees to the Division within 20 days, rather than 10 working days.
* Requires new motor vehicles to be inspected prior to delivery to the purchaser, rather than prior to sale.

The provisions of these sections pertaining to motor vehicle dealers and transfers of vehicles become effective January 1, 2019. The remainder of these sections became effective June 22, 2018.

**S412 - Abandoned Vehicles/Charities. (SL 2018-43)**

S.L. 2018-43 does the following:

* Provides a process for used motor vehicle dealers to sell vehicles donated to charitable organizations when the donated vehicle is titled in this State but the title is not provided with the donation.
* Provides that a charitable organization is not required to register and title a vehicle that was donated to the organization solely for purposes of resale.
* Provides that willful and intentional failure to comply with the new statutory process is grounds for denying, suspending, placing on probation, or revoking a motor vehicle dealer's license.
* Exempts a charitable organization where a vehicle was donated to the organization solely for purposes of resale from the definition of motor vehicle dealer.
* Exempts a charitable organization from paying highway use tax for a title issued as the result of a transfer of a vehicle to the organization that was donated solely for purposes of resale.

This act became effective June 22, 2018.

**S758 - Build NC Bond Act of 2018. (SL 2018-16)**

S.L. 2018-16, The Build NC Bond Act of 2018, authorizes the issuance of up to $3 billion in special indebtedness to create an additional funding source for Build NC Projects, which consists of Division Needs Projects and Regional Impact Projects scheduled in accordance with the Strategic Transportation Investments law in Article 14B of Chapter 136 of the General Statutes.

This act becomes effective January 1, 2019 and expires December 31, 2028.

**Utilities**

**See full summary documents for additional detail**

**H351 - Utilities/Rate Base/Fair Value Determination. (SL 2018-51)**

S.L. 2018-51 allows water and wastewater public utilities to use fair value determination to calculate the rate base when purchasing a water or wastewater system owned by a municipality, county, or other governmental entity.

**Vetoed Legislation**

**See full summary documents for additional detail**

**H131 - Motions for Appropriate Relief. (Ratified)**

House Bill 131 amends the bail bond forfeiture statutes.

**H1055 - Retirement Complexity Reduction Act of 2018. (Ratified)**

House Bill 1055 would make various administrative and programmatic changes to the laws relating to the State Treasurer, to the Teachers' and State Employees' Retirement System (TSERS), to the Local Government Employees' Retirement System (LGERS) laws, to the State Health Plan for Teachers and State Employees (SHP), and to other related statutes.

This bill was vetoed by the Governor on June 25, 2018. This bill would be effective when it becomes law.

**S99 - Appropriations Act of 2018. (SL 2018-5)**

Senate Bill 99 modifies the Current Operations Appropriations Act of 2017 and makes other changes in the budget operations of the State. The substantive sections of this act are summarized individually in the relevant chapters. Please see the section summaries for more details on the substantive provisions of this act.

This act has various effective dates. Please see the section summaries for more detail on the effective dates for this act.

**S711 - NC Farm Act of 2018. (SL 2018-113)**

Senate Bill 711 makes various changes to laws concerning agriculture. The substantive sections of this act are summarized individually in the relevant chapters. Please see the section summaries for more details on the substantive provisions of this act.

This act has various effective dates. Please see the section summaries for more detail on the effective dates for this act.