

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 366  
Committee Substitute Favorable 3/25/21  
Committee Substitute #2 Favorable 4/20/21  
Senate Agriculture, Energy, and Environment Committee Substitute Adopted 6/29/21

Short Title: Regulatory Reform Act of 2021. (Public)

Sponsors:

Referred to:

March 24, 2021

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**INCREASE LIMITS ON PUBLIC EMPLOYEES BENEFITING FROM PUBLIC CONTRACTS**

**SECTION 1.(a)** G.S. 14-234 reads as rewritten:

**"§ 14-234. Public officers or employees benefiting from public contracts; exceptions.**

...

(d1) Subdivision (a)(1) of this section does not apply to (i) any elected official or person appointed to fill an elective office of a village, town, or city having a population of no more than ~~15,000~~20,000 according to the most recent official federal census, (ii) any elected official or person appointed to fill an elective office of a county within which there is located no village, town, or city with a population of more than ~~15,000~~20,000 according to the most recent official federal census, (iii) any elected official or person appointed to fill an elective office on a city board of education in a city having a population of no more than ~~15,000~~20,000 according to the most recent official federal census, (iv) any elected official or person appointed to fill an elective office as a member of a county board of education in a county within which there is located no village, town or city with a population of more than ~~15,000~~20,000 according to the most recent official federal census, (v) any physician, pharmacist, dentist, optometrist, veterinarian, or nurse appointed to a county social services board, local health board, or area mental health, developmental disabilities, and substance abuse board serving one or more counties within which there is located no village, town, or city with a population of more than ~~15,000~~20,000 according to the most recent official federal census, and (vi) any member of the board of directors of a public hospital if all of the following apply:

- (1) The undertaking or contract or series of undertakings or contracts between the village, town, city, county, county social services board, county or city board of education, local health board or area mental health, developmental disabilities, and substance abuse board, or public hospital and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting, and recorded in its minutes and the amount does not exceed twenty thousand dollars (\$20,000) for medically related services



1 and ~~forty thousand dollars (\$40,000)~~ sixty thousand dollars (\$60,000) for  
2 other goods or services within a 12-month period.

3 (2) The official entering into the contract with the unit or agency does not  
4 participate in any way or vote.

5 (3) The total annual amount of contracts with each official, shall be specifically  
6 noted in the audited annual financial statement of the village, town, city, or  
7 county.

8 (4) The governing board of any village, town, city, county, county social services  
9 board, county or city board of education, local health board, area mental  
10 health, developmental disabilities, and substance abuse board, or public  
11 hospital which contracts with any of the officials of their governmental unit  
12 shall post in a conspicuous place in its village, town, or city hall, or  
13 courthouse, as the case may be, a list of all such officials with whom such  
14 contracts have been made, briefly describing the subject matter of the  
15 undertakings or contracts and showing their total amounts; this list shall cover  
16 the preceding 12 months and shall be brought up-to-date at least quarterly.

17 ...."

18 **SECTION 1.(b)** This section is effective when it becomes law and applies to  
19 contracts executed on or after that date.

## 20 **NC PRE-K SCHOOL OPTIONS**

21 **SECTION 2.(a)** The Division of Childhood Development and Early Education of  
22 the Department of Health and Human Services shall post the following information on its  
23 website:  
24

25 (1) The educational opportunities for kindergarten offered by local school  
26 administrative units.

27 (2) The educational opportunities for kindergarten offered by charter schools.

28 (3) Scholarships for enrollment in nonpublic schools provided pursuant to Part  
29 2A of Article 39 of Chapter 115C of the General Statutes, or any successor  
30 program.

31 This information shall be indexed or searchable by county, and the Division shall  
32 update the information on June 1 each year.

33 Facilities participating in the NC Pre-K program shall provide to all families the  
34 address of the website where the information can be found and a brief description of the  
35 information available. Upon request, a facility participating in the NC Pre-K program must  
36 furnish to a family a list of the following educational opportunities located in the same county as  
37 the NC Pre-K facility, or, if specified, any other county:

38 (1) The educational opportunities for kindergarten offered by local school  
39 administrative units.

40 (2) The educational opportunities for kindergarten offered by charter schools.

41 (3) Scholarships for enrollment in nonpublic schools provided pursuant to Part  
42 2A of Article 39 of Chapter 115C of the General Statutes, or any successor  
43 program.

44 **SECTION 2.(b)** This section becomes effective January 1, 2022.

## 45 **STUDY EXPRESS PERMITTING EXPANSION**

46 **SECTION 3.** The Department of Environmental Quality shall study and report on  
47 additional positions and funding needed as well as any changes in State or federal laws and  
48 regulations necessary to expand the Department's express permitting programs to include  
49 additional types of permits typically required for job creating and real estate development or  
50 redevelopment activities. Additional permits considered in the study shall include, at a minimum,  
51

1 permits for facilities not discharging to the surface waters of the State under Article 21 of Chapter  
2 143 of the General Statutes and permits to apply petroleum-contaminated soil to land authorized  
3 under G.S. 143-215.1. The Department shall provide its report and recommendations to the  
4 Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture  
5 and Natural and Economic Resources, and the Fiscal Research Division no later than March 1,  
6 2022.

## 8 WASTEWATER RESERVE PRIORITY

9 SECTION 4.(a) G.S. 159G-23 reads as rewritten:

### 10 "§ 159G-23. Priority consideration for loan or grant from Wastewater Reserve or Drinking 11 Water Reserve.

12 The considerations for priority in this section apply to a loan or grant from the Wastewater  
13 Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must consider the  
14 following items when evaluating applications:

15 ...

16 (2) Effect on impaired waters. – A project that improves designated impaired  
17 waters of the ~~State~~. State, with greater priority given to projects that improve  
18 designated impaired waters of the State that serve as a public water supply for  
19 a large public water system. For purposes of this subdivision, a large public  
20 water system is one serving more than 175,000 service connections.

21 ...

22 (11) ~~State water supply plan. Improve regional coordination.~~ – A project that  
23 addresses a potential conflict between local plans or implements a measure in  
24 which local water supply plans could be better ~~coordinated, as identified in~~  
25 ~~the State water supply plan pursuant to G.S. 143-355(m).~~ coordinated.

26 ...

27 (14) Disproportionate burden to protect water supply of higher-wealth neighboring  
28 local government unit. – Wastewater system improvements made by a local  
29 government unit in order to protect or preserve the water supply of a  
30 neighboring local government unit that has a lower poverty rate, lower utility  
31 bills, higher population growth, higher median household incomes, and lower  
32 unemployment."

33 SECTION 4.(b) This section becomes effective August 1, 2021, and applies to  
34 applications for loans or grants from the Wastewater Reserve or the Drinking Water Reserve  
35 received by the Division of Water Infrastructure on or after that date.

## 37 REVENUE LAWS STUDY

38 SECTION 5. The Department of Revenue shall provide to the Revenue Laws Study  
39 Committee information related to the property taxation of outdoor advertising signs. The  
40 information must include a review of the methods used to determine the fair market value of  
41 outdoor advertising signs in North Carolina, whether the Billboard Structures Valuation Guide  
42 published by the North Carolina Department of Revenue provides an accurate representation of  
43 the base costs for outdoor advertising structures in North Carolina, whether the Department  
44 should use data on actual costs attributed to structures constructed in North Carolina, the practices  
45 in other states, and any other issues the Department deems relevant.

46 The Department shall provide the requested information to the Committee no later  
47 than March 31, 2022.

## 49 MANUFACTURED HOMES INSTALLATION

50 SECTION 6.(a) G.S. 160D-910 is amended by adding a new subsection to read:

1       "(g) A local government may require by ordinance that manufactured homes be installed  
2 in accordance with the Set-Up and Installation Standards adopted by the Commissioner of  
3 Insurance; provided, however, a local government shall not require a masonry curtain wall or  
4 masonry skirting for manufactured homes located on land leased to the homeowner."

5               **SECTION 6.(b)** This section becomes effective October 1, 2021.  
6

## 7 **DIVISION OF EMERGENCY MANAGEMENT STUDY**

8               **SECTION 7.(a)** Study. – The Division of Emergency Management of the  
9 Department of Public Safety shall study the needs of law enforcement, emergency medical and  
10 emergency management personnel, and firefighters to improve access to or within the interstate  
11 system of this State for the benefit of public safety. In conducting the study, the Division may  
12 consult with the Department of Transportation, the Office of State Fire Marshal of the  
13 Department of Insurance, the Office of Emergency Medical Services of the Department of Health  
14 and Human Services, and any other State or local government organizations the Division  
15 determines may be of assistance in the course of the study. In performing the study, the Division  
16 shall, at a minimum, take the following steps:

- 17               (1) Consult with county fire marshal divisions, emergency management offices,  
18               and emergency medical service divisions to determine potential sites of  
19               interest for construction or improvement relevant to the study.
- 20               (2) Establish criteria to prioritize sites of interest for either construction or  
21               improvement.
- 22               (3) Review applicable federal and State laws, codes, standards, and studies  
23               relevant to the study.
- 24               (4) Review (i) existing Department of Transportation planning, design, and  
25               construction standards for interchanges, median crossovers, and access points  
26               and (ii) how those standards consider the needs of law enforcement,  
27               emergency medical and emergency management personnel, and firefighters.
- 28               (5) Consider the feasibility of providing opportunities for stakeholder input  
29               during the planning of future interstate improvements that focus on the needs  
30               of law enforcement, emergency medical and emergency management  
31               personnel, and firefighters.
- 32               (6) Examine any other matters the Division deems relevant in the course of the  
33               study.

34               **SECTION 7.(b)** Report. – The Division shall report its findings and  
35 recommendations, including any legislative proposals, to the Joint Legislative Oversight  
36 Committee on Justice and Public Safety, the Joint Legislative Emergency Management Oversight  
37 Committee, and the Joint Legislative Transportation Oversight Committee no later than March  
38 1, 2022.  
39

## 40 **INSURANCE CANCELLATION PROOF OF MAILING**

41               **SECTION 8.(a)** G.S. 58-41-15 reads as rewritten:

42 **"§ 58-41-15. Certain policy cancellations prohibited.**

43       ...

44       (b) Any cancellation permitted by subsection (a) of this section is not effective unless  
45 written notice of cancellation has been delivered or mailed to the insured, not less than 15 days  
46 before the proposed effective date of cancellation. The notice must be given or mailed to the  
47 insured, and any designated mortgagee or loss payee at their addresses shown in the policy or, if  
48 not indicated in the policy, at their last known addresses. The notice must state the precise reason  
49 for cancellation. ~~Proof of mailing is sufficient proof of notice.~~ Failure to send this notice to any  
50 designated mortgagee or loss payee invalidates the cancellation only as to the mortgagee's or loss  
51 payee's interest.

1 ...  
2 (f) For purposes of this section, proof of mailing is sufficient proof of notice."

3 **SECTION 8.(b)** This section becomes effective October 1, 2021, and applies to  
4 policies issued, amended, or renewed on or after that date.

5  
6 **CLARIFICATION REGARDING USE OF INSURANCE RESTATEMENTS IN**  
7 **INTERPRETING LAW**

8 **SECTION 8A.** Article 1 of Chapter 58 of the General Statutes is amended by adding  
9 a new section to read:

10 **"§ 58-1-2. Restatements of insurance not authoritative.**

11 A statement or restatement of the law of insurance in any legal treatise, scholarly publication,  
12 textbook, or other explanatory text does not constitute the law or public policy of the State and  
13 is not authoritative if the statement or restatement of the law purports to create, eliminate, expand,  
14 or restrict a cause of action, right, or remedy or if it conflicts with:

- 15 (1) The Constitution of the United States or the Constitution of North Carolina;  
16 (2) The General Statutes;  
17 (3) North Carolina case law precedent; or  
18 (4) Other common law that may have been adopted by North Carolina courts."

19  
20 **NONFORFEITURE INTEREST GUARANTEE CHANGE**

21 **SECTION 8B.** G.S. 58-58-61(e) reads as rewritten:

22 "(e) The interest rate used in determining minimum nonforfeiture amounts shall be an  
23 annual rate of interest determined as the lesser of three percent (3%) per annum and the following,  
24 which shall be specified in the contract if the interest rate will be reset:

- 25 (1) The five-year Constant Maturity Treasury Rate reported by the Federal  
26 Reserve as of a date, or average over a period, rounded to the nearest  
27 one-twentieth of one percent (0.05%), specified in the contract no longer than  
28 15 months before the contract issue date or redetermination date under  
29 subdivision (4) of this subsection.  
30 (2) Reduced by 125 basis points.  
31 (3) Where the resulting interest guarantee is not less than ~~one percent~~  
32 ~~(1%)~~ fifteen-hundredths of one percent (0.15%).  
33 (4) The interest rate shall apply for an initial period and may be redetermined for  
34 additional periods. The redetermination date, basis, and period, if any, shall  
35 be stated in the contract. The basis is the date or average over a specified  
36 period that produces the value of the five-year Constant Maturity Treasury  
37 Rate to be used at each redetermination date."

38  
39 **CLARIFICATION AND REAFFIRMATION OF RECOVERY OF OUT-OF-POCKET**  
40 **EXPENSES AND LITIGATION COSTS IN SUMMARY EJECTMENTS**

41 **SECTION 9.(a)** G.S. 42-46 reads as rewritten:

42 **"§ 42-46. Authorized late fees and eviction fees, fees, costs, and expenses.**

43 (a) Late Fee. – In all residential rental agreements in which a definite time for the  
44 payment of the rent is fixed, the parties may agree to a late fee not inconsistent with the provisions  
45 of this subsection, to be chargeable only if any rental payment is five days or more late. If the  
46 rent:

- 47 (1) Is due in monthly installments, a landlord may charge a late fee not to exceed  
48 fifteen dollars (\$15.00) or five percent (5%) of the monthly rent, whichever is  
49 greater.

- 1 (2) Is due in weekly installments, a landlord may charge a late fee not to exceed  
2 four dollars (\$4.00) or five percent (5%) of the weekly rent, whichever is  
3 greater.
- 4 (3) Repealed by Session Laws 2009-279, s. 4, effective October 1, 2009, and  
5 applicable to leases entered into on or after that date.
- 6 (b) A late fee under subsection (a) of this section may be imposed only one time for each  
7 late rental payment. A late fee for a specific late rental payment may not be deducted from a  
8 subsequent rental payment so as to cause the subsequent rental payment to be in default.
- 9 (c) Repealed by Session Laws 2009-279, s. 4, effective October 1, 2009, and applicable  
10 to leases entered into on or after that date.
- 11 (d) A lessor shall not charge a late fee to a lessee pursuant to subsection (a) of this section  
12 because of the lessee's failure to pay for water or sewer services provided pursuant to  
13 G.S. 62-110(g).
- 14 (e) Administrative Complaint-Filing Fee. – Pursuant to a written lease, a landlord may  
15 charge ~~a~~ an administrative complaint-filing fee not to exceed fifteen dollars (\$15.00) or five  
16 percent (5%) of the monthly rent, whichever is greater, only if the tenant was in default of the  
17 lease, the landlord filed and served a complaint for summary ejectment and/or money owed, the  
18 tenant cured the default or claim, and the landlord dismissed the complaint prior to judgment.  
19 The landlord can include this fee in the amount required to cure the default.
- 20 (f) Administrative Court-Appearance Fee. – Pursuant to a written lease, a landlord may  
21 charge ~~a~~ an administrative court-appearance fee in an amount equal to ten percent (10%) of the  
22 monthly rent only if the tenant was in default of the lease and the landlord filed, served, and  
23 prosecuted successfully a complaint for summary ejectment and/or monies owed in the small  
24 claims court. If the tenant appeals the judgment of the magistrate, and the magistrate's judgment  
25 is vacated, any fee awarded by a magistrate to the landlord under this subsection shall be vacated.
- 26 (g) Second Administrative Trial Fee. – Pursuant to a written lease, a landlord may charge  
27 a second administrative trial fee for a new trial following an appeal from the judgment of a  
28 magistrate. To qualify for the fee, the landlord must prove that the tenant was in default of the  
29 lease and the landlord prevailed. The landlord's fee may not exceed twelve percent (12%) of the  
30 monthly rent in the lease.
- 31 (h) Limitations on Charging and Collection of Fees: Administrative Fees and  
32 Out-of-Pocket Expenses and Litigation Costs.
- 33 (1) A landlord who claims administrative fees under subsections (e) through (g)  
34 of this section is entitled to charge and retain only one of the above fees for  
35 the landlord's complaint for summary ejectment and/or money owed.
- 36 (2) A landlord who earns ~~a~~ an administrative fee under subsections (e) through  
37 (g) of this section may not deduct payment of that fee from a tenant's  
38 subsequent rent payment or declare a failure to pay the fee as a default of the  
39 lease for a subsequent summary ejectment action.
- 40 (3) It is contrary to public policy for a landlord to put in a lease or claim any  
41 administrative fee for filing a complaint for summary ejectment and/or money  
42 owed other than the ones expressly authorized by subsections (e) through (g)  
43 ~~[and] (i) of this section, and a reasonable attorney's fee as allowed by~~  
44 ~~law~~ section. This limitation does not apply to out-of-pocket expenses or  
45 litigation costs.
- 46 (3a) It is contrary to public policy for a landlord to claim, or for a lease to provide  
47 for the payment of, any out-of-pocket expenses or litigation costs for filing a  
48 complaint for summary ejectment and/or money owed rather than those  
49 expressly authorized under subsection (i) of this section.

1 (4) Any provision of a residential rental agreement contrary to the provisions of  
2 this section is against the public policy of this State and therefore void and  
3 unenforceable.

4 (5) If the rent is subsidized by the United States Department of Housing and  
5 Urban Development, by the United States Department of Agriculture, by a  
6 State agency, by a public housing authority, or by a local government, any fee  
7 charged pursuant to this section shall be calculated on the tenant's share of the  
8 contract rent only, and the rent subsidy shall not be included.

9 (i) Out-of-Pocket Expenses.—Expenses and Litigation Costs. – In addition to the late  
10 fees referenced in subsections (a) and (b) of this section and the administrative fees of a landlord  
11 referenced in subsections (e) through (g) of this section, a landlord ~~is also~~ is permitted to  
12 charge and recover from a tenant the following actual out-of-pocket expenses:

13 (1) Filing fees charged by the court.

14 (2) Costs for service of process pursuant to G.S. 1A-1, Rule 4 of the North  
15 Carolina Rules of Civil Procedure and G.S. 42-29.

16 (3) Reasonable attorneys' fees actually ~~incurred, paid or owed,~~ incurred, pursuant to a  
17 written lease, not to exceed fifteen percent (15%) of the amount owed by the  
18 tenant, or fifteen percent (15%) of the monthly rent stated in the lease if the  
19 eviction is based on a default other than the nonpayment of rent.

20 (j) The out-of-pocket expenses and litigation costs listed in subsection (i) of this section  
21 are allowed to be included by the landlord in the amount required to cure a default.

22 (k) As used in this section, the term "administrative fees" does not include out-of-pocket  
23 expenses, litigation costs, or other fees."

24 **SECTION 9.(b)** This section is effective when it becomes law and is intended to  
25 apply retroactively to all pending controversies as of that date. The amendments contained in this  
26 section are intended to be clarifying of the General Assembly's intent under previous amendments  
27 to this statute.

## 29 CLARIFY RESIDENTIAL TENANCY WITH RESPECT TO TRANSIENT LODGING

30 **SECTION 10.(a)** Article 1 of Chapter 42 of the General Statutes is amended by  
31 adding a new section to read:

### 32 "§ 42-14.5. Transient occupancies excluded.

33 The provisions of this Chapter shall not apply to transient occupancies, as defined in  
34 G.S. 72-1(c). An agreement related to a transient occupancy shall not be deemed to create a  
35 tenancy or a residential tenancy unless expressly provided in the agreement."

36 **SECTION 10.(b)** G.S. 42-39 reads as rewritten:

### 37 "§ 42-39. Exclusions.

38 (a) ~~The provisions of this Article shall not apply to transient occupancy in a hotel, motel,~~  
39 ~~or similar lodging subject to regulation by the Commission for Public Health.~~

40 ...."

41 **SECTION 10.(c)** G.S. 72-1 reads as rewritten:

### 42 "§ 72-1. Must furnish accommodations; contracts for termination valid.

43 (a) Every innkeeper shall at all times provide suitable lodging accommodations for  
44 persons accepted as guests in ~~his inn or hotel.~~ an inn, hotel, motel, recreational vehicle park,  
45 campground, or other similar transient occupancy.

46 (b) A written statement setting forth the time period during which a guest may occupy an  
47 assigned room, signed or initialed by the guest, shall be deemed a valid contract, and at the  
48 expiration of such time period the lodger may be restrained from entering and any property of  
49 the guest may be removed by the innkeeper without liability, except for damages to or loss of  
50 such property attributable to its removal.

1 (c) For the purposes of this section, a "transient occupancy" is the rental of an  
2 accommodation by an inn, hotel, motel, recreational vehicle park, campground, or similar  
3 lodging facility to the same guest or occupant for fewer than 90 consecutive days."

4 **SECTION 10.(d)** This section is effective when it becomes law and applies to a  
5 person renting an accommodation in a hotel, motel, recreational vehicle park, campground, or  
6 similar lodging facility on or after that date. A person's rental period shall be calculated from the  
7 first day of consecutive occupation, or right of occupation, in the lodging facility regardless of  
8 whether the period began before the effective date of this section.

9  
10 **DISALLOW CERTAIN TRANSPORTATION RULES FROM BECOMING**  
11 **EFFECTIVE**

12 **SECTION 11.(a)** The following rules, as adopted by the North Carolina Department  
13 of Transportation on August 28, 2020, and approved by the Rules Review Commission on  
14 February 18, 2021, shall not become effective:

- 15 (1) 19A NCAC 02E .0204 (Local Zoning Authorities)
- 16 (2) 19A NCAC 02E .0206 (Applications)
- 17 (3) 19A NCAC 02E .0225 (Repair/Maintenance/Alteration/Reconstruction of
- 18 Signs)

19 **SECTION 11.(b)** This section is effective when it becomes law.

20  
21 **ALLOW DISTILLERIES TO SELL SPIRITUOUS LIQUOR PRODUCED BY THE**  
22 **DISTILLER DIRECTLY TO CONSUMERS IN OTHER STATES**

23 **SECTION 12.(a)** G.S. 18B-800 reads as rewritten:

24 "**§ 18B-800. Sale of alcoholic beverages in ABC stores.**

25 ...

26 (c2) Orders of Eligible Distillery Products by Mixed Beverages Permittees. – A local  
27 board shall fulfill an order by a mixed beverages permittee for individual bottles or cases of  
28 spirituous liquor produced by an eligible distillery that are listed as a regular code item for sale  
29 in the State. If a local board cannot fulfill an order of a mixed beverages permittee for individual  
30 bottles or cases of spirituous liquor produced by an eligible distillery that are listed as a regular  
31 code item for sale in the State because the product ordered is not in the local board's stock  
32 inventory or the order cannot otherwise be fulfilled within the time period requested by the  
33 permittee, the local board shall notify the Commission within 48 hours of the request for the  
34 order and request authorization for direct shipment. The Commission shall then determine if the  
35 eligible distillery desires to directly ship the ordered product directly to the local board, and if so  
36 the Commission shall authorize the eligible distillery to ship the spirituous liquor ordered to the  
37 local board for the fulfillment of the mixed beverages permittee's order. Merchandise authorized  
38 to be shipped by direct shipment under this subsection shall be consigned by the State ABC  
39 warehouse to the distiller's account in care of the local board. The local board shall acknowledge  
40 receipt of the merchandise on the shipping documents and forward them to the State ABC  
41 warehouse for processing through the accounting system as though the merchandise were  
42 shipped from the State ABC warehouse. As used in this subsection, an "eligible distillery" is a  
43 distillery (i) that sells, to consumers at the distillery, to exporters, to local boards, and to private  
44 or public agencies or establishments of other states or nations, fewer than 10,000 proof gallons  
45 of in-house brand spirituous liquors distilled or produced and manufactured by it at the permit  
46 holder's distillery per year, and (ii) that is either the holder of a distillery permit pursuant to  
47 G.S. 18B-1105 or is a business located outside the State that is licensed or permitted to  
48 manufacture spirituous liquor in the jurisdiction where the business is located and whose products  
49 are lawfully sold in this State.

50 ...



1 (e) Each ABC store shall display spirits which are distilled or produced in North Carolina  
2 in an area dedicated solely to North Carolina products."

3 **SECTION 12.(b)** G.S. 18B-1001(19)e. reads as rewritten:

4 "e. The spirituous liquor used in the consumer tasting event shall be  
5 distilled or produced at the distillery where the event is being held by  
6 the permit holder conducting the event."

7 **SECTION 12.(c)** G.S. 18B-1105(a)(4) reads as rewritten:

8 "(4) Sell spirituous liquor distilled or produced at the distillery in closed containers  
9 to visitors who tour the distillery for consumption off the premises. Sales  
10 under this subdivision are allowed only in a county where the establishment  
11 of a county or municipal ABC store has been approved pursuant to  
12 G.S. 18B-602(g) and are subject to the time and day restrictions in  
13 G.S. 18B-802. Spirituous liquor sold under this subdivision shall (i) be listed  
14 as a code item for sale in the State, (ii) be sold at the price set by the  
15 Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have  
16 affixed to its bottle any labeling requirements set by law."

17 **SECTION 12.(d)** G.S. 18B-1105(a)(2) reads as rewritten:

18 "(2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to (i)  
19 exporters and local boards within the State, and, (ii) subject to the laws of  
20 other jurisdictions, at wholesale or retail to consumers in other states or  
21 nations, or private or public agencies or establishments of other states or  
22 nations-nations, except that the holder of a distillery permit may not sell,  
23 deliver, or ship spirituous liquor at retail to consumers in jurisdictions that  
24 require reciprocity in order to allow such sales, deliveries, or shipments."

25 **SECTION 12.(e)** The Alcoholic Beverage Control Commission shall amend its rules  
26 consistent with the provisions of this section. The Commission may use the procedure set forth  
27 in G.S. 150B-21.1 to amend any rules as required under this section.

28 **SECTION 12.(f)** This section becomes effective August 1, 2021, and subsection (d)  
29 of this section applies to sales made on or after that date.

## 30 31 **WAIVER OF POST-CONSTRUCTION CONFERENCE FOR CERTAIN ENGINEERED** 32 **WASTEWATER SYSTEMS**

33 **SECTION 12A.** G.S. 130A-336.1(j) reads as rewritten:

34 "(j) Post-Construction Conference. – The professional engineer designing the wastewater  
35 system shall hold a post-construction conference with the owner of the wastewater system; the  
36 licensed soil scientist or licensed geologist who performed the soils evaluation for the wastewater  
37 system; the on-site wastewater system contractor, certified pursuant to Article 5 of Chapter 90A  
38 of the General Statutes, who installed the wastewater system; the certified operator of the  
39 wastewater system, if any; and representatives from the local health department and, as  
40 applicable, the Department. The post-construction conference shall include start-up of the  
41 wastewater system and any required verification of system design or system components. The  
42 post-construction conference required by this subsection may be waived for Type I, II, and III  
43 wastewater systems, as listed in 15A NCAC 18A .1961 Table V(a), upon written request by the  
44 professional engineer and written approval by the owner of the wastewater system."

45 **SECTION 12.1.** G.S. 130A-343(a) reads as rewritten:

46 "**§ 130A-343. Approval of on-site subsurface wastewater systems.**

47 (a) Definitions. – As used in this section:

48 ...

49 (8) "Prefabricated permeable block panel system" is a series of units for onsite  
50 wastewater dispersal manufactured of cementitious materials of coarse and  
51 fine lightweight expanded shale aggregate along with Portland cement,

1                   connected together by plastic pipe. The unit shall be of rigid design,  
2                   constructed and installed to withstand load requirements without collapse,  
3                   compression, or deflection."  
4

5 **EFFECTIVE DATE**

6                   **SECTION 13.** Except as otherwise provided, this act is effective when it becomes  
7 law.