

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 911
Committee Substitute Favorable 6/10/21
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Short Title: Regulatory Reform 2.0.

(Public)

Sponsors:

Referred to:

May 11, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE ADDITIONAL REGULATORY RELIEF TO THE CITIZENS OF
3 NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5
6 **MODIFY AUTOMATIC SPRINKLER REQUIREMENTS FOR ONE- AND**
7 **TWO-FAMILY DWELLINGS**

8 **SECTION 1.(a)** Definitions. – As used in this section, "Council" means the North
9 Carolina Building Code Council, and "Code" means the current North Carolina Building Code
10 collection and amendments to the Code, as adopted by the Council.

11 **SECTION 1.(b)** Code Amendment. – Until the effective date of the Code
12 amendment that the Council is required to adopt pursuant to this section, the Council and Code
13 enforcement officials enforcing the Code shall follow the provisions of subsection (c) of this
14 section as they relate to Section D107 of the 2018 North Carolina Fire Code and other provisions
15 that relate to fire apparatus access roads for one- or two-family dwelling residential
16 developments.

17 **SECTION 1.(c)** Implementation. – Notwithstanding any provision of the Code or
18 law to the contrary, the Council and Code enforcement officials shall not require an automatic
19 sprinkler system in one- or two-family dwellings where there are fewer than 100 dwelling units
20 on a single public or private fire apparatus access road with access from one direction.

21 **SECTION 1.(d)** Additional Rulemaking Authority. – The Council shall adopt a rule
22 to amend Section D107 of the 2018 North Carolina Fire Code consistent with subsection (c) of
23 this section. Notwithstanding G.S. 143-136(c), the Residential Code Committee within the
24 Council shall consider the amendment required by this section. Notwithstanding
25 G.S. 150B-19(4), the rule adopted by the Council pursuant to this subsection shall be
26 substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant
27 to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.
28 Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1),
29 as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

30 **SECTION 1.(e)** Sunset. – This section expires on the date that rules adopted pursuant
31 to subsection (d) of this section become effective.
32



CLARIFY PERMIT REQUIREMENTS TO LEASE OR RENT RESIDENTIAL REAL PROPERTY

SECTION 2.(a) G.S. 160D-1207(c) reads as rewritten:

"(c) In no event may a local government do any of the following: (i) adopt or enforce any ordinance that would require any owner or manager of rental property to obtain any permit or permission ~~under Article 11 or Article 12 of this Chapter~~ from the local government to lease or rent residential real property or to register rental property with the local government, except for those individual properties that have more than four verified violations in a rolling 12-month period or two or more verified violations in a rolling 30-day period, or upon the property being identified within the top ten percent (10%) of properties with crime or disorder problems as set forth in a local ordinance, (ii) require that an owner or manager of residential rental property enroll or participate in any governmental program as a condition of obtaining a certificate of occupancy, (iii) levy a special fee or tax on residential rental property that is not also levied against other commercial and residential properties, unless expressly authorized by general law or applicable only to an individual rental unit or property described in clause (i) of this subsection and the fee does not exceed five hundred dollars (\$500.00) in any 12-month period in which the unit or property is found to have verified violations, (iv) provide that any violation of a rental registration ordinance is punishable as a criminal offense, or (v) require any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the local government. For purposes of this section, the term "verified violation" means all of the following:

- (1) The aggregate of all violations of housing ordinances or codes found in an individual rental unit of residential real property during a 72-hour period.
- (2) Any violations that have not been corrected by the owner or manager within 21 days of receipt of written notice from the local government of the violations. Should the same violation occur more than two times in a 12-month period, the owner or manager may not have the option of correcting the violation. If the housing code provides that any form of prohibited tenant behavior constitutes a violation by the owner or manager of the rental property, it shall be deemed a correction of the tenant-related violation if the owner or manager, within 30 days of receipt of written notice of the tenant-related violation, brings a summary ejectment action to have the tenant evicted."

SECTION 2.(b) This section becomes effective October 1, 2021, and any inconsistent ordinance or policy shall be void and unenforceable on or after that date.

CLARIFY REQUESTING BOARD FOR RESIDENCY LICENSE

SECTION 3.(a) G.S. 115C-270.20 reads as rewritten:

"§ 115C-270.20. Licensure requirements.

(a) Teacher Licenses. – The State Board shall adopt rules for the issuance of the following classes of teacher licenses, including required levels of preparation for each classification:

...

- (5) Residency License or RL. – A one-year license, renewable twice, that meets both of the following requirements:
 - a. Is requested by the ~~local board of education~~ governing body of a public school unit and accompanied by a certification of supervision from the recognized educator preparation program in which the individual is enrolled.
 - b. The individual for whom the license is requested meets all of the following requirements:
 1. Holds a bachelor's degree.

2. Has either completed coursework relevant to the requested licensure area or passed the content area examination relevant to the requested licensure area that has been approved by the State Board.
3. Is enrolled in a recognized educator preparation program.
4. Meets all other requirements established by the State Board, including completing preservice requirements prior to teaching.

...."

SECTION 3.(b) This section applies to individuals seeking licensure on or after the effective date of this act.

CREATE LOTTERY EXEMPTION FOR GRANDCHILDREN OF BOARD MEMBERS

SECTION 4. G.S. 115C-218.45 reads as rewritten:

"§ 115C-218.45. Admission requirements.

...

- (f) The charter school may give enrollment priority to any of the following:
- (1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.
 - (1a) Siblings who apply to the charter school for admission beginning in the same school year, such as when a sibling was not initially admitted due to grade level capacity.
 - (2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.
 - (2a) A student who was enrolled in a preschool program operated by the charter school in the prior year.
 - (3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:
 - a. Children of persons (i) employed full time by the charter school or (ii) working full time in the daily operation of the charter school, including children of persons employed by an education management organization or charter management organization for the charter school.
 - b. Children or grandchildren of the charter school's board of directors.
 - (4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.
 - (5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.
 - (6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the same board of directors.
 - (7) A student who was enrolled in another charter school in the State in the previous school year.

...."

TOLLING THE TERMS OF CHARTERS TO ALLOW TIME TO OBTAIN LAND USE APPROVALS

SECTION 5. G.S. 115C-218.5 is amended by adding a new subsection to read:

"(g) A charter school shall be entitled to automatically extend any deadline to begin operations or commence the term of its charter until the next school year, if it notifies the State Board by June 30 that it is seeking land use or development approvals for its selected site or facilities, or if it is challenging the denial of any requested land use or development approvals. The term of the charter issued by the State Board shall be tolled during the period of any extension or extensions issued under this section."

UTILITIES/LANDLORD WATER RESELLER CHANGES AND CONFORMING CHANGES TO ELECTRIC AND NATURAL GAS PROVISIONS

SECTION 6.(a) G.S. 62-110 reads as rewritten:

"§ 62-110. Certificate of convenience and necessity.

...

(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of any leased residential premises, as that term is defined under G.S. 42-59(3), to charge for the costs of providing water or sewer service to persons who occupy the leased premises. The following provisions shall apply:

(1) ~~All~~ Except as provided in subdivisions (1a), (1b), and (1c) of this subsection, all charges for water or sewer service shall be based on the user's metered consumption of water, which shall be determined by metered measurement of all water consumed. The rate charged by the lessor shall not exceed the unit consumption rate charged by the supplier of the service.

(1a) If the leased premises are contiguous dwelling units built prior to 1989, and the lessor determines that the measurement of the lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the lessee using equipment that measures the lessee's hot water usage. In that case, each lessee shall be billed a percentage of the lessor's water and sewer costs for water usage in the dwelling units based upon the hot water used in the lessee's dwelling unit. The percentage of total water usage allocated for each dwelling unit shall be equal to that dwelling unit's individually submetered hot water usage divided by all submetered hot water usage in all dwelling units. The following conditions apply to billing for water and sewer service under this subdivision:

- a. A lessor shall not utilize a ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.
- b. The lessor shall not include in a lessee's bill the cost of water and sewer service used in common areas or water loss due to leaks in the lessor's water mains. A lessor shall not bill or attempt to collect for excess water usage resulting from a plumbing malfunction or other condition that is not known to the lessee or that has been reported to the lessor.
- c. All equipment used to measure water usage shall comply with guidelines promulgated by the American Water Works Association.
- d. The lessor shall maintain records for a minimum of 12 months that demonstrate how each lessee's allocated costs were calculated for water and sewer service. Upon advanced written notice to the lessor, a lessee may inspect the records during reasonable business hours.

- e. Bills for water and sewer service sent by the lessor to the lessee shall contain all the following information:
1. The amount of water and sewer services allocated to the lessee during the billing period.
 2. The method used to determine the amount of water and sewer services allocated to the lessee.
 3. Beginning and ending dates for the billing period.
 4. The past-due date, which shall not be less than 25 days after the bill is mailed.
 5. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.

(1b) Notwithstanding the provisions of subdivisions ~~(1) and (1a)~~ (1), (1a), and (1c) of this subsection, if the Commission approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services to contiguous dwelling units, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption, and an administrative fee as authorized in subdivision (2) of this subsection. Bills for water and sewer service sent by the lessor to the lessee shall contain all the information required by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this subsection.

(1c) The lessor may equally divide the amount of the water and sewer bill for a unit among all the lessees in the unit and may send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of water and sewer from any other unit or common area in a lessee's bill sent pursuant to this subdivision.

...

(h) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of ~~a single family dwelling, residential building, or multiunit apartment complex~~ any leased residential premises, as that term is defined under G.S. 42-59(3), that has individually metered units for electric service in the lessor's name to charge for the actual costs of providing electric service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

...

(i) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, the Commission may, consistent with the public interest, adopt procedures that allow a lessor of ~~single family dwelling, a residential building, or multiunit apartment complex~~ any leased residential premises, as that term is defined under G.S. 42-59(3), that has individually metered units for natural gas service in the lessor's name to charge for the actual costs of providing natural gas service to each lessee. The following provisions shall apply to the charges authorized under this subsection:

...."

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

AUTHORIZE TABOR CITY TO PARTICIPATE IN RAILROAD REVITALIZATION PROGRAMS

SECTION 7.(a) Tabor City is authorized to participate in State and federal railroad revitalization programs necessary to ensure continued or improved rail service to the city as are authorized in Article 2D of Chapter 136 of the General Statutes. Tabor City is authorized to enter into contracts with the North Carolina Department of Transportation to provide for the nonfederal matching funds for railroad revitalization programs. Such funds may be comprised of State funds distributed under the provisions of G.S. 136-44.38 and of city funds. Tabor City is authorized to levy local property tax for railroad revitalization programs subject to G.S. 160A-209(d). City funds for any project may not exceed ten percent (10%) of total project costs.

SECTION 7.(b) This section applies only to Tabor City.

SECTION 7.(c) This section is effective when it becomes law and expires December 31, 2026.

AUTHORIZE SANITARY DISTRICTS TO CREATE, MAINTAIN, AND OPERATE PARKS AND RECREATION PROGRAMS AND FACILITIES

SECTION 8. G.S. 130A-55 reads as rewritten:

"§ 130A-55. Corporate powers.

A sanitary district board shall be a body politic and corporate and may sue and be sued in matters relating to the sanitary district. Notwithstanding any limitation in the petition under G.S. 130A-48, but subject to the provisions of G.S. 130A-55(17)e, each sanitary district may exercise all of the powers granted to sanitary districts by this Article. In addition, the sanitary district board shall have the following powers:

...

(4a) To provide for the creation, maintenance, and operation of parks and recreation programs and facilities with all the powers provided to cities and counties in G.S. 160A-353. Provided, however, that a sanitary district may not exercise the power of eminent domain to acquire real property for parks and recreation programs or facilities.

...."

SENSITIVE PUBLIC SECURITY INFORMATION PUBLIC RECORDS CHANGES

SECTION 9.(a) G.S. 132-1.7 reads as rewritten:

"§ 132-1.7. Sensitive public security information.

(a) Public records, as defined in G.S. 132-1, shall not include any of the following:

(1) ~~information~~ Information containing specific details of public security plans and arrangements or the detailed plans and drawings of public buildings and infrastructure ~~facilities or plans, facilities, including detailed plans and drawings contained in information storage systems or geographic information system databases.~~

(2) Plans, schedules, or other documents that include information regarding patterns or practices associated with executive protection and security.

(3) Specific security information or detailed plans, patterns, or practices associated with prison operations.

(4) Specific security information or detailed plans, patterns, or practices to prevent or respond to criminal, gang, or organized illegal activity.

(5) Specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure, whether physical or virtual, for any of the following:

a. The production, generation, transmission, or distribution of energy.

b. The transmission or distribution of water.

~~(a1) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices associated with prison operations.~~
~~(a2) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices to prevent or respond to criminal, gang, or organized illegal activity.~~

...."

SECTION 9.(b) The Joint Legislative Commission on Governmental Operations shall conduct a study to evaluate existing public records laws concerning vulnerabilities that may exist with respect to public utilities, critical infrastructure, and cybersecurity. The Commission shall report its findings and recommendations resulting from the study, including any proposals for legislative action, on or before the convening of the 2022 Regular Session of the General Assembly.

EXEMPT CERTIFIED REFLEXOLOGISTS FROM MASSAGE BOARD OVERSIGHT

SECTION 10. G.S. 90-624 reads as rewritten:

"§ 90-624. Activities not requiring a license to practice.

Nothing in this Article shall be construed to prohibit or affect:

...

- (9) A nationally certified reflexologist engaged in the practice of reflexology, who has a current certification from the American Reflexology Certification Board (ARCB) or its successor entity, or an individual who is a reflexology student working to obtain certification from the ARCB or its successor entity under the supervision of an ARCB-certified reflexologist. For the purposes of this subsection, "reflexology" means a "protocol of manual techniques, including thumb- and finger-walking, hook and backup, and rotating-on-a-point, that are applied to specific reflex areas predominantly on the feet and hands and that stimulate the complex neural pathways linking body systems and support the body's efforts to function optimally."

CLARIFY NC VETERINARY MEDICAL BOARD AUTHORITY TO ISSUE CERTAIN CIVIL PENALTIES

SECTION 11.(a) G.S. 90-187.8 reads as rewritten:

"§ 90-187.8. Discipline of licensees.

...

(b) The Board may impose and collect from a ~~licensee~~ licensee, or a veterinary facility ~~permittee~~, a civil monetary penalty of up to five thousand dollars (\$5,000) for each violation of this Article or a rule adopted under this Article. The clear proceeds of these civil penalties shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

The amount of the civil penalty, up to the maximum, shall be determined upon a finding of one or more of the following factors:

- (1) The degree and extent of harm to the public health or to the health of the animal under the licensee's care.
- (2) The duration and gravity of the violation.
- (3) Whether the violation was committed willfully or intentionally or reflects a continuing pattern.
- (4) Whether the violation involved elements of fraud or deception either to the client or to the Board, or both.
- (5) The prior disciplinary record with the Board of the licensee.
- (6) Whether and the extent to which the licensee profited by the violation.

...."

1 **SECTION 11.(b)** This section is effective when it becomes law and applies to civil
2 penalties issued on or after that date.

3
4 **EFFECTIVE DATE**

5 **SECTION 12.** Except as otherwise provided, this act is effective when it becomes
6 law.