

# Daily Bulletin

## ACTIONS BY THE NORTH CAROLINA GENERAL ASSEMBLY

School of Government  
The University of North Carolina at Chapel Hill  
Legislative Reporting Service, State Legislative Building, Raleigh, NC 27601  
Phone 919.733.2484 ~ Fax 919.715.3464 ~ www.dailybulletin.unc.edu

House Legislative Day 48

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Senate Legislative Day 48

Monday, April 18, 2011

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## SUMMARIES OF BILLS FILED

### *Public Bills*

#### **SENATE BILLS**

**S 630. [AMEND COS. ART LAW/GRANDFR. NATURAL HAIR CARE \(=H 791\)](#).** Filed 4/18/11. *MAKING CLARIFYING CHANGES UNDER THE LAWS REGULATING THE PRACTICE OF COSMETIC ART AND EXTENDING THE PERIOD WITHIN WHICH PERSONS PRACTICING AS NATURAL HAIR CARE SPECIALISTS ARE REQUIRED TO BE LICENSED UNDER THE NORTH CAROLINA COSMETIC ART ACT.* Identical to H 791, filed 4/6/11.

**Intro. by Mansfield.**

GS 88B

Business and Commerce

**S 631. [UNC/CHEROKEE LANGUAGE CREDIT](#).** Filed 4/18/11. *TO REQUIRE THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA TO RECOGNIZE THE CHEROKEE LANGUAGE AS A LANGUAGE FOR WHICH A STUDENT MAY RECEIVE FOREIGN LANGUAGE CREDIT.*

Amends GS 116-11, as the title indicates. Applies beginning with the 2011-12 academic year.

**Intro. by Brock.**

GS 116

Education

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**S 632. UPGRADE SECURITY SERVICES—GOVERNMENT COMPLEX.** Filed 4/18/11. *TO REQUIRE UPGRADED SECURITY AND EMERGENCY MEDICAL SERVICES AT THE STATE LEGISLATURE, STATE GOVERNMENT COMPLEX, THE EXECUTIVE MANSION, AND THE LIEUTENANT GOVERNOR'S MANSION AND TO PROVIDE FUNDING FOR THE UPGRADED SECURITY SERVICES.*

As title indicates. Directs each agency with control over the State Legislature and the State Government Complex to purchase and use security measures, as specified, and to improve emergency medical services. Appropriates \$1 million from the General Fund to the Legislative Services Commission to cover the State Legislature, and appropriates \$5 million to the Department of Administration to cover the State Government Complex, with up to \$1 million spent to build a covered walkway between the Legislative Building and the Legislative Office Building. Effective July 1, 2011.

**Intro. by Brock.**

APPROP

State Government; General Assembly; Budget and Appropriations

**S 633. STATE HEALTH PLAN/LIMITED ABORTION COVERAGE.** Filed 4/18/11. *TO LIMIT ABORTION COVERAGE UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.*

Amends GS 135-45.8 to prohibit covering medical or surgical abortions unless: (1) the pregnancy is the result of rape or incest; (2) in cases of medical emergency where abortion is necessary because in the attending physician's written opinion, failure to terminate the pregnancy endangers the mother's life; or (3) to remove a dead unborn child. Excludes procedures relate to miscarriage from abortion procedures. Effective July 1, 2011.

**Intro. by Brock.**

GS 135

Health, Social Services, and Aging

**S 634. CONSTITUTIONAL CONV./REPEAL FEDERAL LAW/REGS.** Filed 4/18/11. *APPLYING TO CONGRESS TO CALL A CONVENTION FOR PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES PERMITTING REPEAL OF ANY FEDERAL LAW OR REGULATION BY VOTE OF TWO-THIRDS OF THE STATE LEGISLATURES.* As title indicates.

**Intro. by Rouzer.**

UNCODIFIED

Constitutional Amendment; General Assembly; State Government

**S 635. LITTERING OFFENSES/INCREASE FINES.** Filed 4/18/11. *TO INCREASE THE FINES FOR LITTERING OFFENSES.*

Amends GS 14-399 (littering) to increase various fines for littering offenses, as title indicates, to amounts ranging from \$1,000 to \$8,000. Applies to offenses committed on or after December 1, 2011.

**Intro. by Rouzer.**

GS 14

Criminal Law, Procedure, and Sentencing

**S 636. MODIFY GRADUATED LICENSING REQUIREMENTS.** Filed 4/18/11. *TO MODIFY THE LEVEL 2 RESTRICTIONS FOR PROVISIONAL LICENSES; TO REQUIRE A DRIVING LOG SHOWING ONE HUNDRED TWENTY HOURS OF DRIVING TIME BY A PROVISIONAL LICENSEE BEFORE A LEVEL 3 PROVISIONAL LICENSE MAY BE ISSUED; TO REQUIRE A ONE-YEAR REVOCATION OF A PROVISIONAL LICENSEE'S OR SUPERVISING DRIVERS LICENSE IF A DRIVING LOG IS FALSIFIED; TO REQUIRE AN IMMEDIATE REVOCATION OF A PROVISIONAL LICENSE IF THE PROVISIONAL LICENSEE IS CHARGED WITH A VIOLATION OF THE RESTRICTIONS FOR A PROVISIONAL LICENSEE, A MOVING VIOLATION, OR A SEAT BELT VIOLATION; AND TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REPORT ON THE EFFECTIVENESS OF THE PROVISIONS OF THIS ACT.*

As title indicates. Amends GS 20-11(e), clarifying that a Level 2 limited provisional license holder may drive without supervision, among other times under existing law, when driving *directly* to or from work, or *directly* to or from a specified volunteer activity. Amends GS 20-11(f), adding that a person may obtain a full provisional license after, among other requirements, completing a driving log with at least 120 hours of applicable driving time. Specifies additional requirements for the log, and revokes the license for one year if the DMV determines the log was falsified. Enacts new subsection (o) to GS 20-11 (limited learner's permit and provisional drivers license to persons under 18 years old) to revoke a provisional license if the licensee is charged with any of the specified violations. Enacts new subsection (n) to GS 20-11, requiring law enforcement officers to immediately notify the DMV that a provisional licensee has been charged with a specified violation. Directs the DMV to study the effectiveness of this act by evaluating five listed figures, and to report to the Joint Legislative Transportation

Oversight Committee by February 1, 2013. Applies to provisional licenses issued and offenses committed on or after October 1, 2011.

**Intro. by Rouzer.**

GS 20

Transportation

**S 637. [CONSTITUTIONAL CONV./LAWS APPLY TO CONGRESS.](#)** Filed 4/18/11. *APPLYING TO CONGRESS TO CALL A CONVENTION FOR PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES THAT CONGRESS SHALL MAKE NO LAW THAT APPLIES TO THE CITIZENS OF THE UNITED STATES THAT DOES NOT APPLY EQUALLY TO THE SENATORS OR REPRESENTATIVES AND CONGRESS SHALL MAKE NO LAW THAT APPLIES TO THE SENATORS OR REPRESENTATIVES THAT DOES NOT APPLY EQUALLY TO THE CITIZENS OF THE UNITED STATES.* As title indicates.

**Intro. by Rouzer.**

UNCODIFIED

Constitutional Amendment;  
General Assembly; State  
Government

**S 638. [AGRICRICULTURAL WATER RESOURCES ASSISTANCE.](#)** Filed 4/18/11. *TO ESTABLISH THE AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM IN THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES.*

Enacts new Part 12 to Article 21 in GS Chapter 143, establishing the Agricultural Water Resources Assistance Program (Program) in the Department of Environment and Natural Resources, with implementation by the Soil and Water Conservation Commission (Commission). Places joint responsibility for the Program in the Commission and the Board of Agriculture. States that the Program's purpose is to help farmers and agricultural landowners: (1) increase water use efficiency, availability, and storage (2) conserve and protect water resources and increase water use efficiency through best management practices and (3) increase water storage and availability for agricultural purposes. Details six requirements and limitations of the Program. Creates the 15-member Agricultural Water Resources Assistance Program Advisory Committee, which will meet quarterly to assist and advise the Commission on the Program. Directs the Commission and the Board of Agriculture to report to the Environmental Review Commission and the Fiscal Research Division by March 31 each year, with the first report due by March 31, 2013. Establishes the Agricultural Water Resources Assistance Account in the Division of Soil and Water Conservation to fund the Program.

Makes conforming changes to GS 14-234(d3), exempting applications and grants under the Program from the provisions regarding public officer or employee benefit from public contracts, as detailed. Makes conforming changes to GS 139-4(d) and (e) (pertaining to the Commission) and GS 139-8(b) (powers of soil and water conservation districts and supervisors).

Effective July 1, 2011.

**Intro. by Rouzer.**

GS 14, 139, 143

Agriculture, Environment, and  
Natural Resources

**S 639. [NATIONAL POPULAR VOTE INTERSTATE COMPACT.](#)** Filed 4/18/11. *TO ESTABLISH NORTH CAROLINA AS A MEMBER OF THE AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE.*

Amends Article 18 of GS Chapter 163 to add North Carolina to the states that have adopted the National Popular Vote Interstate (Compact). The Compact provides that, when it has been adopted by states with a majority of the national electoral votes, those states will commit all their presidential electors to the winner of the national popular vote for President of the United States. Sets out the procedure for adopting presidential electors and for the enactment of and withdrawal from the agreement.

**Intro. by Hartsell.**

GS 163

Elections Law

**S 640. [ENHANCE DONATIONS OF CONSERVATION LAND.](#)** Filed 4/18/11. *TO ENHANCE DONATIONS BY CORPORATE ENTITIES OF DISTRESSED PROPERTIES WITH CONSERVATION VALUES.*

As title indicates, amends GS 105-130.29 (appears to amend GS 105-130.34) to increase the maximum credit amount from \$500,000 to \$2 million, effective beginning January 1, 2011. Amends GS 105-130.34 to decrease the maximum credit amount from \$2 million to \$500,000, effective beginning January 1, 2013.

**Intro. by Hartsell.**

GS 105

Taxation; Agriculture, Environment,  
and Natural Resources

**S 641. [EDUCATION GOVERNANCE AMENDMENT.](#)** Filed 4/18/11. *TO AMEND THE CONSTITUTION OF NORTH CAROLINA CONCERNING THE SIZE AND COMPOSITION OF THE STATE BOARD OF EDUCATION.*

Subject to approval by the voters at the November 6, 2012, general election, amends Section 4 of Article IX of the North Carolina Constitution to provide that the size and composition of the State Board of Education is to consist of the following: (1) the President of the Senate (Lieutenant Governor), (2) three members appointed by the Senate, (3) three members appointed by the House of Representatives, (4) the chief executive officer of the University of North Carolina, (5) the chief executive officer of the other system of public institutions of higher education as provided by law, and (6) eight (was, eleven) members appointed by the Governor and subject to confirmation by the General Assembly. Makes the appointments made by the Governor to fill vacancies in the Governor's appointments subject to confirmation by the General Assembly (was, appointments to fill vacancies in the Governor's appointments were not subject to confirmation by the General Assembly); however, provides that the General Assembly may provide by law for interim appointments pending confirmation. Prescribes that appointments made by the Senate and by the House of Representatives are to be for overlapping terms of four years. Makes conforming changes reflecting the reduction in appointments by the Governor.

Makes the amendment effective as follows: (1) terms of office expiring in 2013 and later years end on June 30; (2) initial appointees of the Senate and the House begin their terms July 1, 2013; (3) the President of the University of North Carolina and the President of the North Carolina System of Community Colleges begin their ex officio service July 1, 2013; and (4) the terms of the at-large members of the State Board of Education appointed by the Governor terminate June 30, 2013.

Amends GS 115C-10 to conform to the changes regarding the size and composition of the State Board of Education in the proposed constitutional amendment. Proposed amendments to GS 115C-10 become effective only if the proposed constitutional amendment is approved by qualified voters.

**Intro. by Hartsell.**

GS 115C, CONST

Constitutional Amendment;  
Education

**S 642. MED. MAL. REVIEW BOARD.** Filed 4/18/11. *TO ESTABLISH THE NORTH CAROLINA MEDICAL MALPRACTICE REVIEW BOARD.*

Establishes the 21- member Medical Malpractice Review Board (Board) to review allegations of violations of the standard of health care by health care providers and to make a determination. Details Board membership, appointing authority, term limits, and administration. Defines *determination* as a finding by the Board based on the greater weight of the evidence that care provided by the health care provider violated the standard of health care. Includes additional applicable definitions. Requires any complaint alleging medical malpractice by a health care provider for failing to comply with the standard of health care to be dismissed unless the complainant first received a Determination from a Board panel. Directs the panel to consider whether, based on the complainant's evidence and counsels' written arguments, it is more likely than not that the health care provider violated the standard of health care. Details the types of evidence that may be presented, and provides for deposition of witnesses. Allows the panel to request additional evidence if necessary. Specifies criteria requiring the panel to issue or not issue a Determination. Directs the panel to issue a default Determination if the panel determines that the health care provider did not participate in good faith in the review proceeding. States that the claimant will not be taxed costs for failure to obtain a judgment in any subsequent civil action, if the panel issues a Determination, but will be taxed costs if the panel does not issue a Determination and the claimant fails to obtain a judgment. Tolls any applicable statute of limitation or repose from the time the claim is presented until the Board issues a Determination. Makes the Board's findings and Determination, as detailed, immune from discovery or subpoena in any civil action alleging the violation that was the subject of the Board's review. Requires that initial Board members be appointed by September 1, 2011, with terms commencing on October 1, 2011.

**Intro. by Hartsell.**

GS 90

Health, Social Services, and Aging

**S 643. TEMPORARY CHILD CUSTODY ORDERS.** Filed 4/18/11. *TO ENSURE THE LEAST AMOUNT OF DISRUPTION FOR DEPENDENT CHILDREN INVOLVED IN TEMPORARY CUSTODY CASES.*

Enacts new GS 50-13.1A, allowing parties to participate in mediation when the parties to a divorce do not agree on temporary custody arrangements. Directs the parties to continue the custody arrangement established during marriage if there is no parenting agreement addressing temporary custody arrangements, until a permanent arrangement is determined and signed by the parties or the court issues a written order for permanent custody. Provides directions to the parties on maintaining the status quo custody arrangement established during marriage. Specifies that a temporary custody order remains in effect until modified by a signed agreement or written court order. Applies to actions for temporary custody on or after the date the act becomes law.

**Intro. by Rouzer.**

GS 50

Family Law

**S 644. DSS ADOPTION ASSISTANCE AGREEMENTS BINDING.** Filed 4/18/11. *ESTABLISHING THAT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF SOCIAL SERVICES, SHALL NOT*

*REQUIRE A REDETERMINATION OF ELIGIBILITY FOR VENDOR PAYMENTS UNDER AN ADOPTION ASSISTANCE AGREEMENT UNLESS THE AGREEMENT SPECIFIES THAT A REDETERMINATION OF ELIGIBILITY IS REQUIRED, UNDER THE LAWS REGULATING PROGRAMS OF PUBLIC ASSISTANCE.*

Enacts new GS 108A-50.3, as title indicates.

**Intro. by Rouzer.**

GS 108A

Health, Social Services, and Aging

**S 645. REMOVE CAP ON ENERGY CREDITS.** Filed 4/18/11. *TO REMOVE THE CAP ON THE ENERGY CREDITS.*

Under current law, Article 3B of GS Chapter 105 provides for *Business and Energy Tax Credits* and sets a cap on the business and energy tax credits allowed under Article 3B. Amends GS 105-129.17(b) to apply the cap only to specified business tax credits, removing the cap on the energy tax credits. Effective for taxes imposed for taxable years beginning on or after January 1, 2011.

**Intro. by Clodfelter.**

GS 105

Energy and Utilities; Taxation

**S 646. ANNEXATION LAW OMNIBUS.** Filed 4/18/11. *TO MODERNIZE THE LAWS RELATING TO MUNICIPAL ANNEXATION AND THE EXERCISE OF EXTRATERRITORIAL PLANNING AND ZONING JURISDICTION IN ORDER TO CONFORM THE PRINCIPLES AND POLICIES OF THE 1959 REPORT OF THE MUNICIPAL ANNEXATION STUDY COMMISSION TO THE PRESENT CIRCUMSTANCES OF URBANIZATION AND URBAN DEVELOPMENT IN NORTH CAROLINA; TO CODIFY THE HOLDING OF THE DECISION IN NOLAN V. VILLAGE OF MARVIN, TO MORE CLOSELY ALIGN THE PURPOSES AND OPERATION OF THE LAWS RELATING TO MUNICIPAL ANNEXATION AND EXTRATERRITORIAL PLANNING AND ZONING JURISDICTION; AND TO REQUIRE THAT ALL EXISTING MUNICIPAL CORPORATIONS IN NORTH CAROLINA OFFER A MEANINGFUL LEVEL OF URBAN SERVICES TO THEIR CITIZENS IN ORDER TO RETAIN THEIR CHARTERS.*

Repeals Part 2 of Article 4A in GS Chapter 160A, which sets out provisions for annexation law applicable to municipalities with populations under 5,000 and, except as noted below, makes annexation standards uniform for cities of all population sizes

Amends GS 160A-46 to provide that in order to be eligible to annex territory, cities must be providing a minimum level of specified services at the time of adoption of the mandated report for provision of services to annexed areas. For cities with populations over 5,000, the minimum services provided must include police protection, fire protection, planning and zoning, and at least four of ten other services (solid waste collection, solid waste disposal, street acquisition and construction, street maintenance, parks and recreation, water treatment, water distribution, wastewater collection, wastewater treatment, or public transportation). For cities with populations under 5,000, the minimum services provided must include planning and zoning, at least two of three specified services (police, fire, or solid waste collection), and at least two of nine other specified services (solid waste disposal, street construction, street maintenance, parks and recreation, water treatment, water distribution, wastewater collection, wastewater treatment, or public transportation). For cities with populations over 5,000, provides that these services may be supplied directly by the municipality, that planning and zoning services may be provided by a city-county planning agency, and the additional services (other than police and fire) may be provided by contract with a private service provider. Cities with populations under 5,000 may also count: (1) fire services provided by contract with a rural fire department; (2) planning and zoning services provided by contract with a regional council of governments; (3) street acquisition, construction, and maintenance provided by contract with the Department of Transportation, provided the city reimburses the Department in full and the city has accepted for maintenance all residential and commercial subdivision streets within its jurisdiction. For purposes of these calculations, prohibits a city from counting any service that is already provided in an area to be annexed by a county, a joint agency, or an independent authority. Amends GS 160A-31 to prohibit annexation by petition if the municipality is not eligible to annex territory under GS 160A-46.

Amends GS 160A-360 to limit exercise of extraterritorial planning and development regulation authority to those cities that meet the above criteria to be eligible for annexation authority. Requires use of most recent federal decennial census to establish the city's population relative to size of potential extraterritorial jurisdiction (was, annual estimate of population certified by Department of Administration). Allows jurisdiction providing approval of another jurisdiction's proposed extraterritorial jurisdiction to rescind that approval immediately if the other jurisdiction has not yet mailed the notice of the public hearing on the potential amendment of jurisdiction (current provision requires two years notice of rescission if there is not mutual agreement between the two jurisdictions).

Amends GS 120-163, which regards review of petitions for new municipal incorporations, to require that petitions for incorporation include a statement that the proposed municipality will, not later than the first day of the third fiscal year following incorporation, provide sufficient services such that the municipality would meet the

annexation eligibility standards required for a municipality with a population under 5,000. The statement must include a report showing the plan for providing such services.

Amends GS 160A-47 to require report on plans to extend to annexed areas all of the municipal services offered that make the municipality eligible to annex territory (was, report on extension of police, fire, solid waste collection, and street maintenance). Allows requests for extension of water and sewer lines to be made within 30 days of hearing (was, five days). Requires assumption that all eligible property owners will request water and sewer services when calculating costs of extended water and sewer services. Requires financing and service impacts to include projections for at least five years beyond the first year of service extension. Makes other conforming changes.

Amends GS 160A-48 to prohibit "shoe-string" annexations longer than 300 feet of public streets, street rights-of-way, utility easements, or watercourses. Requires that if one lot within a final subdivision plat that has been approved is annexed, all lots within that subdivision must be annexed unless the lots are in a municipality or are in another county. Provides that any area that has been completely surrounded by the primary corporate limits of the municipality for at least ten years may be counted as land developed for urban purposes. Allows cities with populations of 5,000 or more to annex necessary land connections, provided these areas are not more than 20% (was, 25%) of the area annexed.

Amends GS 160A-49 regarding procedures to be followed for annexations. Requires adoption of resolution of consideration, which can remain effective for two years. Provides that resolution of intent to annex may be adopted six months or later after adoption of resolution of consideration. Sets notice and public meeting requirements. Requires land owners be provided a form for requesting water and sewer services and specifies content of information to be provided on that form. Requires inclusion of an annexation timeline, remedies for contesting annexation, and provision of services in the required public meetings notice and at the required public meetings. Requires that all annexations be effective on June 30 of the specified year, which must be at least 90 but not more than 455 days after passage of the annexation ordinance. Requires reports to the Local Government Commission on responses to requests for extension of services within timeline, allows the Commission to order corrective action, and prohibits future annexation until orders of the Commission have been complied with.

Amends GS 160A-50 to allow landowners 90 days (was, 60 days) to file petitions for judicial review of annexations. Makes taxation of property subject to GS 160A-58.10 upon the effective date of annexation, unless a later date is set by ordinance.

Enacts GS 160A-50.1, allowing the county board of commissioners to notify the city clerk that the board's submitted comments and objections to the annexation report were not adequately addressed, within 30 days after adoption of the annexation ordinance. Stays the effective date of annexation upon receipt of the board's notice, and permits the city to seek review in superior court.

Amends GS 160A-54 regarding population, area, and subdivision estimates to increase the required level of accuracy as follows: population estimates have no more than 5% error rate (was 10%) and land area and subdivision estimates have no more than 3% error rate (was, 5%).

Amends GS 160A-232 to allow water and sewer assessments made pursuant to annexation to be paid in up to twenty annual installments and tap fees in up to five annual installments.

Amends GS 160A-364 to require that the two required published notices of hearings for adoption, amendment, or repeal of all municipal land development ordinances be published on the same day of the week in successive weeks (was, published in two successive calendar weeks), effective for notices published on or after October 1, 2009.

Enacts GS 160A-58.31 to allow municipalities to enter contracts to provide water or sewer service in return for an owner's agreement to petition for annexation or not to appeal annexation. Provides for recordation and enforcement of these annexation contracts.

Requires the Local Government Commission to report on or before January 1, 2015, as to the identities of all municipalities that are not qualified to make annexations as of July 1, 2014, because of their inability to offer the requisite services. Provides that the charters of each identified municipality will lapse and the municipality cease to exist on December 31, 2015, unless the municipality's charter has been renewed by the General Assembly. Authorizes the Local Government Commission to dispose of the assets, liabilities, and properties of these terminated municipalities.

Amends GS 160A-58.10 regarding proration and effective dates of real and personal property taxes and privilege license taxes.

Repeals local act regarding annexation by referendum in Craven County towns with populations under 500. Makes other conforming and technical changes.

Effective when the act becomes law, but does not apply to annexations for which a resolution of intent was adopted before the date the act becomes law.

Intro. by Clodfelter.

GS 69, 105, 120, 153A, 160A,  
162A

Local Government

**S 647. MUTUAL INSURANCE HOLDING COMPANIES**. Filed 4/18/11. *TO PROVIDE FOR THE CREATION OF MUTUAL INSURANCE HOLDING COMPANIES.*

Adds new Part 8, *Mutual Insurance Holding Companies*, to Article 10 of GS Chapter 58 as the title indicates. Provides definitions for terms as they apply in new Part 8. Provides general provisions regarding the reorganization of a domestic mutual insurance company, upon approval by the Commissioner of Insurance (Commissioner), into a mutual insurance holding company (holding company) and concerning the functional, organizational, and operational structure of an insurance holding company. Requires that an application for reorganization be designated as either a limited application, or a standard application. Directs that applications be filed in triplicate with the Commissioner and prescribes the information to be contained in the application. Provides additional specifications regarding the application process.

Details the required provisions for a limited application plan of reorganization and for a standard application plan of reorganization. Specifies the powers of the Commissioner with regards to the mutual insurance holding company, directing that the Commissioner is to retain jurisdiction at all times over the mutual insurance holding company, its intermediate holding company subsidiaries with stock insurance subsidiaries, and its stock insurance company subsidiaries. Authorizes the Commissioner to approve, conditionally approve, or deny an application following any public comment period or hearing under GS 58-10-285.

Provides guidelines and criteria regarding (1) specific financial requirements applicable to a holding company, (2) the reorganization of a domestic mutual insurer with a holding company, and (3) mergers of holding companies. Prohibits any stock offering by a holding company, an insurance company subsidiary of a holding company, an intermediate holding company subsidiary of a holding company, or an insurance company subsidiary of an intermediate holding company subsidiary to a holding company without the prior approval of the Commissioner. Provides additional specifications regarding the content of applications for stock offerings and additional requirements regarding a planned stock offering. Provides for the regulation of the holding company, requiring all material transactions as defined in Part 3 of Article 10 of GS Chapter 58 to be approved by a majority of the board of directors of the holding company as being fair and reasonable. Also provides for the reporting of stock ownership and transactions.

Intro. by Rucho.

GS 58

Business and Commerce

### *Local Bills*

None

## **ACTION ON BILLS**

### **April 18, 2011**

- NOTES**
1. Digests appearing under "Summaries of Bills Filed" are for bills stamped with today's filing date.
  2. Amendments and committee substitutes adopted today are summarized following the chamber action.
  3. Subscribers can find the digest of every version of each bill online at [www.dailybulletin.unc.edu](http://www.dailybulletin.unc.edu).
  4. The dates on which previous amendments or committee substitutes were adopted are listed below bill numbers.
  5. The action "Cal Pursuant Rule 36b" indicates that the bill has been reported by committee and is awaiting calendaring.
  6. Enacted bills are indicated by #, failed bills by \*. Actions that change a bill are indicated by HA or SA.

## **PUBLIC BILLS**

**H0138 Amend Health Insurance Risk  
Pool Statutes.  
03-02-11**

**S Withdrawn From Cal  
S Placed On Cal For 4/19/2011**

H0171 Municipal Self-Annexations.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
03-16-11		
H0215 Unborn Victims of Violence Act/Ethen's Law.	H	Rec To Concur S Com Sub
	H	Cal Pursuant Rule 36(b)
	H	Placed On Cal For 4/19/2011
03-23-11, 03-24-11, 04-11-11		
H0865 Eliminate Passenger Rail Fare Subsidy.	H	Passed 1st Reading
	H	Ref To Com On Finance
H0866 Transition Residential Schools to DPI.	H	Passed 1st Reading
	H	Ref to the Com on Health and Human Services, if favorable, Appropriations
S0272 Victims' Compensation Law Changes.-AB	H	Passed 1st Reading
	H	Ref To Com On Judiciary Subcommittee B
04-12-11		
S0307 Smart Card Biometrics Against Medicaid Fraud.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
04-14-11		
S0343 Communications Regulatory Reform.	S	Ratified
04-05-11		
S0364 Cancel Aircraft Lien W/ Surety Bond Deposit.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
S0394 Clarify Process/Reportable Offenses in Sch.	H	Passed 1st Reading
	H	Ref To Com On Judiciary Subcommittee B
04-11-11		
S0437 Enact First Evaluation Program.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
04-14-11		
S0457 Amend Article 13 of Business Corporation Act.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
S0466 Modify Teacher Career Status Law.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
04-14-11		
S0498 Modify Law Re: Corporal Punishment.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
S0630 Amend Cos. Art Law/Grandfr. Natural Hair Care.	S	Filed
S0631 UNC/Cherokee Language Credit.	S	Filed
S0632 Upgrade Security Services-Government Complex.	S	Filed
S0633 State Health Plan/Limited Abortion Coverage.	S	Filed
S0634 Constitutional Conv./Repeal Federal Law/Regs.	S	Filed
S0635 Littering Offenses/Increase Fines.	S	Filed
S0636 Modify Graduated Licensing Requirements.	S	Filed
S0637 Constitutional Conv./Laws Apply to Congress.	S	Filed
S0638 Agricultural Water Resources Assistance.	S	Filed



S0639 National Popular Vote Interstate Compact.	S	Filed
S0640 Enhance Donations of Conservation Land.	S	Filed
S0641 Education Governance Amendment.	S	Filed
S0642 Med. Mal. Review Board.	S	Filed
S0643 Temporary Child Custody Orders.	S	Filed
S0644 DSS Adoption Assistance Agreements Binding.	S	Filed
S0645 Remove Cap on Energy Credits.	S	Filed
S0646 Annexation Law Omnibus.	S	Filed
S0647 Mutual Insurance Holding Companies.	S	Filed

### LOCAL BILLS

H0026 Henderson County Fire Districts.	S	Withdrawn From Cal
	S	Placed On Cal For 4/19/2011
H0068 Tax Certification - Add Counties.	S	Withdrawn From Cal
03-09-11	S	Placed On Cal For 4/19/2011
H0156 Lenoir Fox Trapping.	S	Withdrawn From Cal
03-30-11	S	Placed On Cal For 4/19/2011
H0365 Pink Hill Elections.	S	Withdrawn From Cal
03-31-11	S	Placed On Cal For 4/19/2011
S0261 Chowan Fox Seasons.	S	Ratified

## SUMMARIES OF AMENDMENTS AND COMMITTEE SUBSTITUTES

None

## Legislation Enacted

None

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### Notes

None

## NEXT SESSIONS

April 19, 2011

**HOUSE convenes at 2:00 pm**

**SENATE convenes at 3:00 pm**