

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 59

Vol. 2011, No. 59

Senate Legislative Day 59

Thursday, May 5, 2011

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SUMMARIES OF BILLS FILED

Public Bills

HOUSE BILLS

H 907. [COMMUNITY INCLUSION & DEVELOPMENT ACT.](#) Filed 5/4/11. *TO REFORM THE ANNEXATION PROCESS BY DEALING WITH THE UNIQUE CHALLENGES OF LOW-INCOME MINORITY COMMUNITIES.*

Adds new subsections GS 160A-31(b1), (b2), (i), (j), and (k) authorizing annexation by petition from 75% of the households in certain specified contiguous or contiguous low-income areas, as defined. Provides a process for determining whether an area qualifies for low-income status, including an option for analysis by the Department of Revenue using income tax data in a confidential report to the city. Requires a city that receives a valid petition under the new subsections to annex the area within 60 days of finding the petition valid, and requires an effective date for the annexation within two years after adoption of the annexation ordinance, including provision of municipal services. Amends GS 160A-36 to add "distressed area" to the types of areas that may be annexed. For distressed areas that are contiguous to multiple cities, the area eligible for annexation must be within the extraterritorial jurisdiction of the annexing city. Sets annexation development thresholds for "distressed areas" at 50% of total lots and tracts. Defines "distressed area," in accordance with other parts of the bill, as an area in which 51% of the households have incomes that are 200% or less than the most recently published U.S.

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Census Bureau poverty thresholds. Makes conforming changes to GS 160A-48. Amends GS 143B-437.04(a) to direct the Department of Commerce to adopt guidelines for Community Development Block Grants to ensure priority consideration of water and sewer projects in annexed distressed areas that provide service to residents with family incomes 80% or less than the median. Adds a new criterion to GS 159G-23, making such projects higher priorities for state revolving loans and grants from the Wastewater Reserve or Drinking Water Reserve. Effective October 1, 2011.

Intro. by Bryant.

GS 143B, 159G, 160A

Local Government

H 916. STATEWIDE EXPANSION OF 1915(B)/(C) WAIVER. Filed 5/4/11. *TO ESTABLISH REQUIREMENTS FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND LOCAL MANAGEMENT ENTITIES WITH RESPECT TO STATEWIDE EXPANSION OF THE 1915(B)/(C) MEDICAID WAIVER.*

Directs the Department of Health and Human Services (DHHS) to proceed with the statewide restructuring of the management responsibilities for the delivery of services for individuals with mental illness, intellectual and developmental disabilities, and substance abuse disorders through expansion of the 1915(b)/(c) Medicaid Waiver. Attests that it is the intent of the General Assembly that the expansion of the 1915(b)/(c) Medicaid Waiver be completed by July 1, 2013, and to establish a system capable of managing all public resources that may become available for mental health, intellectual and developmental disabilities, and substance abuse services including federal funding and all other public funding sources.

Enumerates the tasks and responsibilities to be undertaken by DHHS in implementing the restructuring and expansion authorized in this provision. Provides that those tasks and responsibilities include (1) establishing accountability for the development and management of a local system that ensures easy access to care, the availability and delivery of necessary services and continuity of care and (2) phasing out the current CAP-MR/DD Waiver as well as the utilization management functions currently performed by public and private contractors as the 1915(b)/(c) Medicaid Waiver expands statewide.

Directs DHHS to prepare and publish a Request for Applications (RFA) for use by Local Management Entities (LMEs) to apply for approval to operate a 1915(b)/(c) Waiver. Directs that the RFA must specify operational requirements that will result in replication of the Piedmont Behavioral Health (PBH) demonstration project. Requires DHHS to select the LMEs that have met the minimum criteria for Waiver operations under the RFA requirements by August 1, 2011.

Directs DHHS by April 1, 2011, to require LMEs that have not been approved to operate a 1915(b)/(c) Medicaid Waiver by January 1, 2013, to merge with or be aligned through an interlocal agreement with an LME that has been approved by DHHS to operate a 1915(b)/(c) Medicaid Waiver. Provides additional governance regarding LMEs that fail to comply with this requirement.

Provides that county governments are not financially liable for overspending or cost overruns associated with an area authority's operation of a Medicaid Waiver.

Delineates additional deadlines and objectives to be met by DHHS in order to accomplish its task of restructuring management responsibilities through expansion of the Medicaid Waiver.

Directs DHHS in coordination with the Division of MH/DD/SA, the Division of Medical Assistance, LMEs, and PBH to submit to the appropriate Oversight Committee of the General Assembly, by October 1, 2011, a strategic plan identifying specific strategies and agency responsibilities for the achievement of the objectives and deadlines set out in this section. Requires DHHS to submit status reports to the General Assembly on the restructuring and expansion authorized in this section on January 1, 2012; April 1, 2012; October 1, 2012; February 1, 2013; and October 1, 2013.

Amends GS 122C-115(a) to provide that, beginning July 1, 2012, the catchment area of an area authority or a county program must have a minimum population of at least 300,000, and increases the required population to at minimum 500,000 as of July 1, 2013 (was, a catchment area had to contain either a population of at least 200,000 or a minimum of six counties). Provides that, effective July 1, 2012, DHHS is to reduce the administrative funding for LMEs that do not comply with the minimum population requirement of 300,000 to the level of funding provided to LMEs with a population of 300,000. Also provides that, effective July 1, 2013, DHHS is to reassign management responsibilities for Medicaid funds and state funds away from LMEs that are not in compliance with the minimum population requirement of 500,000 to fully compliant LMEs.

Makes conforming changes to GS 122C-115.3(a) and GS 150B-1(d).

Intro. by Barnhart, Dollar, Burr, Insko.

GS 122C, 150B

Health, Social Services, and Aging

H 917. MODIFY LOCAL SALES TAX CITY DISTRIBUTION. Filed 5/4/11. *TO MODIFY THE DISTRIBUTION BETWEEN COUNTIES AND CITIES OF THE LOCAL GOVERNMENT SALES AND USE TAXES.*

Amends GS 105-472(b)(1) (per capita distribution method) by providing that tax collected in a taxing county is to be distributed to that county and the municipalities in the county on a per capita basis according to the total population of the county (previously included the total population of the municipalities in the county). Directs the Secretary of Revenue, in order to make a distribution, to determine a per capita figure by dividing the amount allocated to each taxing county by the total population of that county (previously included the population of all municipalities), and then multiply that figure by the *unincorporated* population of the taxing county and by the population of each municipality in the county and distribute as specified. Amends GS 105-472(b)(2) (ad valorem distribution method) by directing that the net proceeds of the tax collected in a taxing county are to be distributed to that county and the municipalities according to each unit's proportional share. Provides the methods used to determine the county's and each municipality's share.

Intro. by Hamilton.

GS 105

Taxation

H 918. HOUSING STIMULUS. Filed 5/4/11. *TO CREATE AN INCENTIVE FOR HOME RENOVATIONS AND PURCHASING NEW ENERGY-EFFICIENT HOMES.*

Enacts new GS 105-151.33, allowing a tax credit equal to 15% of the home renovation expenses for activities performed during the taxable year that exceed \$1,000. Limits the credit to \$1,350, and specifies that the credit may not exceed the amount of tax imposed for the taxable year reduced by all credits allowed, except tax payments made by or on behalf of the taxpayer. Allows unused credit to be carried forward for five years. Requires the taxpayer to make records available for inspection by the Secretary of Revenue. Includes applicable definitions. The credit expires for home renovation expenses for activities performed on or after January 1, 2013. Effective for renovation expenses for activities performed on or after July 1, 2011, and effective for taxable years beginning on or after January 1, 2011.

Enacts new GS 105-151.34, allowing a tax credit of \$1,500 for each new energy-efficient home purchased by a taxpayer during the taxable year. Specifies that the credit may not exceed the tax imposed for the taxable year reduced by all credits allowed, except tax payments made by or on behalf of the taxpayer. Allows unused credit to be carried forward for five years. Requires the taxpayer to make records available for inspection by the Secretary of Revenue. Includes applicable definitions. The credit expires for new energy-efficient home purchases made on or after January 1, 2016. Effective for taxable years beginning on or after January 1, 2012.

**Intro. by Wray, Crawford,
Owens, Wainwright.**

GS 105

Taxation

H 919. SMALL BUSINESS TAX RELIEF & STIMULUS. Filed 5/4/11. *TO PROVIDE TAX AND OTHER ECONOMIC INCENTIVES AND RELIEF TO SMALL BUSINESSES.*

Raises the temporary unemployment insurance tax credit for small business to 50% of contributions to the State Unemployment Insurance Fund (was 25%). Raises the threshold to qualify as a small business to \$2.5 million of cumulative gross receipts for a taxable year (currently, \$1 million). Repeals this increase for tax years beginning on or after January 1, 2012. Effective for taxable years beginning on or after January 1, 2011.

Effective January 1, 2011, raises the threshold to qualify as a small business for research and development tax credits to \$2.5 million of annual receipts, and raises the amount of the credit under GS 129.55 to 5% (was 3.25%). Extensively rewrites and recodifies Part 5 of Article 4 of GS Chapter 105, *Tax incentives for qualified business investments*, to make clarifying and conforming changes. Adds a deduction to GS 105-134.6 for exclusion of gain on qualified business investments. Extends the sunset for qualified business investment tax credits to January 1, 2016 (was, January 1, 2013). Raises the ceiling for qualified business investment tax credits to \$9.5 million (was, \$7.5 million).

Adds a new subpart to GS 105-163 providing an irrevocable election to exclude gain on qualified business investments. Makes this exclusion inapplicable to certain pass-through entities. Provides for recapture of previously claimed qualified investment credits. Defines qualified investments as securities issued on or after January 1, 2012, by qualified businesses (as presently defined in GS 105-163.010A), among other requirements and limitations on the exclusion. Effective for taxable years beginning on or after January 1, 2011.

Amends GS Chapter 143 to allow informal contracting for repairs and renovations to state facilities that are estimated to cost less than \$2 million, with the majority of funds furnished from the Repairs and Renovations Reserve Account. Sets out procedures for such informal contracting, including three written quotes and solicitations directed to at least two small contractors, as defined by the bill. Provides a preference for awarding contracts to such small contractors. Provides additional details on the informal contracts. Effective July 1, 2011.

**Intro. by Wray, Crawford,
Owens, Wainwright.**

GS 105, 143

Taxation; State Government

H 920. BUSINESS TAX RELIEF AND RECRUITMENT. Filed 5/4/11. *TO INCREASE THE ABILITY TO COMPETE WITH SURROUNDING STATES FOR EXPANDING AND EXISTING BUSINESSES BY REDUCING THE CORPORATE INCOME TAX BURDEN.*

Amends GS 105-130.3 to reduce the corporate tax rate to 4.9% effective January 1, 2012 (was 6.9% for tax years after 1999). Adds new exclusions from corporate income apportionment provisions for (1) any corporation whose principal business in North Carolina is manufacturing, assembly, or processing goods and materials and (2) a corporation operating a datacenter in North Carolina in which the corporation has invested at least \$100 million and the value of the property in service at the datacenter is at least 50% of the total value of property the taxpayer has in North Carolina; effective January 1, 2012. Repeals GS 105-130.4(s1). Extends the sunset on sales tax refunds on building materials for large industrial projects, GS 105-164.14B(f), and the sunset on tax credits for growing businesses, GS 105-129.82(a), to January 1, 2016 (was, January 1, 2013).

Intro. by Wray, Crawford, GS 105 Taxation
Owens, Wainwright.

H 921. PRECONSTRUCTION GRANT DEVELOPMENT FUND. Filed 5/4/11. *TO CREATE THE PRECONSTRUCTION GRANT DEVELOPMENT FUND.*

Creates a Preconstruction Grant Development Fund as a non-reverting fund in the Department of Commerce. The fund is to be used for grants or forgivable loans for land acquisition and/or improvement for businesses that will invest at least \$100 million of private funds in a project and employ at least 100 new employees; provide health insurance for full-time employees; have no willful, serious OSHA violations in the past three years; meet the environmental standard of GS 105-129.83(e); meet Department of Commerce selection criteria, to be developed; as specified; and enter into an agreement with the Department of Commerce that bars receipt of benefits if the business has overdue taxes and that provides performance criteria. Authorizes the Department of Commerce itself to acquire and hold options for industrial sites if deemed necessary to provide a large regional site and if approved by the Economic Investment Committee. Specifies the reporting requirement.

Intro. by McComas, Iler, T. UNCODIFIED Business and Commerce
Moore, Bryant.

H 922. ANNEXATION REFORM. Filed 5/4/11. *TO RESTRICT INVOLUNTARY ANNEXATION TO COMMERCIAL, INDUSTRIAL, GOVERNMENTAL, OR INSTITUTIONAL PROPERTY ONLY AND REQUIRE A PETITION OF THE MAJORITY OF THE OWNERS OF THE PROPERTY.*

Rewrites GS 160A-36(c) to delete language forbidding the area of streets and street rights-of-way from being used to determine total acreage under the statute. Further rewrites GS 160A-36(c) to define an area developed for urban purposes as an area developed so, at the time of the approval of the annexation report, all tracts in the area to be annexed are for commercial, industrial, governmental, or institutional purposes, and deletes all other definitions. Amends GS 160A-37 by adding new subsection (d1) providing that no annexation ordinance may be adopted under Part 2 unless the owners of a majority of the tracts proposed for annexation have consented in writing.

Makes conforming changes to GS 160A-48 in Part 3 of Article 4A of GS Chapter 160A.

Effective with respect to annexation ordinances adopted on or after the date the act becomes law.

Intro. by Hamilton. GS 160A Local Government

H 923. LOCAL INPATIENT PSYCHIATRIC BED ASSESSMENT. Filed 5/4/11. *TO INCREASE THE ASSESSMENT ON HOSPITALS TO PROVIDE ADDITIONAL FUNDING FOR LOCAL INPATIENT PSYCHIATRIC BEDS.*

Amends GS 108A-121 (SL 2011-11) to define *mental health annual inpatient bed fund payment* as \$10 million in the first year of the assessment, adjusted annually by the General Assembly, to fund inpatient mental health beds. This definition is used to calculate the equity assessment percentage rate under amended GS 108A-123, along with the state's annual Medicaid payment. Makes conforming changes.

Intro. by Insko. GS 108A Health, Social Services, and Aging

H 924. ART. 3J TAX CREDIT FOR HIRING VETERANS. Filed 5/4/11. *TO PROVIDE AN ENHANCED INCENTIVE FOR CREATING NEW JOBS WHERE A BUSINESS EARNING AN ARTICLE 3J CREDIT FILLS THE JOB WITH A VETERAN OF THE ARMED FORCES.*

Amends GS 105-129.87, adding subsection (a1), as the title indicates. Provides that only one additional credit amount with respect to the same job is allowed under new subsection (a1), and that if more than one subdivision of new subsection (a1) applies to the same job, then the additional credit amount is whichever credit is higher, not both amounts combined. Increases the amount of the credit by \$1,000 per job if (1) the job is filled

by a veteran of the U.S. Armed Forces *or* (2) the job is located in an urban progress zone or an agrarian growth zone. Increases the amount of the credit by \$3,000 per job if (1) the job is located in an urban progress zone or an agrarian zone *and* (2) the job is filled by a resident of that zone, a veteran of the Armed Forces, or a long-term unemployed worker. Makes conforming changes.

Effective for taxable years beginning on or after January 1, 2011.

Intro. by Martin.

GS 105

Taxation

H 925. METROPOLITAN SEWERAGE DISTRICT/CITY. Filed 5/4/11. *TO PROVIDE FOR THE CONVEYANCE OF A CITY WATER SYSTEM TO A METROPOLITAN SEWERAGE DISTRICT.*

Enacts new GS 162A-82 to require a city with a population over 75,000 that is within a county with a population of 200,000 or over and that is served by a metropolitan sewerage district (for example, Asheville) to convey its water system to the Metropolitan Sewerage District within one year of the effective date of this bill. Authorizes the sewerage district then to operate with the powers of a metropolitan water district and prohibits the city from operating a water system.

Intro. by Moffitt.

GS 162A

Local Government

H 926. STATE HEALTH PLAN/ P.C.M.H. PILOT PROGRAM. Filed 5/4/11. *TO CREATE A PATIENT-CENTERED MEDICAL HOME PILOT PROGRAM FOR THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.*

Directs the State Health Plan (the Plan) to begin a pilot program using a Patient-Centered Medical Home approach to primary care by January 1, 2012. Specifies that the Plan will recruit up to 20,000 participants who have had difficulty managing chronic conditions, and may set a maximum salary or other financial limit on participants. Limits additional costs for the program to a maximum \$20 appointment fee. Sets other conditions on payments, sets out-of-pocket limits for in-network individual coverage to \$4,000 per year, and limits total Plan costs to \$5,211 per participant.

Intro. by Murry, Barnhart.

UNCODIFIED

Health, Social Services, and Aging

H 927. STATE PENSION PLAN SOLVENCY REFORM ACT. Filed 5/4/11. *TO ADJUST THE RETIREMENT AGE FOR MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM WHO BECOME MEMBERS ON OR AFTER AUGUST 1, 2011, TO LIMIT THE AMOUNT OF SICK LEAVE THAT CAN BE CONVERTED TO RETIREMENT CREDIT, TO LIMIT COMPENSATION FOR PURPOSES OF CONTRIBUTIONS AND CALCULATION OF BENEFITS FOR MEMBERS WHO BECOME MEMBERS ON OR AFTER AUGUST 1, 2011, TO THE SALARY SET FOR THE GOVERNOR, TO PROVIDE THAT COMPENSATION TO BE USED IN CALCULATING AVERAGE FINAL COMPENSATION FOR MEMBERS WHO BECOME MEMBERS ON OR AFTER AUGUST 1, 2011, CAN INCREASE BY NO MORE THAN TEN PERCENT FROM ONE YEAR TO THE NEXT, TO AMEND THE PROVISIONS SPECIAL SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS HIRED ON OR AFTER AUGUST 1, 2011, AND TO MAKE IT A CLASS 1 MISDEMEANOR TO FRAUDULENTLY RECEIVE THE RETIREMENT BENEFIT OF A DECEASED RETIREE AT LEAST TWO MONTHS AFTER THE RETIREE'S DEATH.*

Amends GS 135-3(8) to provide that any member *who became a member before August 1, 2011*, and who separates from service before age 60 for any reason, as specified, and after 15 years of service, will have the right to retire on a deferred retirement allowance at age 60, provided the member retires not less than one day nor more than 120 days (rather than 90 days) after the member executes and files application with the Board of Trustees. Makes conforming changes throughout the statute to specify membership before August 1, 2011, and to replace 90 days with 120 days.

Enacts new subdivision (1a) to GS 135-5(a), allowing any member who became a member on or after August 1, 2011, who attains age 60 and has completed 30 years of service or attains age 70 with 10 years of membership service, to retire on an unreduced retirement benefit not less than one day nor more than 120 days after application to the Board of Trustees. Allows the member to retire at reduced benefit at age 60 with 20 years of service or age 65 with 10 years of service. Enacts new subdivision (4a), allowing any member who became a member on or after August 1, 2011, who is a law enforcement officer and attains 55 years of age with 30 years of service or attains 60 with 10 or more years of service, to retire at unreduced benefit not less than one day nor more than 120 days after application to the Board of Trustees. Amends GS 135-5(a)(1), specifying that any member who became a member before August 1, 2011, may retire not less than one day nor more than 120 days after application to the Board of Trustees, if the member is at least 60 years old with at least five years of membership service or 30 years of service.

Enacts new GS 135-5(a2), specifying the requirements for members who joined the Retirement System on or after August 1, 2011, to receive early service retirement benefits. Amends GS 135-5(a1), distinguishing early service retirement benefits provided to any member who became a member before August 1, 2011.

Enacts new GS 135-5(b20), detailing the service retirement allowance for members who became members on or after August 1, 2011. Amends GS 135-5(b19), distinguishing members who joined the Retirement System before August 1, 2011.

Enacts GS 135-5(m3), detailing the survivor's alternate benefit provided upon the death of a member in service who joined the Retirement System on or after August 1, 2011. Amends GS 135-5(m), distinguishing the survivor's alternate benefit for members who became members before August 1, 2011.

Enacts new subsection (a7) to GS 135-58, specifying the retirement allowance for members of the Consolidated Judicial Retirement System who became members on or after August 1, 2011. Amends GS 135-58(a6), distinguishing the retirement allowance for members who joined before August 1, 2011. Amends GS 135-57, allowing any member who became a member before August 1, 2011, who has attained 50 years of age with five years of membership service, to retire not less than one day nor more than 120 days after submitting application to the board of trustees.

Amends GS 135-4(e) to provide determination of creditable service at retirement on which the retirement allowance of a member be based as the membership service rendered by the member, and if the member has sick leave remaining upon retirement on or after August 1, 2011, then one month of credit for each 20 days or portion of a day not less than one hour, but not more than 12 days of sick leave for each year of membership service or fraction thereof. Makes similar change to GS 128-26(e).

Enacts new GS 135-1(7a)d. providing that compensation for any member who becomes a member on or after August 1, 2011, for any calendar year after 2011 in which employee or employer contributions are made and for which annual compensation is used to calculate a benefit, must not exceed the salary of the Governor as set in GS 147-11(a) for the beginning of the applicable calendar year. Adds similar language to GS 135-53(5).

Amends GS 135-1(5), clarifying the definition for *average final compensation* for members joining the Retirement System on or after August 1, 2011. Makes a similar change to GS 135-53(2a), which defines *average final compensation* under the Consolidated Judicial Retirement Act. Makes a similar change to GS 128-21(5), which defines *average final compensation* for Retirement Systems for Counties, Cities and Towns.

Enacts new GS 143-166.41(a1) detailing special separation allowance for law-enforcement officers, as defined, employed by a state department, agency, or institution, on or after August 1, 2011. Amends GS 143-166.41(a) to distinguish special separation allowance for law-enforcement officers, as defined, employed by a state department, agency, or institution, before August 1, 2011.

Enacts new GS 135-18.11 to detail a new Class 1 misdemeanor which prohibits a person from improperly receiving a decedent's retirement benefit, as specified, and makes conforming changes to the following: (1) Article 1 of Chapter 135 (135-18.11); Article 3 of Chapter 128 (128-38.5); Article 4 of Chapter 135 (135-75.2); Article 1A of Chapter 120 (120-4.34).

Effective August 1, 2011.

Intro. by Folwell, McGee, Dixon, Starnes. GS 120, 128, 135, 143

Employment and Retirement; State Government

H 928. [STATE HEALTH PLAN SOLVENCY REFORM ACT](#). Filed 5/4/11. *TO REFORM THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.*

Adds a new coverage category to GS 135-45.2 for retirees who are at least age 65, but who do not yet qualify for Medicare. Sets premium contribution rates for these retirees. Amends GS 135-45.11 to direct the State Health Plan (the Plan) to adopt an incentive program to find medical billing errors. Authorizes subrogation by the Plan, in addition to the Plan's claims processor. Amends GS 135-45.11 to direct the Plan or claims processor to send a questionnaire to Plan members who are in accidents to try to identify third-party tortfeasors. Changes the Plan year to the calendar year, effective January 1, 2013, and provides for a transition period from July 1, 2012, through December 31, 2012. Directs the Plan and claims processors to analyze claims before making payments to try to detect fraud and abuse. Transfers \$75 million from the Golden LEAF Foundation to a new State Health Plan Transfer Reserve fund in the office of State Budget and Management, and directs future transfers in 2011 through 2015 of \$15 million each year from the Golden LEAF Foundation to the new fund. Encourages the Plan to use the transferred funds to develop a high-deductible maternity benefit option with a Health Savings Account. Effective July 1, 2011, unless otherwise indicated.

Intro. by Folwell, Murry, Dollar, Jordan. GS 135

Employment and Retirement

Local Bills

HOUSE BILLS

H 912. VACANT HOUSING RECEIVERSHIP. Filed 5/4/11. *AUTHORIZING THE CITIES OF GREENSBORO AND HIGH POINT TO PETITION THE COURT TO APPOINT A RECEIVER TO REHABILITATE, DEMOLISH, OR SELL A VACANT BUILDING, STRUCTURE, OR DWELLING WHERE THE OWNER OF THE PROPERTY HAS FAILED TO COMPLY WITH AN ORDER TO DO SO AND TO CHARGE THE OWNER OF THE PROPERTY AN ADMINISTRATIVE FEE.*

Enacts new GS 160A-439.1 providing that if a building or structure under Part 5 or a dwelling under Part 6 of Article 19 of GS Chapter 160A is a nuisance per se, then a city may petition the court for appointment of a receiver to rehabilitate, demolish, or sell the vacant building, structure, or dwelling if the owner fails to: (1) comply with an order issued pursuant to GS 160A-429 from which no appeal has been taken; (2) comply with an order of the city council issued pursuant to GS 160A-429 following an appeal; or (3) comply with an order to repair, alter, or improve, remove, or demolish a structure under GS 160A-443.

Provides details on what information must be included in the petition for appointment of receiver. Provides details on notice of proceeding. Details the appointment of receiver process. Provides for the exclusive authority of the receiver once appointed, and details receiver's authority, duties, and tenure. Specifies the procedure for foreclosing on the lien. Provides that the city may charge the owner of the building, structure, or dwelling an administrative fee that is equal to 5% of the profits from the sale of the building, structure, or dwelling, or \$100, whichever is less.

Applies to the cities of Greensboro and High Point only. Effective October 1, 2011.

Intro. by Brandon.

GUILFORD

Guilford

ACTION ON BILLS

May 5, 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.
 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

H0129 Level Playing Field/Local Gov't Competition.	H	Concurred In S/Com Sub
03-23-11, 03-24-11, 03-28-11, 04-27-11, 04-28-11, 05-02-11		
H0197 School Calendar Flexibility/ Inclement Weather.	S	Reptd Fav Com Substitute
	SA	Com Substitute Adopted
	S	Placed On Cal For 5/10/2011
05-05-11		
H0200 Appropriations Act of 2011.	S	Rec From House
	S	Passed 1st Reading
	S	Ref To Com On Appropriations/ Base Budget
04-26-11, 04-28-11, 05-03-11		
H0311 Household Goods Carriers/ID Markings.	H	Passed 2nd Reading
	HA	Amend Adopted 1
	H	Passed 3rd Reading
	H	Ordered Engrossed
05-05-11		
H0318 State Treasurer's	H	Postponed To 5/10/2011

Investments.-AB

05-04-11
H0333 Adopt Official State Sport. H Withdrawn From Cal
H Re-ref Com On Rules,
Calendar, and Operations of
the House

H0397 DHHS Penalties and Remedies H Passed 2nd & 3rd Reading
Revision.-AB

04-20-11
H0423 Enact First Evaluation H Assigned To Health and Human
Program. Services Subcommittee on
Mental Health

04-20-11
H0483 DNA Samples/Additional HA Amend Adopted 1
Felonies.

05-05-11
H0497 Clarify Definition of General H Postponed To 5/11/2011
Contractor.

H0589 Divorce/DVPO/Child Support H Postponed To 5/10/2011
Changes.

05-04-11
H0692 Increase Payment of Unclaimed HA Reptd Fav Com Substitute
Property Claims. H Cal Pursuant Rule 36(b)
H Placed On Cal For 5/9/2011

05-05-11
H0804 Johnston Memorial Hospital HA Reptd Fav Com Substitute
Not in LGERS. H Re-ref Com On State Personnel

05-05-11
H0888 Sales Tax Fairness Act. H Passed 1st Reading
H Ref To Com On Finance

H0889 Amend Locksmith Licensing Act/ H Passed 1st Reading
Increase Fees. H Ref To Com On Finance

H0890 Extend Temporary Income Tax H Passed 1st Reading
Surtax. H Ref To Com On Rules,
Calendar, and Operations of
the House

H0891 Restore Teacher Assistant H Passed 1st Reading
Funds. H Ref To Com On Appropriations

H0892 Honor William Newsome and H Passed 1st Reading
Parker Robbins. H Ref To Com On Rules,
Calendar, and Operations of
the House

H0893 Small Business Income Tax H Passed 1st Reading
Exemption. H Ref To Com On Finance

H0894 Borderbelt Aids Resources H Passed 1st Reading
Team Funds. H Ref To Com On Rules,
Calendar, and Operations of
the House

H0895 Butner Fire & Police District H Passed 1st Reading
Modifications. H Ref To Com On Finance

H0896 Authorize Electronic Listing. H Passed 1st Reading
H Ref To Com On Finance

H0897 Funds for NC FAST. H Passed 1st Reading
H Ref To Com On Appropriations

H0898 Gaston East Campus & Textile H Passed 1st Reading
Tech Ctr Funds. H Ref To Com On Appropriations

H0899 Parity In Tax Paid By Small Businesses.	H Passed 1st Reading
	H Ref To Com On Finance
H0900 Courts Commission Study.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
H0901 LRC to Study Protection of Masonboro Island.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
H0902 Tax Reform Committee.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
H0903 Port Enhancement Zones.	H Passed 1st Reading
	H Ref to the Com on Commerce and Job Development, if favorable, Finance
H0904 UNC Nonappropriated Capital Projects.	H Passed 1st Reading
	H Ref to the Com on Appropriations, if favorable, Finance
H0905 Impose Fee/Voluntary Dismissal/50B Orders.	H Passed 1st Reading
	H Ref to the Com on Judiciary Subcommittee B, if favorable, Finance
H0906 LCR to Study Third-Party Sale of Electricity.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
H0907 Community Inclusion & Development Act.	H Passed 1st Reading
	H Ref to the Com on Judiciary, if favorable, Government, if favorable, Finance
H0908 State Health Plan/ Add Beacon Center LME.	H Passed 1st Reading
	H Ref to the Com on State Personnel, if favorable, Finance
H0909 Combined Reporting for Corporate Income Tax.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
H0910 Gov't Health Plans/ Limited Abortion Coverage.	H Passed 1st Reading
	H Ref To Com On State Personnel
H0911 Increase Criminal Court Costs/ Victim's Comp.	H Passed 1st Reading
	H Ref To Com On Finance
H0913 Amend Constitution/State Savings Fund.	H Passed 1st Reading
	H Ref To Com On Judiciary
H0914 AEDs in State Buildings.	H Passed 1st Reading
	H Ref to the Com on Health and Human Services, if favorable, Appropriations
H0915 Funds for Goose Creek Environmental Studies.	H Passed 1st Reading
	H Ref To Com On Appropriations
H0916 Statewide Expansion of 1915(b)/(c) Waiver.	H Passed 1st Reading
	H Ref to the Com on Health and

			Human Services, if favorable, Finance
H0917	Modify Local Sales Tax City Distribution.	H	Passed 1st Reading
		H	Ref To Com On Finance
H0918	Housing Stimulus.	H	Passed 1st Reading
		H	Ref to the Com on Commerce and Job Development, if favorable, Finance
H0919	Small Business Tax Relief & Stimulus.	H	Passed 1st Reading
		H	Ref to the Com on Commerce and Job Development, if favorable, Finance
H0920	Business Tax Relief and Recruitment.	H	Passed 1st Reading
		H	Ref to the Com on Commerce and Job Development, if favorable, Finance
H0921	Preconstruction Grant Development Fund.	H	Passed 1st Reading
		H	Ref To Com On Finance
H0922	Annexation Reform.	H	Passed 1st Reading
		H	Ref To Com On Rules, Calendar, and Operations of the House
H0923	Local Inpatient Psychiatric Bed Assessment.	H	Passed 1st Reading
		H	Ref to the Com on Health and Human Services, if favorable, Finance, if favorable, Appropriations
H0924	Art. 3J Tax Credit for Hiring Veterans.	H	Passed 1st Reading
		H	Ref to the Com on Homeland Security, Military, and Veterans Affairs, if favorable, Finance
H0925	Metropolitan Sewerage District/City.	H	Passed 1st Reading
		H	Ref to the Com on Government, if favorable, Finance
H0926	State Health Plan/ P.C.M.H. Pilot Program.	H	Passed 1st Reading
		H	Ref to the Com on State Personnel, if favorable, Finance
H0927	State Pension Plan Solvency Reform Act.	H	Passed 1st Reading
		H	Ref to the Com on State Personnel, if favorable, Finance
H0928	State Health Plan Solvency Reform Act.	H	Passed 1st Reading
		H	Ref to the Com on State Personnel, if favorable, Finance
S0006	State Health Plan/Refunds for No Coverage.	S	Reptd Fav Com Substitute
		SA	Com Substitute Adopted
		S	Re-ref Com On Appropriations/ Base Budget
05-05-11			
S0118	Downtown Service District Definition.	H	Reptd Fav
		H	Re-ref Com On Finance
S0130	Wine Distribution Territories.	S	Pres. To Gov. 5/5/2011
03-29-11, 04-20-11			

S0137 Establish Forgivable Loan Fund. 03-22-11, 04-06-11, 04-26-11	S Pres. To Gov. 5/5/2011
S0212 Cemeteries/Survey Stamp.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
S0244 Fire and Rescue/Survivor's Benefit. 03-31-11	H Reptd Fav H Re-ref Com On State Personnel
S0245 Medicaid Billing by Local Health Departments. 03-17-11	H Withdrawn From Com H Re-ref Com On Health and Human Services
S0322 Adopt Official State Sport. 04-27-11	H Withdrawn From Cal H Re-ref Com On Rules, Calendar, and Operations of the House
S0323 State Hlth Plan/ Appropriations & Transfer ll. 03-24-11, 04-19-11, 04-20-11, 04-28-11	H Postponed To 5/10/2011
S0380 ETJ/Definition of Bona Fide Farm Purposes. 04-28-11	S Withdrawn From Cal S Placed On Cal For 5/10/2011
S0488 Landlord/State Bar Notice of Lease Default. 05-02-11	H Passed 1st Reading H Ref To Com On Judiciary Subcommittee A
S0498 Modify Law Re: Corporal Punishment. 05-05-11	S Reptd Fav Com Substitute SA Com Substitute Adopted S Placed On Cal For 5/10/2011
S0553 Reestablish Progress Board.	S Reptd Fav S Re-ref Com On Appropriations/ Base Budget
S0607 Conform Medical Record Laws. 04-28-11, 05-05-11	SA Amend Adopted 1 S Passed 2nd & 3rd Reading S Engrossed
S0648 Amend Law Re: School Discipline. 05-05-11	S Reptd Fav Com Substitute SA Com Substitute Adopted S Placed On Cal For 5/10/2011
S0673 Cinco De Mayo Resolution.	S Adopted
S0676 Clarify Water & Well Rights/ Private Property. 05-03-11	S Withdrawn From Cal S Placed On Cal For 5/10/2011
S0724 An Act to Improve Public Education. 05-05-11	S Reptd Fav Com Substitute SA Com Substitute Adopted S Placed On Cal For 5/10/2011
S0778 Confirm Edward Finley to Utilities Commission.	S Filed

LOCAL BILLS

H0207 Local Development for Winston-Salem.	HA Reptd Fav Com Substitute H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
05-05-11	
H0208 Acquiring by Right-Condemnation of Property.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0213 Alamance/Orange 9% Boundary.	H Reptd Fav H Re-ref Com On Finance
H0310 Kinston Mayoral Veto. 03-31-11, 04-27-11	H Ratified
H0352 Delay Kannapolis Annexation.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0371 Winston-Salem/Informal Bids Electronically.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0510 Reidsville Elections.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0532 Graham County/Cemetery Tax By General Law.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0558 Forsyth/Winston-Salem Zoning Amendments.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
H0912 Vacant Housing Receivership.	H Passed 1st Reading H Ref To Com On Rules, Calendar, and Operations of the House
S0269 Hillsborough Occupancy Tax.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011
S0295 Marshville Charter Consolidation.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/9/2011

SUMMARIES OF AMENDMENTS AND COMMITTEE SUBSTITUTES

HOUSE BILLS

H 197. [SCHOOL CALENDAR FLEXIBILITY/INCLEMENT WEATHER](#). Filed 2/28/11. Senate committee substitute makes the following changes to 1st edition. Directs that the amendments to GS 115C-84.2(a)(1) apply only to the following:

- (1) Local school administrative units (LEAs) that missed more than 20 instructional days during the 2010-11 school year due to inclement weather, provided that instruction is provided at least through June 10.
- (2) LEAs that missed instructional days at one or more schools during the 2010-11 school year due to the partial or complete destruction of a school building, and that are located within a county with a population of less than 25,000 which has been declared to be a disaster area due to storms, tornadoes, and flooding occurring on April 16, 2011.
- (3) Public schools that missed instructional days during the 2010-11 school year due to partial or complete destruction of the school, and that are located in LEAs in counties declared to be a disaster area due to storms, tornadoes, and flooding occurring on April 16, 2011.

- (4) Public schools that missed instructional days during the 2010-11 school year due to a state of emergency, and that are located in LEAs in a coastal county with a population of more than 175,000 where a state of emergency was declared by the county commissioner in March 2011.

Makes a conforming change to the bill title.

Education

H 207. LOCAL DEVELOPMENT IN WINSTON-SALEM. Filed 3/2/11. House committee substitute makes the following changes to 1st edition. Removes previous amendments to GS 158-7.1(c) which (1) provided that specific economic development projects authorized by Winston-Salem under GS 158-7.1 are not subject to Article 8 of GS Chapter 143 (public contract requirements) if city funds constitute no more than 50% of the total costs of the project for which funds are appropriated and (2) specified that federal funds loaned to private developers in connection with a project are not city funds.

Forsyth

H 311. HOUSEHOLD GOODS CARRIERS/ID MARKINGS. Filed 3/9/11. House amendment makes the following changes to 1st edition. Makes a clarifying change.

Transportation; Business and
Commerce

H 483. DNA SAMPLES/ADDITIONAL FELONIES. Filed 3/25/11. House amendment makes the following changes to 1st edition. Adds additional section to the act to appropriate from the General Fund to the Department of Justice \$69,934 for 2011-12 and \$123,543 for 2012-13 to be allocated to the State Bureau of Investigation for the testing and analysis of the DNA samples required by the act. Appropriates an additional \$44,760 from the General Fund to the Judicial Department for 2012-13 to be allocated to the Administrative Office of the Courts for the administration of the provisions of the act. Makes a conforming change to the bill title. Effective July 1, 2011.

Criminal Law, Procedure, and
Sentencing

H 692. INCREASE PAYMENT OF UNCLAIMED PROPERTY CLAIMS. Filed 4/6/11. House committee substitute makes the following changes to 1st edition. Amends GS 116B-65(a) to direct the State Treasurer to give notice of a sale, at minimum, by publishing notice at least two times a year in a major newspaper in the state's major media markets (previously, required notice to be published annually in two newspapers with general circulation in the state). Makes other technical changes.

State Government

H 804. JOHNSTON MEMORIAL HOSPITAL NOT IN LGERS. Filed 4/6/2011. House committee substitute makes the following changes to 1st edition. Clarifies bill to give Johnston Memorial Hospital Authority the option to discontinue participation in the retirement system for employees hired after October 1, 2011. Provides additional details on the election. Makes a conforming change to bill title. Effective September 30, 2011 (rather than effective when the act becomes law).

Employment and Retirement

SENATE BILLS

S 6. STATE HEALTH PLAN/REFUNDS FOR NO COVERAGE. Filed 1/27/11. Senate committee substitute makes the following changes to 1st edition. Changes the effective date to April 1, 2011 (previously July 1, 2008).

Health, Social Services, and Aging

S 607. CONFORM MEDICAL RECORD LAWS. Filed 4/14/11. Senate amendment makes the following changes to 2nd edition. Clarifies in proposed GS 122C-55(a7) that a covered entity or business associate receiving confidential information from a facility pursuant to the subsection may use and disclose the information as permitted or required under specified federal law; provided, however, that the confidential information is not used or disclosed for discriminatory purposes, including employment discrimination, medical insurance coverage or race discrimination, or discrimination by law enforcement officers.

Health, Social Services, and Aging

S 498. [MODIFY LAW RE: CORPORAL PUNISHMENT](#). Filed 3/31/11. Senate committee substitute makes the following changes to 1st edition. Amends GS 115C-391(a)(5) to require that a parent or a guardian make an affirmative written election to prohibit the administering of corporal punishment to the child of that parent or guardian by a school official (was, corporal punishment could be administered only to a child whose parent or guardian had stated in writing that the use of corporal punishment was permissible on the child). Provides that parents and guardians receive a form at the start of the school year on which to indicate that corporal punishment is not to be used, and provides that if the form is not returned then corporal punishment may be administered to the student.

Education

S 648. [AMEND LAW RE: SCHOOL DISCIPLINE](#). Filed 4/19/11. Senate committee substitute makes the following changes to 1st edition. Amends GS 115C-390.1 to add definitions for (1) destructive device, (2) school official, and (3) school personnel. Amends new GS 115C-390.6 to provide that local boards of education, in their discretion, may provide appeals of short-term suspensions. Makes additional technical and conforming changes.

Education

S 724. [AN ACT TO IMPROVE PUBLIC EDUCATION](#). Filed 4/19/11. Senate committee substitute makes the following changes to 1st edition. Amends GS 115C-296(b) to make clarifying changes regarding teacher preparation requirements in reading and mathematics instruction and student technology-based assessment. Provides that it is the goal of the General Assembly to have a school year of at least 190 days for all students, available funds permitting. Adds a "whereas clause" regarding student achievement in other nations with longer school days and years. Makes a technical correction.

Education

Legislation Enacted

SL 2011-67 (H 310). [KINSTON MAYORAL VETO](#). *AN ACT TO GIVE A VETO OF KINSTON CITY COUNCIL ACTIONS TO THE MAYOR, CONTINGENT ON THE APPROVAL OF THIS ACT BY THE VOTERS OF THE CITY OF KINSTON.* Summarized in *Daily Bulletin* 3/9/11, 3/31/11, and 4/27/11. Enacted May 5, 2011. Effective May 5, 2011.

Lenoir

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Notes

None

NEXT SESSIONS

May 9, 2011

HOUSE convenes at 7:00 p.m.

SENATE convenes at 7:00 p.m.