

Daily Bulletin

ACTIONS BY THE NORTH CAROLINA GENERAL ASSEMBLY

School of Government
The University of North Carolina at Chapel Hill
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House Legislative Day 71

Vol. 2011, No. 71

Senate Legislative Day 71

Thursday, May 26, 2011

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SUMMARIES OF BILLS FILED

Public Bills

None

Local Bills

None

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ACTION ON BILLS**May 26, 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

H0034 State's Right to Claim Sovereignty.	H Withdrawn From Com H Re-ref Com On Judiciary Subcommittee A
H0098 Breweries to Sell Malt Beverages on Premises.	H Rec To Concur S Com Sub H Cal Pursuant Rule 36(b) H Placed On Cal For 5/31/2011
04-20-11, 05-19-11	
H0200 Appropriations Act of 2011.	S Reptd Fav Com Substitute SA Com Substitute Adopted S Placed On Cal For 5/31/2011
04-26-11, 04-28-11, 05-03-11, 05-25-11, 05-26-11	
H0233 Department of Correction/Ex- Offenders.	H Reptd Fav H Cal Pursuant Rule 36(b) H Placed On Cal For 5/31/2011
H0241 North Carolina Firearms Freedom Act.	H Withdrawn From Com H Re-ref Com On Judiciary Subcommittee A
H0242 Nat'l Gas/Bonds/Fees/Studies	HA Reptd Fav Com Sub 2 H Pursuant 38(a) H Re-ref Com On Appropriations
04-19-11, 05-26-11	
H0260 Company Police Authority at Crash Scenes.	H Withdrawn From Com H Re-ref Com On Rules, Calendar, and Operations of the House
H0298 Insurance Amendments.-AB	S Rec From House S Passed 1st Reading S Ref To Com On Insurance
04-27-11, 05-19-11	
H0308 Admission Ticket Reform Act.	H Withdrawn From Com H Re-ref Com On Judiciary Subcommittee B
H0411 Iredell Correctional Facility/ DOT Storage.	S Rec From House S Passed 1st Reading S Ref to State and Local Government. If fav, re-ref to Finance
05-09-11	
H0439 Allow EB Look Back/Continue Expenditures 2011.	H Postponed To 5/31/2011
05-25-11	
H0453 Allow Salary Protection	S Rec From House

Insurance.	S Passed 1st Reading
	S Ref To Com On Insurance
H0474 Protect Adult Care Home Residents.	H Pres. To Gov. 5/26/2011
04-26-11, 04-28-11, 05-12-11	
H0489 Mechanics Lien and Bond Law Changes.	H Placed On Cal For 5/31/2011
05-25-11	
H0491 NC Certificates of Participation Referendum.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 5/31/2011
05-26-11	
H0501 Credit Union Ownership of Ins. Co.	S Rec From House
	S Passed 1st Reading
	S Ref To Com On Insurance
05-18-11	
H0517 Magistrates/Calendaring.	H Placed On Cal For 5/31/2011
05-25-11	
H0542 Tort Reform for Citizens and Businesses.	H Withdrawn From Cal
	H Placed On Cal For 6/1/2011
05-10-11	
H0575 Service Agreements/Allow Reserve Account.	S Rec From House
	S Passed 1st Reading
	S Ref To Com On Insurance
05-18-11	
H0619 Update/Modernize Physical Therapy Act.	HA Reptd Fav Com Substitute
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 5/31/2011
05-26-11	
H0656 Controlled Substances/Photo ID.	H Placed On Cal For 5/31/2011
05-25-11	
H0686 Payable on Death Accounts.	S Rec From House
	S Passed 1st Reading
	S Ref To Com On Commerce
05-23-11	
H0709 Protect and Put NC Back to Work.	H Withdrawn From Com
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 5/31/2011
H0758 Establish Arts Education Commission.	S Rec From House
	S Passed 1st Reading
	S Ref To Com On Education/ Higher Education
H0811 Assess Transportation Process and Funding.	H Passed 2nd & 3rd Reading
05-25-11	
H0823 Governance of the Dep't of Public Instruction.	H Passed 3rd Reading
	H Ordered Engrossed
05-24-11, 05-25-11	
H0925 Metropolitan Sewerage District/City.	HA Reptd Fav Com Substitute
	H Serial Referral to Finance Stricken
	H Re-ref Com On Rules, Calendar, and Operations of the House
05-26-11	

H0932 Honor NC USO.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
S0063 Clarify Permit Req. Collection Agency E'ee.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
05-23-11	
S0149 No Nonmetallic Knuckles.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
05-23-11	
S0183 Selective Vegetation Removal/ State Highways .	H Passed 1st Reading
	H Ref to the Com on Transportation, if favorable, Finance
04-28-11, 05-19-11, 05-24-11	
S0382 Required Withholding For Nonresidents.	H Passed 1st Reading
	H Ref To Com On Rules, Calendar, and Operations of the House
05-19-11	
S0385 Small Business Assistance Records.	H Passed 1st Reading
	H Ref To Com On Judiciary Subcommittee A
05-23-11	
S0484 REPS Credits at Cleanfields Parks.	H Passed 1st Reading
	H Ref To Com On Finance
05-10-11	
S0501 Swine House Renovations/Site Limits.	H Passed 2nd Reading
	H Placed On Cal For 5/31/2011
04-26-11, 05-25-11	
S0512 Authorize Overnight Respite Pilot.	S Ratified
05-12-11	
S0560 Sport Shooting Range Protection.	H Passed 1st Reading
	H Ref To Com On Agriculture
05-23-11	
S0576 Changes to Fees for Teacher Certification.	S Withdrawn From Cal
	S Placed On Cal For 6/1/2011
04-27-11, 05-12-11	
S0608 Health Care Sharing Organizations.	S Ratified
S0727 No Dues Checkoff for School Employees.	S Amend Failed 1
	S Passed 2nd & 3rd Reading
05-19-11	
S0730 Taxpayer Action if No DOR Determination.	S Passed 2nd & 3rd Reading
05-19-11	

LOCAL BILLS

H0284 Wayne County Design Build.	H Ratified
04-11-11, 04-13-11, 05-18-11	

H0307 Local Electronic Notice.	H Withdrawn From Com
	H Re-ref Com On Commerce and Job Development Subcommittee on Science and Technology
S0019 Union Fire Fee Sunset Repealed.	H Reptd Fav
	H Cal Pursuant Rule 36(b)
	H Placed On Cal For 5/31/2011
S0120 New Bern Charter Amendments.	S Rec To Concur H Com Sub
	S Placed On Cal For 5/31/2011

03-22-11, 05-19-11

SUMMARIES OF AMENDMENTS AND COMMITTEE SUBSTITUTES

HOUSE BILLS

H 200. [APPROPRIATIONS ACT OF 2011](#). Filed 3/1/11. Amendments from the Senate Appropriations Committee meeting on 5/25/11 make the following changes to 5th edition.

Amendment #6 creates new **SECTION 7.1A.(d1)** directing community colleges to generate budget FTE for instruction provided through Career and College Promise. Makes a conforming change to Section 7.1A.(e). Amends Section 13.3.(j) to rewrite GS 143-300.8 to also include any local health department sanitarian enforcing rules of the Environmental Management Commission under the supervision of the Department of Health and Human Services as an entity defended by the Attorney General and protected from liability, as specified. Provides that the Department of Health and Human Services must pay any judgment against the sanitarian, or any settlement on its behalf. Amends Section 13.3.(y) by rewriting GS 90A-51 to include milk and dairy sanitation within *environmental health practice*. Deletes Section 13.10, which concerns well testing. Amends Section 14.12A.(a) to increase funds in 2012-13 that the Department of Commerce must use as provided in the section from \$243,187 to \$343,187. Deletes Section 31.27C concerning statewide information technology procurement. Makes other technical changes.

Amendment #7 amends Section 6.11.(d) to add a new subsection (b) providing that any monies paid into the North Carolina State Specific Account from the Disputed Payments Account on account of the Non-Participating Manufacturers that would have been transferred to The Golden L.E.A.F., Inc., or to the trust funds established in accordance with (a)(2) of the provision be deposited in the General Fund Account of the Settlement Reserve Fund. Makes conforming change. Creates new **SECTION 6.11.(g)** providing that 50% of the above referenced monies be transferred to the General Fund Account within the Settlement Reserve Fund. Creates new **SECTION 6.11.(h)** directing the Attorney General to notify the court in a specified lawsuit, and other specified parties of the actions set forth by subsection (g). Rewrites GS 143C-9-3 to add new subsection (c1) to establish a General Fund Account in the Settlement Reserve Fund; directs how the General Fund Account is funded, and directs the State Controller to transfer all funds in the General Fund Account to the General Fund.

Amendment #8 creates a new section to read:

TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

SECTION 7.15. Directs the Agricultural Education Program in the Department of Agricultural and Extension Education at North Carolina State University to develop secondary agricultural education curricula (as detailed) and recommend such curricula to the State Board of Education, which must adopt the curricula for inclusion in the Standard Course of Study. Provides for the transfer of a prorated share of funds from all federal Career and Technical Education funds available for state-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University.

Amendment #9 replaces **SECTION 8.18.(b)** rewriting GS 150B-1 by adding a new subsection to provide that no Article in GS Chapter 150B, except Article 4, applies to the State Board of Community Colleges. Creates new **SECTION 8.18.(b1)** which repeals GS 115D-80. Makes technical change to Section 20.1.

Amendment #10 deletes Section 7.22.(g) from the previous edition and replaces it with a new **SECTION 7.22.(g)**, requiring the State Board of Education to direct NCVPS to develop a plan, which it must submit by September 15, 2011, to generate revenue from the sale of courses to out-of-state educational entities. Directs that revenue generated by NCVPS be used to offset instructional costs to local school administrative units and charter schools. Creates new **SECTION 7.22.(l)**, rewriting GS 66-58(c) to provide that the sale by the State

Board of Education of NCVPS courses to home schools, private schools, and out-of-state educational entities does not violate the prohibition against the selling of merchandise or services by governmental units.

Amendment #11 amends Section 9.6.(b) to delete the University of North Carolina School of Arts from those entities for which state funds may not be reduced by more than 15% in allocating management flexibility reduction. Amends Section 9.6.(c) to add the following to those entities for which no reduction in state funds may be made in allocating management flexibility reduction: (1) Any special responsibility constituent institution which has the basic type Carnegie classification of "Special Forces Institution" and (2) Any special responsibility constituent institution which has the basic type Carnegie classification of "Baccalaureate-Arts and Science" and which has a total undergraduate and graduate fall 2010 FTE enrollment that exceeds 3.250 FTE.

Amendment #12 amends Section 10.35.(b) to remove the term "owned and operated" when referring to state hospitals.

Amendment #13 creates the following new section:

HOME CARE AGENCY LICENSURE MORATORIUM IN HOME AIDE SERVICES

SECTION 10.49A. Provides, effective July 1, 2011, and for a period of three years, the Department of Health and Human Services (DHHS) may not issue any licenses for home care agencies as defined in GS 131E-136(2) that intend to offer in-home aide services. Provides DHHS is not restricted from issuing licenses to certified home health agencies as defined in GS 131E-176(12) that intend to offer in-home aid services, or to agencies that need a new license for an existing home care agency being acquired. Provides certain exceptions to the provisions.

Amendment # 14 amends Section 10.11.(d) to provide additional specifications the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services must review when reducing the Community Service Fund by \$25 million for the 2011-12 fiscal year as directed by the section.

Amendment #15 amends Section 10.16 to direct that the Secretary of the Department of Health and Human Services eliminate *up to* 250 full time equivalent positions that have been vacant since July 1, 2010.

Amendment #16 creates new **SECTION 10.47.(e)** directing the Department of Health and Human Services (Department), in collaboration with Community Care of North Carolina and Local Management Entities (LMEs), to ensure the effective integration of behavioral health and physical health services for Medicaid recipients. Directs the Department to amend contracts between the Department and LMEs and between the Department and Community Care of North Carolina to include effectiveness measures regarding data sharing, roles and responsibilities, best practices, and budgetary savings to address integration and collaboration of behavioral and physical health.

Amendment #19 amends Section 11.7 to direct the Department of Agriculture and Consumer Services to reclassify one (previously three) vacant positions within the Department. Makes conforming change to section title.

Amendment #20 amends Section 13.26.(c) to include land acquisition and conservation easements to those items certain monies from the Clean Water Management Trust Fund may be used for. Makes a conforming change.

Amendment #21 amends Section 13.25.(c) by rewriting GS 143A-65.1 to include care of the State recreational forests to those duties charged to the Department of Agriculture and Consumer Services. Makes technical and conforming changes to Section 13.25.(i) and Section 13.25.(o). Amends Section 13.25.(o) to create new GS 106-857 designating DuPont State Forest as a State Recreational Forest (Forest). Details how and for what purpose the Department must manage the Forest; directs the Department to adopt a land management plan for the Forest; provides under what circumstance, the Department may cut and remove timber with respect to the Forest; how the Department may sell, lease or exchange Forest property; and how the department may acquire lands adjacent to the Forest. Provides for the construction of public facilities and allows for the collection of reasonable fees for hunting or fishing in the forest. Allows the Department to grant private individuals or companies concessions for operation and management of the forest. Directs the Department to adopt rules for operation and management of the forest in consultation with interested parties. Details reporting requirements.

Amendment #22 creates the following new section:

OTHER MATTERS REGARDING THE TRANSFER OF TWO DENR DIVISIONS TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 13.25A. Directs DENR to transfer at least four central business office staff of DENR to the Department of Agriculture and Consumer Services. Provides details regarding such transfers. Directs the Attorney General to continue providing legal counsel and support to the Division of Forest Resources and Division of Soil and Water Conservation (collectively, the Divisions) after these Divisions are transferred from DENR to the Department of Agriculture and Consumer Services. Allows office staff from the Divisions to occupy current office space after such transfer. Directs DENR and the Department of Agriculture and Consumer Services to enter into a memorandum of understanding concerning the sharing of existing databases and any software programs

affected by the transfer of the Divisions to assure the uninterrupted continuation of services during and after the transfer of the Divisions.

Amendment #23 amends Section 14.16.(a) to increase the allocation to Water/Sewer/Business Development Matching Grants from \$662,960 per fiscal year to \$1,064,712 per fiscal year; makes a conforming change.

Amendment #25 amends Section 24.1. by rewriting GS 150B-21.24, requiring the Codifier of Rules to make the North Carolina Administrative Code available on the Internet at no charge.

Amendment #27 creates the following new section:

REPORTING OF POSITION ELIMINATIONS

SECTION 29.22A. Details the reporting requirements regarding position eliminations for the Office of State Personnel, Administrative Office of the Courts, the Legislative Services Officer, the Department of Public Instruction, the North Carolina Community College System, and the University of North Carolina.

H 242. NAT. GAS/BONDS/FEES/STUDIES. Filed 3/7/11. House committee substitute makes the following changes to 2nd edition.

Amends GS 113-395 to increase the well drilling permit fee to \$3,000 (was, \$1,500) per well. Directs the Department of Environment and Natural Resources (DENR) to report the findings and recommendations from its study on oil and gas exploration and the use of directional and horizontal drilling and hydraulic fracturing to the Environmental Review Commission by February 1, 2012 (was, September 1, 2011). Expands and clarifies issues to be included in the study. Appropriates \$100,000 from the General Fund to DENR for 2011-12 to complete the study and required public hearings. Makes clarifying changes, and conforming changes to the bill title.

Previously: Energy and Utilities

Now: Energy and Utilities; Budget and Appropriations

H 491. REPEAL STATE CAPITAL FACILITIES FINANCE ACT (NEW). Filed 3/28/11. House committee substitute deletes all provisions of 1st edition and replaces them with *AN ACT TO REPEAL THE STATE CAPITAL FACILITIES FINANCE ACT*. Repeals Article 9 of GS Chapter 142 (State Capital Facilities Finance Act). Makes conforming changes by repealing the following provisions: GS 113-44.15(d) (debt provision related to Parks and Recreation Trust Fund), GS 113-77.9(b3) (debt provision related to Natural Heritage Trust Fund), and GS 113A-256(j) (debt provision related to Clean Water Management Trust Fund). Specifies that the act does not affect debt issued, incurred, or authorized to be issued or incurred before the date the act becomes law, and does not affect any authority to reimburse the General Fund for debt service on special indebtedness issued or incurred under Article 9 of GS Chapter 142.

Previously: Constitutional

Amendment; State Government

Now: State Government

H 619. JOB CREATION ACT OF 2011 (NEW). Filed 4/5/11. House committee substitute makes the following changes to 1st edition. Deletes the provisions of the 1st edition and replaces them with *AN ACT TO STIMULATE ECONOMIC ACTIVITY AND JOB GROWTH BY TEMPORARILY REDUCING THE INCOME TAX BURDEN ON BUSINESS*.

Amends GS 105-134.1 to define *adjusted gross income* as the term is defined in section 62 of the Internal Revenue Code (Code) and deletes definitions for the terms *taxable income* (as defined in section 63 of the Code) and *this state* (meaning the state of North Carolina). Amends GS 105-134.5 to define taxable income for (1) residents of this state as adjusted gross income as modified in GS 105-134.6 and for (2) nonresidents as adjustable gross income as modified in GS 105-134.6, multiplied by a fraction based on the taxpayer's adjusted gross income as modified. Specifies that a taxpayer must compute NC taxable income on the basis of the taxable year used to compute the taxpayer's tax liability under the code.

Rewrites modifications to adjusted gross income under GS 105-134.6, as amended by SL 2011-5 (updating the reference to the Internal Revenue Code). Allows a taxpayer to deduct an exemption, based on filing status and adjusted gross income, as specified. Allows a taxpayer to take a personal income tax deduction for the first \$50,000 of net business income that the taxpayer receives during a taxable year. This deduction expires for taxable years beginning on or after January 1, 2014. Changes the starting point for calculating North Carolina's taxable income from federal taxable income to federal adjusted gross income. Permits a taxpayer to deduct either the standard deduction as specified in GS 105-134.6 (based on filing status) or the itemized deductions amount under section 63 of the Code. Provides that the term *business income* does not include income that is considered passive income under the Code (for example, any rental, lease, or business activity in which the taxpayer does

not materially participate). Also amends provisions regarding *additions to taxable income* and *other adjustments to taxable income*. Makes a conforming change repealing GS 105-134.4. Includes General Assembly findings.

Amends GS 105-151.26 (Credit for charitable contributions by non-itemizers) to allow a taxpayer who elects the standard deduction under GS 105-134.6(a2) (was, under section 63 of the Code for federal tax purposes) a credit equal to 7% of the taxpayer's excess charitable contributions. Also deletes provision disallowing credit for amounts deducted from gross income in calculating taxable income under the Code. Changes become effective for taxable years beginning on or after January 1, 2012.

Except as otherwise indicated, effective when the act becomes law.

Previously: Business and
Commerce; Health, Social
Services, and Aging
Now: Taxation

H 925. [LRC STUDY METROPOLITAN SEWERAGE/WATER SYSTEM \(NEW\)](#). Filed 5/4/11. House committee substitute makes the following changes to 1st edition. Deletes the provisions of the 1st edition and replaces them with *AN ACT TO DIRECT THE LEGISLATIVE RESEARCH COMMISSION TO STUDY WHETHER THE EFFICIENCY OF PROVIDING WATER AND SEWER SERVICES CAN BE IMPROVED BY REQUIRING LARGE CITIES LOCATED ENTIRELY WITHIN A METROPOLITAN SEWERAGE DISTRICT TO CONVEY THEIR WATER SYSTEM TO THAT DISTRICT WHICH CAN THEN OPERATE BOTH WATER AND SEWER.*

Directs the Legislative Research Commission (LRC) to conduct a study as the title indicates. Requires the LRC to examine House Bill 925, First Edition, 2011 Regular Session, and identifies specific issues that the LRC is to examine in the study. Requires the LRC to report its findings and recommendations to the 2012 Regular Session of the 2011 General Assembly before it convenes. Directs the Legislative Services Officer to allocate funds appropriated to the General Assembly for the expenditures of the LRC in conducting this study.

Previously: Local Government
Now: Local Government; General
Assembly

Legislation Enacted

None

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Notes

The House and Senate leaders announced that no votes would be taken in the sessions scheduled for May 27, 2011, so no *Daily Bulletin* will be published on that day. The next *Daily Bulletin* will be published Tuesday, May 31, 2011.

NEXT SESSIONS

Friday, May 27, 2011

HOUSE convenes at 9:00 a.m.

SENATE convenes at 10:00 a.m.